



**Independent Auditor's Report**

To the Members of Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private Limited)

**Report on the Audit of the Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

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

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

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

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

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

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### Responsibilities of Management for the Financial Statements

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

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

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



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure B, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2023;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;



iv.

- a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

For Vibhor Gupta & Associates  
Chartered Accountant  
Firm's Registration No. 022402N

*Vibhor*



CA Vibhor Gupta  
Proprietor  
Membership No.: 512608  
UDIN: 2351269886 XNM18166

Place: Delhi  
Date: April 21, 2023

**Annexure A to the Independent Auditor's Report of even date to the members of Medibox Pharma Pvt. Ltd. (formerly known as Medibox Digital Solutions Private Limited), on the financial statements for the period ended 31 March 2023**

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

- (i) In our opinion, the Company does not have any property, plant and equipment and intangible assets, accordingly, provisions of clause 3(i)(a) to (e) of the Order are not applicable.
- (ii) In our opinion, the Company does not have inventory and accordingly, provisions of clause 3(ii)(a) and (b) of the Order are not applicable.
- (iii) The Company has not made any investments or provided any guarantee or security or loans and advances in the nature of loans to companies, firms and other parties and accordingly provisions of clause 3(iii)(a) to (f) of the Order are not applicable to the Company.
- (iv) The Company has not given any loans, investments, guarantees and security and hence provisions of Section 185 and 186 of the Companies Act are not applicable to the Company.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) In our opinion, the cost records have not been specified by the Central Government. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vii) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they became payable.
  - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which are outstanding on account of any dispute.
- (viii) In our opinion, there is no transaction which was not been recorded in the books of account and have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix)(a) The Company have not taken any loans and accordingly the provisions of clause 3(ix)(a), 3(ix)(c) to 3(ix)(f) of the Order are not applicable.
  - (b) In our opinion, the Company has not been declared wilful defaulter by any bank or financial institution or other lender:
- (x) The Company have not raised any money by way of initial public offer or further public offer (including debt instruments) or made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period and accordingly the provisions of clause 3(x) of the Order are not applicable.
- (xi) (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
  - (b) In our opinion, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies



Annexure A to the Independent Auditor's Report of even date to the members of Medibox Pharma Pvt. Ltd. (formerly known as Medibox Digital Solutions Private Limited), on the financial statements for the period ended 31 March 2023 (cont'd)

(Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

- (c) In our opinion, no whistle-blower complaints, have been received during the period by the company;
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013:
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) The Company has not incurred any cash losses in the financial period and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the period and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios and information accompanying the financial statements, our knowledge of the Board of Directors and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The provisions of Section 135 are not applicable to the Company and accordingly provisions of clause (xx)(a) and (b) of the Order are not applicable
- (xxi) Consolidated financial statements are not applicable to the Company and accordingly provisions of clause (xxi) of the Order are not applicable

**For Vibhor Gupta & Associates**

**Chartered Accountant**

(Firm Registration No. 022402N)

  
CA Vibhor Gupta

Proprietor

Membership No.: 512698

Place: Delhi

Date: April 21, 2023

UDIN : 235126886XNMI8166



**Annexure "B" to the independent auditor's report of even date on the financial statements of Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private 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 **Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private 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 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.





**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 Vibhor Gupta & Associates

Chartered Accountant

(Firm Registration No. 022402N)

*Vibhor*



CA Vibhor Gupta

Proprietor

Membership No.: 512698

Place: Delhi

Date: April 21, 2023

UDIN: 2351269886xNM18166



*Vibhor Gupta & Associates*

*Chartered Accountants*

**Independent Auditor's Report**

**To the Members of Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private Limited)**

**Report on the Audit of the Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

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

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

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

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

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

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

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

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

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



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure B, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2023;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;



- iv.
- a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

For Vibhor Gupta & Associates  
Chartered Accountant  
Firm's Registration No. 022402N

*Vibhor*



CA Vibhor Gupta  
Proprietor  
Membership No.: 542698  
UDIN: 23512698BGXNMJ8166

Place: Delhi  
Date: April 21, 2023

**Annexure A to the Independent Auditor's Report of even date to the members of Medibox Pharma Pvt. Ltd. (formerly known as Medibox Digital Solutions Private Limited), on the financial statements for the period ended 31 March 2023**

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

- (i) In our opinion, the Company does not have any property, plant and equipment and intangible assets, accordingly, provisions of clause 3(i)(a) to (e) of the Order are not applicable.
- (ii) In our opinion, the Company does not have inventory and accordingly, provisions of clause 3(ii)(a) and (b) of the Order are not applicable.
- (iii) The Company has not made any investments or provided any guarantee or security or loans and advances in the nature of loans to companies, firms and other parties and accordingly provisions of clause 3(iii)(a) to (f) of the Order are not applicable to the Company.
- (iv) The Company has not given any loans, investments, guarantees and security and hence provisions of Section 185 and 186 of the Companies Act are not applicable to the Company.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) In our opinion, the cost records have not been specified by the Central Government. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vii) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they became payable.
  - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which are outstanding on account of any dispute.
- (viii) In our opinion, there is no transaction which was not been recorded in the books of account and have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix)(a) The Company have not taken any loans and accordingly the provisions of clause 3(ix)(a), 3(ix)(c) to 3(ix)(f) of the Order are not applicable.
  - (b) In our opinion, the Company has not been declared wilful defaulter by any bank or financial institution or other lender:
- (x) The Company have not raised any money by way of initial public offer or further public offer (including debt instruments) or made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period and accordingly the provisions of clause 3(x) of the Order are not applicable.
- (xi) (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
  - (b) In our opinion, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies



**Annexure A to the Independent Auditor's Report of even date to the members of Medibox Pharma Pvt. Ltd. (formerly known as Medibox Digital Solutions Private Limited), on the financial statements for the period ended 31 March 2023 (cont'd)**

(Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

- (c) In our opinion, no whistle-blower complaints, have been received during the period by the company;
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013:
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) The Company has not incurred any cash losses in the financial period and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the period and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios and information accompanying the financial statements, our knowledge of the Board of Directors and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The provisions of Section 135 are not applicable to the Company and accordingly provisions of clause (xx)(a) and (b) of the Order are not applicable
- (xxi) Consolidated financial statements are not applicable to the Company and accordingly provisions of clause (xxi) of the Order are not applicable

**For Vibhor Gupta & Associates**

**Chartered Accountant**

(Firm Registration No: 022402N)

*Vibhor*  
CA Vibhor Gupta

Proprietor

Membership No.: 512698

Place: Delhi

Date: April 21, 2023

UDIN: 23512698BGXNM18166



Annexure "B" to the independent auditor's report of even date on the financial statements of Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private 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 Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Private 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 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.



**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 Vibhor Gupta & Associates**

**Chartered Accountant**

(Firm Registration No. 022402N)

*Vibhor*



CA Vibhor Gupta

Proprietor

Membership No.: 512698

Place: Delhi

Date: April 21, 2023

UDIN: 23512698BGXNMI8166

Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Pvt. Ltd.)

CIN- U72900DL2016PTC399490

201, Mohan Place, LSC, C-Block, Saraswati Vihar, North West, Delhi-110034

Balance Sheet as at March 31, 2023

(Amount in Rs.)

Particulars	Notes	As at March 31,2023	As at March 31,2022
<b>ASSETS</b>			
(1) Non-current assets			
(a) Non-current tax assets	3	-	2,38,290
<b>Total non-current assets</b>		-	<b>2,38,290</b>
(2) Current assets			
(b) Financial assets			
(i) Trade receivables	4	-	2,74,93,000
(ii) Cash and cash equivalents	5	4,68,430	3,67,871
<b>Total current assets</b>		<b>4,68,430</b>	<b>2,78,60,871</b>
<b>Total assets</b>		<b>4,68,430</b>	<b>2,80,99,161</b>
<b>(1) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	6	38,53,030	38,53,030
(b) Other equity	7	(33,89,600)	2,42,41,130
<b>Total equity</b>		<b>4,63,430</b>	<b>2,80,94,160</b>
<b>(2) Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	8	5,000	5,000
<b>Total current liabilities</b>		<b>5,000</b>	<b>5,000</b>
<b>Total equity and liabilities</b>		<b>4,68,430</b>	<b>2,80,99,161</b>

Significant accounting policies

1

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For Vibhor Gupta & Associates :

Chartered Accountants

Registration No. 022402N

Vibhor



CA Vibhor Gupta

Proprietor

Membership No. 512698

Place : Delhi

Date : April 21, 2023

For and on behalf of the Board of Directors of  
Medibox Pharma Private Limited  
(formerly known as Medibox Digital Solutions Pvt. Ltd.)

Arushi Jain

Arushi Jain

Director

DIN:08012943

Dharamvir Malik

Dharamvir Malik

Director

DIN:06758188

UDIN: 2351269886XNM18166

**Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Pvt. Ltd.)**

CIN- U72900DL2016PTC399490

201, Mohan Place, LSC, C-Block, Saraswati Vihar, North West, Delhi-110034

Statement of Profit and Loss for the year ended March 31, 2023

(Amount in Rs.)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>I Income</b>			
Revenue from operations			
Sale of services	9	-	58,88,295
Other operating income	9	-	9,21,577
Other income	10	10,270	4,36,71,713
<b>Total income (I)</b>		<b>10,270</b>	<b>5,04,81,585</b>
<b>II Expenses</b>			
Employee benefits expense	11	-	2,30,99,993
Other expenses	12	2,76,41,000	1,12,65,921
<b>Total expenses (II)</b>		<b>2,76,41,000</b>	<b>3,43,65,914</b>
<b>III Earnings before interest, tax, depreciation and amortisation (EBITDA)(1-II)</b>		<b>(2,76,30,730)</b>	<b>1,61,15,672</b>
IV Finance costs	13	-	15,10,344
V. Depreciation and amortization	2	-	30,20,441
<b>VI. Profit/(Loss) before tax</b>		<b>(2,76,30,730)</b>	<b>1,15,84,886</b>
VII. Less: Tax expense		-	-
<b>VIII. Profit/(Loss) after tax (VI-VII)</b>		<b>(2,76,30,730)</b>	<b>1,15,84,886</b>
<b>IX. Other comprehensive income</b>			
Re-measurement gains/(losses) on defined benefit liability-Gratuity		-	8,76,110
Total other comprehensive income (net of tax)		-	8,76,110
<b>X Total comprehensive income/(loss) (VIII+IX)</b>		<b>(2,76,30,730)</b>	<b>1,24,60,996</b>
<b>XI. Earnings per equity share</b>	14		
Basic earnings per share		(71.71)	30.07
[Nominal value of share Rs.10/- (Rs. 10/-) each]			

**Significant accounting policies**

1

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For Vibhor Gupta &amp; Associates

Chartered Accountants

Registration No. 022402N



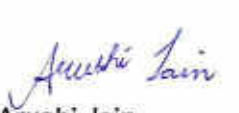
CA Vibhor Gupta  
Proprietor  
Membership No. 512698

Place : Delhi

Date : April 21, 2023

For and on behalf of the Board of Directors of  
Medibox Pharma Private Limited

(formerly known as Medibox Digital Solutions Pvt. Ltd.)

  
Arushi Jain

Director

DIN:08012943

  
Dharamvir Malik

Director

DIN:06758188

UDIN: 2351269886 XNJI18166

Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Pvt. Ltd.)

CIN- U72900DL2016PTC399490

201, Mohan Place, LSC, C-Block, Saraswati Vihar, North West, Delhi-110034

Statement of Change in Equity for the year ended on March 31,2023

a. Equity share capital

Particulars	No. of shares	Amount in Rs.
Equity shares of Rs. 10/- each issued, subscribed and fully paid		
As at March 31, 2021	3,85,303	38,53,030
Add: changes during the year	-	-
As at March 31,2022	3,85,303	38,53,030
Add: changes during the year	-	-
As at March 31,2023	3,85,303	38,53,030

b. Other equity

(Amount in Rs.)

Particulars	Other equity		
	Securities premium	Retained earnings	Total other equity attributable to equity holders
Balance as of March 31,2021	27,22,54,850	(26,04,74,716)	1,17,80,134
Other comprehensive income for the year	-	8,76,110	8,76,110
Profit for the year	-	1,15,84,888	1,15,84,888
Balance as of March 31,2022	27,22,54,850	(24,80,13,720)	2,42,41,130
Other comprehensive income for the year	-	-	-
(Loss) for the year	-	(2,76,30,730)	(2,76,30,730)
Balance as of March 31,2023	27,22,54,850	(27,56,44,450)	(33,89,599)

Significant accounting policies(Note-1)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Vibhor Gupta & Associates

Chartered Accountant

Registration No. 022402N

  
  
CA Vibhor Gupta  
Proprietor  
Membership No. 51968

For and on behalf of the Board of Directors of  
Medibox Pharma Private Limited  
(formerly known as Medibox Digital Solutions Pvt. Ltd.)

  
Arushi Jain  
Director  
DIN:08012943

  
Dharamvir Malik  
Director  
DIN:06758188

Place : Delhi

Date :April 21, 2023

UDIN: 2351269886 XNMI8166

Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Pvt. Ltd.)

CIN- U72900DL2016PTC399490

201, Mohan Place, LSC, C-Block, Saraswati Vihar, North West, Delhi-110034

Cash Flow Statement for the year ended on March 31, 2023

(Amount in Rs.)

Particulars		As at March 31,2023	As at March 31,2022
<b>A. Cash Flow from Operating Activities</b>			
Net profit before tax		(2,76,30,730)	1,15,84,886
Adjustments for			
Interest income		-	(18,825)
Bad debts		2,74,73,000	4,58,870
Profit on sale of property, plant & equipments		-	(4,31,66,585)
Depreciation and amortization		-	30,20,441
Gain on termination of lease		-	(65,976)
Interest on Income Tax refund		(10,270)	(49,861)
<b>Operating profit before working capital changes</b>		<b>(1,68,000)</b>	<b>(2,82,37,050)</b>
Adjustments for working capital changes			
Trade receivables		20,000	(2,26,57,454)
Other financial assets-non current		-	14,02,444
Other current assets		-	1,33,81,166
Trade payables		-	(7,61,500)
Other financial liabilities-current		-	(23,63,218)
Other current liabilities		-	(24,07,600)
<b>Cash generated from operations</b>		<b>(1,48,000)</b>	<b>(4,16,43,212)</b>
Direct tax paid/Income tax refund received		2,48,559	1,15,889
<b>Net Cash from/(used in) Operating Activities</b>	<b>(A)</b>	<b>1,00,559</b>	<b>(4,15,27,324)</b>
<b>B. Cash Flow from Investing Activities</b>			
Sale of property, plant and equipments		-	4,41,27,762
Fixed deposit with bank(incl. accrued interest)		-	6,03,121
Interest received		-	18,825
<b>Net Cash from/(used in) Investing Activities</b>	<b>(B)</b>	<b>-</b>	<b>4,47,49,708</b>
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Borrowings		-	1,40,00,000
Borrowings repaid		-	(2,35,00,000)
Payment of lease liabilities		-	(11,74,534)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(C)</b>	<b>-</b>	<b>(1,06,74,534)</b>
<b>Net increase/(decrease)in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>1,00,559</b>	<b>(74,52,149)</b>
Cash and Cash Equivalents(Opening Balance)		3,67,871	78,20,020
Cash and Cash Equivalents(Closing Balance)(ref.note7)		4,68,430	3,67,871
<b>Change in Cash and Cash Equivalents</b>		<b>1,00,559</b>	<b>(74,52,149)</b>
Significant accounting policies	Note 1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For Vibhor Gupta & Associates

Chartered Accountant

Registration No. 022402N

CA Vibhor Gupta

Proprietor

Membership No. 12608

Place : Delhi

Date : April 21, 2023

For and on behalf of the Board of Directors of

Medibox Pharma Private Limited

(formerly known as Medibox Digital Solutions Pvt. Ltd.)

*Arushi Jain*

Arushi Jain

Director

DIN:08012943

*Dharamvir Malik*

Dharamvir Malik

Director

DIN:06758188

## 1 Company overview and significant accounting policies

### 1.1 Company overview

Medibox Pharma Private Ltd. (formerly known as Medibox Digital Solutions Pvt. Ltd.) ("the Company") is a private limited Company incorporated and domiciled in India and has its registered office at Delhi (previously in Bangalore), India, previously it was in the business of providing digital (IT) platform for business development and B2B market place (i.e. online portal) for medicines and healthcare products. The Company is subsidiary of Maxcure Nutravedics Limited. The Company now plans to engage in trading of the pharmaceuticals formulations.

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 21/04/23.

### 1.2 Basis of preparation of financial statements

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

The financial statements have been prepared on accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest lakhs as per the requirement of Schedule III to the Act, unless stated otherwise.

### 1.3 Use of judgment, estimates and assumptions

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

#### Judgment, estimates and assumptions

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

#### Significant judgement, estimates and assumptions

##### a) Taxes

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

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

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



Notes to the financial statements

**b) Impairment of financial assets**

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

**c) Property, plant and equipment and intangible assets**

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

**d) Recognition and measurement of defined benefit obligations**

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

**e) Provision for litigations and contingencies**

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

**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.

**1.5 Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives of assets are as follows:

Particulars	Useful Life
Right of use	Period of lease
Furniture and fittings	10 years
Office equipments	5 years
Computer equipments	3 years





**Notes to the financial statements**

(the management believes as per past experience that the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013, as given above, best represent the period over which management expects to use these assets.)

Residual value of property, plant and equipment(except "ROU") has been taken as five percent of the cost of the assets.

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

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

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

**1.6 Intangible assets**

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

The Company uses a presumption that the useful life of an intangible asset is five years from the date when the asset is available for use. The cost thereof is amortised over a period of 5 years.

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

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

**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 assets(Investment)**

The Company measured its investment at fair value through statement of profit and loss.

**(iii) 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.



*Accountant*

*[Signature]*

**1.9 Impairment**

**a. Financial assets**

**b. Non-financial assets**

**Intangible assets and property, plant and equipment**

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

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

**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.

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

**1.11 Earnings per equity share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders (after deducting preference dividend and attributable taxes, if any) of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless 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.



*Accountant In-charge*

*Director*

Notes to the financial statements

Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

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

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

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

**1.13 Employees benefits**

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

**Gratuity**

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

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

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

**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.

**1.14 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.

**1.15 Revenue recognition**

The Company derives revenues primarily from business of IT services comprising of software development, IT platform for facilitating on-line marketing and related services. However, during the year the Company has started with trading of pharmaceutical formulations.



*Audited True*

**Notes to the financial statements**

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 services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products.

**Sale of goods**

Revenue from sale of product is recognised at the point in time when control of the asset is transferred to the customer, usually on dispatch of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable.

**Sale of services**

Arrangements with customers for software-related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue on time-and-material contracts are recognized as the related services are performed.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the Company on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns.

**1.16 Other income**

Other income is comprised primarily of interest income and gain / loss on investments. Interest income is recognized using the effective interest method.

**1.17 Leases**

**Where the Company is lessee**

The Company's lease asset classes primarily consist of leases for office. 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.



*Aruni Jain*

*[Signature]*

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**Notes to the financial statements**

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.

**1.19 Segment Reporting**

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

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

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

**1.20 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.

1.21 There have been no standards which are notified but not yet effective.



*Arushi Jain*

Particulars	Property, plant and equipments						Intangible assets			Right of Use assets (ROU)		Total
	Furniture and Fittings	Office Equipments	Computers	Total	Intellectual Property	Software	Total	Use assets (ROU)				
<b>Gross Block</b>												
As at 31 March 2021	5,56,244	10,97,320	39,30,892	55,84,456	1,94,47,672	2,53,395	1,97,01,067	52,00,112			3,04,85,635	
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	5,56,244	10,97,320	39,30,892	55,84,456	1,94,47,672	2,53,395	1,97,01,067	52,00,112			3,04,85,635	
<b>As at 31 March 2022</b>												
Additions during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>												
<b>Accumulated Depreciation and amortization</b>												
As at 31 March 2021	2,87,697	7,72,644	32,37,213	42,97,554	1,79,89,095	1,60,331	1,81,49,426	36,40,079			2,60,87,059	
Charge for the year	36,187	80,933	2,08,605	3,25,725	14,58,577	93,064	15,51,641	11,43,075			30,20,441	
On disposal	3,23,884	8,53,577	34,45,818	46,23,279	1,94,47,672	2,53,395	1,97,01,067	47,83,154			2,91,07,500	
<b>As at 31 March 2022</b>												
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
On disposal	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>												
<b>Net carrying value</b>												
As at 31 March 2022	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	-	-	-	-	-	-	-	-	-	-	-	-



*Amudha Jain*  
*Amudha Jain*

3. Non current tax assets <span style="float: right;">(Amount in Rs.)</span>		
Particulars	As at March 31,2023	As at March 31, 2022
Income tax assets	-	2,38,290
<b>Total</b>	-	<b>2,38,290</b>

4. Trade receivables-current <span style="float: right;">(Amount in Rs.)</span>		
Particulars	As at March 31,2023	As at March 31, 2022
Undisputed trade receivables- considered good	-	2,74,93,000
<b>Total</b>	-	<b>2,74,93,000</b>

Ageing of the above trade receivables is as below

Particulars	As at March 31,2023	As at March 31, 2022
Less than 1 year	-	2,74,93,000
<b>Total</b>	-	<b>2,74,93,000</b>

5. Cash and cash equivalents <span style="float: right;">(Amount in Rs.)</span>		
Particulars	As at March 31,2023	As at March 31, 2022
Balance with scheduled banks-in current accounts	4,68,430	3,67,871
<b>Total</b>	<b>4,68,430</b>	<b>3,67,871</b>



*Arun Jain*

*G. Mahesh*

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Notes to the financial statements

6.Share capital

(Amount in Rs.)

Particulars	As at	As at
	March 31,2023	March 31, 2022
<b>Authorised</b>		
5,00,000(March 31,2022 5,00,000) equity shares of Rs. 10 each	50,00,000	50,00,000
	50,00,000	50,00,000
<b>Issued, subscribed &amp; fully paid up</b>		
3,85,303 (March 31,2022 3,85,303) equity shares of Rs.10 each fully paid	38,53,030	38,53,030
	38,53,030	38,53,030
<b>Total</b>	<b>38,53,030</b>	<b>38,53,030</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>Equity share</b>				
At the beginning of the year	3,85,303	38,53,030	3,85,303	38,53,030
Add: converted from preference shares	-	-	-	-
At the end of the year	<b>3,85,303</b>	<b>38,53,030</b>	<b>3,85,303</b>	<b>38,53,030</b>

6(b) Terms/rights attached to:

Equity shares

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

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

6(c) Details of shareholders holding in the Company

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity share</b>				
Akums Drugs and Pharmaceuticals Ltd.*	1,54,121	40.00	1,54,121	40.00
Maxcure Nutravedics Ltd.**	2,31,182	60.00	2,31,182	60.00
<b>Total</b>	<b>3,85,303</b>	<b>100.00</b>	<b>3,85,303</b>	<b>100.00</b>

\*Ultimate Holding Company

\*\*Holding Company



*Arushi Jain*



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Notes to the financial statements

7. Other equity

(Amount in Rs.)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Security premium</b>		
Balance as at the beginning/ end of the year	27,22,54,850	27,22,54,850
Add: Addition during the year	-	-
Closing balance	27,22,54,850	27,22,54,850
<b>Retained earning</b>		
Balance as per last financial statements	(24,80,13,720)	(26,04,74,716)
Add: Profit/ (loss) for the year	(2,76,30,730)	1,15,84,888
Add: Other comprehensive income for the year	-	8,76,110
Closing balance	(27,56,44,450)	(24,80,13,720)
<b>Total</b>	<b>(33,89,600)</b>	<b>2,42,41,130</b>

The purposes of each above reserve within other equity is as under:

1. Securities premium- The amount received in excess of face value of the preference shares is recognised in Securities Premium. The reserve will utilized in accordance with the provisions of Company Act 2013.

2. Retained earnings- Retained earnings are the loss that the Company has incurred till date.

8. Trade Payable

(Amount in Rs.)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payable	5,000	5,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>



*Accountant*

*[Signature]*

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Notes to the financial statements

9. Revenue from operations

(Amount in Rs.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
from IT services	-	58,42,433
from IT services(on line marketing platform)	-	45,862
	-	58,88,295
Other operating income		
Other	-	9,21,577
	-	9,21,577
<b>Total</b>	<b>-</b>	<b>68,09,873</b>

10. Other income

(Amount in Rs.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on FDR	-	18,825
Profit on sale of property, plant and equipment	-	4,31,66,585
Interest on income tax refund	10,270	49,861
Miscellaneous income	-	4,36,442
<b>Total</b>	<b>10,270</b>	<b>4,36,71,713</b>

11. Employee Benefits expense

(Amount in Rs.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and other benefits	-	2,23,39,969
Contributions to-Provident fund	-	7,30,620
-ESIC	-	29,404
<b>Total</b>	<b>-</b>	<b>2,30,99,993</b>



*Atishor Gupta*

*Atishor*

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Notes to the financial statements

**12. Other expenses**

(Amount in Rs.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Conveyance	-	15,151
Fees and subscription	30,296	33,00,219
Legal and professional expenses	89,500	1,33,417
Electricity expenses	-	67,574
Misc. expenses	8,264	10,44,344
Postage charges	497	1,645
Printing and stationery	820	16,531
Telephone expenses	-	2,38,967
Sales promotion expenses	-	6,38,852
Transportation charges	-	4,43,030
Travelling expenses	-	70,502
Bank charges	33,623	7,450
Loyalty fee	-	45,92,570
General repairs & maintenance	-	1,31,799
Director sitting fees	-	1,00,000
Bad Debts	2,74,73,000	4,58,870
Payment to auditors (refer note 17)	5,000	5,000
<b>Total</b>	<b>2,76,41,000</b>	<b>1,12,65,921</b>

**13. Finance costs**

(Amount in Rs.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on unsecured loan	-	14,51,274
Interest expense on lease liability	-	59,070
<b>Total</b>	<b>-</b>	<b>15,10,344</b>



*Ashish Gupta*

*Charalita*

**14. Earning per equity share**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) for the year	(2,76,30,730)	1,15,84,596
Weighted average number of equity shares for Basic EPS (C)	3,85,303	3,85,303
Basic earning per share (Rs.) (A/C)	(71.71)	30.07
Nominal value of shares (Rs.)	10	10

**15. Contingent liabilities(not provided for) and provisions made**

**(a) Contingent liabilities**

There is no claim against the Company, which is to be acknowledged as a debt.

**16. Capital and other commitments**

There is no outstanding capital and other commitments.

**17. Payment to auditors**

(Amount in Rs.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statutory auditors		
Statutory audit fee	5,000	5,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>

**18. There is no expenditure in foreign exchange during the year (previous year Rs.Nil/-).**

There is no earning in foreign exchange during the year(previous year Nil).

**19. Taxes**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current taxes		
-on profit and loss	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Deferred taxes	-	-
<b>Tax expense</b>	<b>-</b>	<b>-</b>

**(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 March 31, 2023	Year ended March 31, 2022
Profit/(Loss) before income taxes	(2,76,30,730)	1,15,84,596
Income tax using the Company's domestic tax rate	25.17%	25.17%
<b>Expected tax expense [A]</b>	<b>-</b>	<b>29,15,916</b>
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Set off for previous years unabsorbed losses	-	(47,61,261)
Others	-	18,45,345
Deferred Tax recognised on brought forward losses not recognised earlier #	-	-
<b>Total adjustments [B]</b>	<b>-</b>	<b>(29,15,916)</b>
<b>Actual tax expense [C=A+B]</b>	<b>-</b>	<b>-</b>



*Acushii Jain*

Note- All the movement of deferred tax is taken through credit/charge to profit and loss account and no impact is taken in other comprehensive income.

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

Base tax rate	22%	22%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4%	4%
Applicable rate of tax	25.17%	25.17%

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

Particulars	2022-23			2021-22		
	Unabsorbed depreciation	Business losses	Expiry date	Unabsorbed depreciation	Business losses	Expiry date
<b>Unused tax losses*</b>						
A.Y. 2017-18	-	38,43,404	31-Mar-26	-	38,43,404	31-Mar-26
A.Y. 2018-19	27,10,917	2,66,97,823	31-Mar-27	27,10,917	2,66,97,823	31-Mar-27
A.Y. 2019-20	44,80,758	5,78,96,710	31-Mar-28	44,80,758	5,78,96,710	31-Mar-28
A.Y. 2020-21	37,17,366	8,40,14,949	31-Mar-29	37,17,366	8,40,14,949	31-Mar-29
A.Y. 2021-22	28,03,706	5,66,60,249	31-Mar-30	28,03,706	5,66,60,249	31-Mar-30
A.Y. 2023-24	-	2,76,30,730	31-Mar-32	-	-	-
	<b>1,37,12,767</b>	<b>25,87,43,666</b>		<b>1,37,12,767</b>	<b>23,11,13,135</b>	

# Due to timing difference and unused tax losses for above items, deferred tax assets (net) has been worked out to Rs. 6,85,77,334/- (Rs.6,16,22,680/-). As deferred tax asset shall be recognized for the timing differences and carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. As a matter of prudence, during the year deferred tax assets (net) is not being recognized in the books of accounts in respect of timing differences and unused tax losses.

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 opted to be in new regime.

## 20. Employees benefits

### I. Details of employees benefits

#### A. Defined contribution plan

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

S. No.	Particulars	(Amount in Rs.)	
		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Employer's contribution to provident fund	-	7,30,620

#### B. Defined benefit plan

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

S. No.	Particulars	(Amount in Rs.)	
		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Provisions towards gratuity	-	-

The following assumptions are taken

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

The details of the expenses recognized in Statement of Profit and Loss and accumulated liabilities in the Balance Sheet as at 31.03.2022 are as under:

(i)	Particulars	(Amount in Rs.)	
		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Service cost	-	-
(b)	Interest cost	-	-
(c)	Expenses recognized in the Statement of Profit and Loss	-	-



*Accountant*

*Manager*

(Amount in Rs.)			
(ii)	Expenses recognized in Other Comprehensive Income(OCI)	Year ended March 31, 2023	Year ended March 31, 2022
(a)	Net cumulative actuarial gain/(loss) opening	-	-
(b)	Actuarial gain/(loss) for the year on Projected benefit obligation(PBO)	-	8,76,110
(c)	Expenses recognized in Other Comprehensive Income(OCI)	-	8,76,110

(Amount in Rs.)			
(iii)	Liabilities recognized in Balance Sheet	Year ended March 31, 2023	Year ended March 31, 2022
(a)	Present value of the obligation as at the beginning of the year	-	16,26,110
(b)	Expenses as above	-	-
(c)	Benefits paid	-	(7,50,000)
(d)	Total actuarial (gain)/loss on obligation	-	(8,76,110)
(e)	Present value of the obligation as at the end of year	-	-

(Amount in Rs.)			
(iv)	Change in present value of obligation	Year ended March 31, 2023	Year ended March 31, 2022
(a)	Present value of the obligation as at the beginning of the year	-	16,26,110
(b)	Interest cost	-	-
(c)	Service cost	-	-
(d)	Benefits paid	-	(7,50,000)
(e)	Re-measurements	-	(8,76,110)
(f)	Present value of the obligation as at the end of year	-	-

(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.

#### 21. 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:

##### List of key management personnel (KMP)

Whole Time (W.T) Directors of the Company:  
 Mr. Bhavik Kumar (resigned w.e.f. 13.09.2021)  
 Other Directors of the Company:  
 Mr. Dharamvir Malik and Ms. Arushi Jain

##### Other related parties

Akums Drugs and Pharmaceuticals Limited, Ultimate parent company  
 Sarvagunaushdhi Pvt Ltd, Fellow subsidiary  
 Akumentis Healthcare Ltd, Fellow subsidiary  
 Pure & Cure Healthcare Ltd, Fellow subsidiary

*Arushi Jain*

*Dharamvir Malik*



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

(Amount in Rs.)

Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
------------------------	------------------------------	------------------------------

Akumentis Healthcare Ltd Sale of services	-	76,000
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(Amount in Rs.)

Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
------------------------	------------------------------	------------------------------

Pure & Cure Healthcare Ltd Sale of property, plant and equipment	-	4,41,27,762
Sarvagunaushdhi Pvt Ltd Sale of services	-	18,905
Akums Drugs & Pharmaceuticals Ltd Loan Taken	-	1,40,00,000
Loan Repaid	-	2,35,00,000
Closing Balance at year end	-	-

(Amount in Rs.)

Nature of transactions	Year ended March 31, 2023	Year ended March 31, 2022
------------------------	------------------------------	------------------------------

Interest on Loan	-	14,51,274
Business support services	1,000	-
Re-imburement of Expenses & got reimbursed	2,024	12,99,160
Sale of services	-	50,00,000
Remuneration to whole time director Bhavik Kumar	-	71,98,438
Director sitting fee Arushi Jain	-	50,000
Dharamvir Malik	-	50,000
Balances outstanding as at the year end		
Trade receivables Pure & Cure Healthcare Pvt Ltd	-	2,73,55,000
	-	2,73,55,000

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

**23. Financial Instruments**  
**Financial instruments by category**  
 The carrying value of financial instruments by categories were as follows:  
 a) Financial instruments measured at amortised cost:

(Amount in Rs.)

Particulars	As at	March	As at	March
	31, 2023	31, 2022	31, 2022	31, 2022
<b>Assets:</b>				
-Trade receivables				2,74,93,000
-Cash and cash equivalents		4,68,430		3,67,871
<b>Total</b>		<b>4,68,430</b>		<b>2,78,60,871</b>
<b>Liabilities:</b>				
-Lease liability				-
-Other financial liabilities-Current				-
-Borrowings				-
<b>Total</b>				<b>-</b>



*Arushi Jain*

b) Financial instruments measured at fair value through profit and loss:  
 \*There are no financial assets & liabilities which has been valued at fair Value

**Financial risk management**

**Financial risk management objectives and policies**

The Company's principal financial liabilities comprise expenses payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, other bank balances and other investments.

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.

**a) Market risk**

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

**b)Credit risk**

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

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

Particulars	(In %)	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from top customer	-	73.42%
Revenue from top five customers	-	97.01%

Particulars	(Amount in Rs.)	
	As at March 31, 2023	As at March 31, 2022
Trade Receivable ageing (more than six month)	-	1,38,000
Trade Receivable ageing (others)	-	-
<b>Total</b>	-	<b>1,38,000</b>

**Credit risk exposure**

There is no credit risk exposure at year end.

**c)Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents & the cash flow that is generated from operations and proceeds from issue of share capital. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

*Accountant*

*Director*





The Company had a working capital including cash and cash equivalents :

Particulars	(Amount in Rs.)	
	As at March 31,2023	As at March 31,2022
Cash and cash equivalents	4,68,430	3,67,871
Working capital(including cash and cash equivalent)	4,63,430	2,78,55,871

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

Particulars	(Amount in Rs.)	
	As at March 31,2023	As at March 31,2022
	Less than 1 year	Less than 1 year
Financial liabilities	-	-

#### 24. Segment reporting

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'). Board of Directors reviews the operating results at Company level, accordingly there is only one Reportable Segment for the Company which is 'revenue from services in Information Technology and related activities', hence no specific disclosures have been made as per Ind AS 105.

#### Entity wide disclosures

##### a. Information about revenue

The Company derive it revenue mainly from providing of services.

##### 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	(Amount in Rs.)	
	As at March 31,2023	As at March 31,2022
Revenue- Domestic	-	68,09,873
Revenue from one customer amounting to 10% or more of Company's total revenue:	-	50,00,000

25. The company plans to engage in trading of pharmaceutical formulations and accordingly necessary formalities/licences have been initiated. Accordingly, the financial statements has been prepared on a going concern basis.

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

Particulars	(Amount in Rs)	
	As at March 31,2023	As at March 31,2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year(more than 45 days)	-	-
The amount of interest paid by the buyer in terms of Section 18, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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



*Amit Jain*

*Arshdeep*

Medibox Pharma Private Limited (formerly known as Medibox Digital Solutions Pvt. Ltd.)  
CIN- U72900DL2016PTC399490  
201, Mohan Place, LSC, C-Block, Saraswati Vihar, North West, Delhi-110034  
Notes to the financial statements

27. Figures have been recasted/restated wherever necessary.

As per our report of even date attached  
For Vibhor Gupta & Associates  
Chartered Accountants

Registration No. 022402N



CA Vibhor Gupta  
Proprietor  
Membership No. 81009A

Place : Delhi

Date : April 21, 2023

For and on behalf of the Board of Directors of  
Medibox Pharma Private Limited

(formerly known as Medibox Digital Solutions Pvt. Ltd.)

  
Arushi Jain  
Director  
DIN:08012943

  
Dharamvir Malik  
Director  
DIN:06758188

UDIN: 23512698 BG XNM18166