

T A M S & C O L L P

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NICHOLAS HEALTHCARE LIMITED

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of Nicholas Healthcare Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) 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 Standalone 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 Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

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



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G T K & CO (a partnership firm) converted into T A M S & C O L L P (a Limited Liability Partnership) with LLP identity no: LLPIN - ACA-7982 with effect from April 26, 2023. Post its conversion to T A M S & C O L L P, its ICAI Registration number is 038010N/N500416 (ICAI Registration number before conversion was 038010N).

To the Members of Nicholas Pharmaceuticals Limited Report on the Audit of the Financials Statements

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.



To the Members of Nicholas Pharmaceuticals Limited Report on the Audit of the Financials Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone 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 financial 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 Standalone 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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



To the Members of Nicholas Pharmaceuticals Limited
Report on the Audit of the Financials Statements

deficiencies in internal financial controls that we identify during our audit.

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

Other Matter

The Financial Statements of the Company as at March 31, 2023 and for the year then ended were audited by another firm of Chartered Accountants under the Act who vide their report dated April 28, 2023 expressed an unmodified opinion on these financial statements.

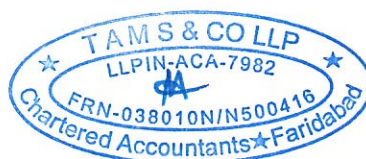
Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report 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 purposes of our audit.
 - 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.



To the Members of Nicholas Pharmaceuticals Limited
Report on the Audit of the Financials Statements

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 didn't have any pending litigations as at March 31, 2024 which would impact its financial position.
 - ii. The Company did not have any long - term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund during the year ended March 31, 2024.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of 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 or entity, including foreign entity ("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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of the rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has neither declared nor paid any dividend during the year, accordingly, reporting under sub clause (f) of the Rule 11 is not applicable to the



**To the Members of Nicholas Pharmaceuticals Limited
Report on the Audit of the Financials Statements**

- Company.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 01 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail features was not enabled at database level for accounting software to log any direct data changes, as described in Note 45 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail features being tampered with, in respect of the accounting software where such feature is enabled.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For T A M S & CO LLP

Chartered Accountants

Firm Registration Number : 038010N/N500416

Mohan Soni

Mohan Soni

Partner

Membership Number : 095882

UDIN : **24095882 BKAVCX 7996**



Place : New Delhi

Date : May 29, 2024

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Nicholas Healthcare Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of **Nicholas Healthcare Limited** (the “Company”) as of March 31, 2024 in conjunction with our audit of the Standalone 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 with reference to Standalone Financial Statements based on the internal control over financial reporting 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 (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 Standalone Financial Statements was 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 Standalone Financial Statements.



Annexure "A" To The Independent Auditor's Report Of Nicholas Healthcare Limited

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone 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 Standalone 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 authorizations 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements 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 T A M S & CO LLP

Chartered Accountants

Firm Registration Number : 038010N/N500416

Mohan Soni

Mohan Soni

Partner

Membership Number : 095882

UDIN : 24095882BKAVCX7996



Place : New Delhi

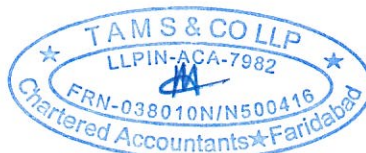
Date : May 29, 2024

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nicholas Healthcare Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
 - a)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
 - b. The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has physically verified Property, Plant and Equipment as per its program of physical Verification that covers all items of Property, Plant and Equipment during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its Property, Plant and Equipment. Based on information and records provided, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) as disclosed in Note 2 on Property, Plant and Equipment to the financial statements. Therefore, the provisions of Clause 3(i) (c) of the said Order is not applicable to the Company.
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the Company for holding any Benami property under The Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - a) As per the physical verification program, the inventory (except for stocks lying with the third parties and in transit which have been verified based on confirmations) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of account.



Annexure "B" To The Independent Auditor's Report Of Nicholas Healthcare Limited

- b) According to the information and explanations given to us and as per the records verified, the Company has been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, at points of time during the year, from banks or financial institutions during the year on the basis of security of current assets of the Company. There are some difference between the statement of stock and book debts filed with the bank and stock and book debts as per books of accounts(refer Note no. 33 to the financial statement), but the difference is not material keeping in view of size of the Company and total inventory and debts held by the Company.
- iii. The company has not made any investment in, provided any guarantee or security or granted any loan or advances in the nature of loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv. According to the information and explanation provided to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Companies Act, 2013. Therefore, the reporting under Clause 3(iv) of the said Order is not applicable to the Company.
- v. According to the information and explanation provided to us, the Company has not accepted any deposit or deemed deposits from the public within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information and explanation provided to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any Tribunal against the Company in this regard. Therefore, The provision of Clause 3(v) of the said Order are not applicable to the Company.
- vi. As per information & explanation given by the management, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Therefore, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues to the appropriate authorities.

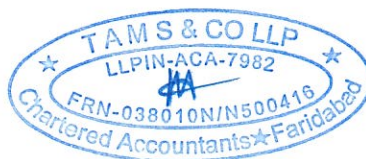
There were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employee' State Insurance, Income-tax, Sales Tax, Service Tax, duty of custom, duty of excise, value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of disputes.



Annexure "B" To The Independent Auditor's Report Of Nicholas Healthcare Limited

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.
- a) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not been declared a willful defaulter by any bank or financial institution or other lender.
 - c) According to the information and explanations given to us and on examination of the books of the company, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e) In our opinion and according to the information and explanations given to us by the management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, Clause 3(ix)(e) of the Order is not applicable.
 - f) In our opinion and according to the information and explanations given to us by the management, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies. Accordingly, Clause 3(ix)(f) of the Order is not applicable.
- x.
- a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, Clause 3(x)(b) of the Order is not applicable.
- xi.
- a) Based on the examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the course of audit.
 - b) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the Company.



Annexure "B" To The Independent Auditor's Report Of Nicholas Healthcare Limited

- xii. The Company is not a Nidhi Company. Accordingly, Clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv.
- a) In our opinion and based on our examination, the Company does not require to have an internal audit system. Accordingly, Clause 3(xiv)(a) of the Order is not applicable.
- b) Based on information and explanations provided to us, no internal audit had been conducted of the Company. Accordingly, Clause 3(xiv)(b) of the Order is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, Clause 3(xvi)(a), (b), (c), and (d) of the Order are not applicable.
- xvii. Based on our examination, the Company has incurred cash losses of Rs. 49.24 Lakhs in the financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans 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. Based on our examination, the provision of section 135 is not applicable on the Company. Accordingly, Clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.



Annexure "B" To The Independent Auditor's Report Of Nicholas Healthcare Limited

xxi. The Company is not required to prepare Consolidated financial statement hence this clause is not applicable.

For T A M S & CO LLP
Chartered Accountants
Firm Registration Number: 038010N/N500416

Mohan Soni

Mohan Soni
Partner
Membership Number : 095882
UDIN : 24095882 BKAYCX 7996



Place : New Delhi
Date : May 29, 2024

NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841
Balance Sheet as at 31 March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	34.68	20.98
(b) Right-of-use assets	43	101.21	150.75
(c) Intangible assets	3	14.11	17.94
(d) Financial assets			
(i) Others financial assets	4	185.86	30.39
(e) Deferred tax assets (net)	17	-	9.33
(f) Non-current tax assets (net)	5	0.41	0.62
Total non-current assets		336.27	230.01
(2) Current assets			
(a) Inventories	6	1,557.74	623.85
(b) Financial assets			
(i) Trade receivables	7	2,696.00	2,311.20
(ii) Cash and cash equivalents	8	2,815.23	3,087.52
(c) Other current assets	9	388.65	378.95
Total current assets		7,457.62	6,401.52
Total assets		7,793.89	6,631.53
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	5.00	5.00
(b) Optionally Convertible Redeemable Preference Shares	11	5.83	5.83
(c) Other equity	12	5,129.59	5,519.45
Total equity		5,140.42	5,530.28
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	753.00	475.00
(ii) Lease liability	43	63.61	106.37
(iii) Other financial liabilities	13	63.00	40.00
(b) Provisions	15	16.89	15.18
Total non-current liabilities		896.50	636.55
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	388.11	-
(ii) Trade payables	18		
Total outstanding dues to micro and small enterprises; and		82.03	28.37
Total outstanding dues of creditors other than micro and small enterprises		1,122.55	302.74
(iii) Lease liability	43	53.60	57.80
(iv) Other financial liabilities	19	84.64	56.95
(b) Other current liabilities	20	17.85	18.41
(c) Provisions	21	8.19	0.43
Total current liabilities		1,756.97	464.70
Total equity and liabilities		7,793.89	6,631.53

Summary of material accounting policies and other explanatory information

1-46

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

For T A M S & CO LLP
Chartered Accountants
Firm Registration No.: 038010N/N500416

Mohan Soni

Mohan Soni
Partner
Membership No.095882

Place : New Delhi
Date : 29 May 2024



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

Kusum Sharma

Kusum Sharma
Director
DIN: 02086304

Suman Singh

Suman Singh
Director
DIN: 02326675

NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841
Statement of profit and loss for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
INCOME			
Revenue from operations	22	3,571.80	4,536.91
Other income	23	96.80	12.89
Total Income		3,668.60	4,549.81
EXPENSES			
Purchase of stock-in-trade		3,872.75	2,044.24
Change in inventories of stock-in-trade	24	(933.89)	1,409.52
Employee benefits expense	25	446.36	524.69
Finance costs	27	72.52	282.71
Depreciation and amortisation	28	68.99	74.21
Other expenses	26	525.99	448.21
Total Expenses		4,052.72	4,783.58
(Loss)/Profit before tax and exceptional items		(384.12)	(233.78)
Exceptional items		-	3,000.00
Profit/(Loss) before tax		(384.12)	2,766.22
Tax expenses:			
Income Tax			
Current year		-	-
Deferred tax charge/(credit)		9.34	36.65
Total tax expense		9.34	36.65
(Loss) /Profit for the year		(393.46)	2,729.57
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/(losses) on defined benefit plans		3.60	12.29
Tax effect relating to these items		-	-
Other comprehensive income net of tax		3.60	12.29
Total comprehensive income [comprising of profit/ (loss) for the year and other comprehensive income/ (loss) for the year]		(389.86)	2,741.86
Earnings per equity share of ₹ 10 (31 March 2023: ₹10) each			
Basic	29	(786.92)	5,459.15
Diluted		(786.92)	4,226.38

Summary of material accounting policies and other explanatory information 1-46
This is the statement of profit and loss referred to in our report of even date

For T A M S & CO LLP
Chartered Accountants
Firm Registration No.: 038010N/N500416


Mohan Soni
Partner
Membership No.095882



Place : New Delhi
Date : 29 May 2024

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


Kusum Sharma
Director
DIN: 02086304


Suman Singh
Director
DIN: 02326675

NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Statement of changes in equity for the year ended 31st March 2024*(All amounts in lakhs unless otherwise stated)***a. Equity share capital**

Particulars	Amount
As at 1 April 2022	5.00
Changes in equity share capital	-
As at 31 March 2023/ 1 April 2023	5.00
Changes in equity share capital	-
As at 31 March 2024	5.00

b. Other equity

Particulars	Security premium	Retained earnings	Total
Balance as at 1 April 2022	-	(3,216.58)	(3,216.58)
Add: Profit for the year	-	2,729.57	2,729.57
Add: Other comprehensive income for the year, net of tax			
- Remesurement of defined benefit plans	-	12.29	12.29
Add: Issue of OCRPS	5,994.17	-	5,994.17
Balance as at 31 March 2023/ 1 April 2023	5,994.17	(474.72)	5,519.45
Add: Profit for the year	-	(393.46)	(393.46)
Add: Other comprehensive income for the year, net of tax			
- Remesurement of defined benefit plans	-	3.60	3.60
Balance as at 31 March 2024	5,994.17	(864.58)	5,129.59

Summary of material accounting policies and other explanatory information

1-46

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

For T A M S & CO LLP

Chartered Accountants

Firm Registration No.: 038010N/N500416


Mohan Soni

Partner

Membership No.095882

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

Kusum Sharma

Director

DIN: 02086304


Suman Singh

Director

DIN: 02326675

Place : New Delhi

Date : 29 May 2024

NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841
Statement of cash flow for the year ended 31st March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flow from operating activities		
Net profit/ (loss) before tax	(384.12)	2,766.22
Adjustments for:		
Depreciation and amortisation	68.99	74.21
Bad debts	-	5.15
Provision for doubtful debts	169.40	-
Gain on reassessment or termination of ROU	-	(3.54)
Gain on foreign exchange transactions and translations	(91.79)	15.06
Interest expense	72.52	282.71
Interest income	(3.55)	(4.01)
Liability no longer required written back	(1.10)	(4.29)
Exceptional items	-	(3,000.00)
Royalty income	-	(2.51)
Operating profit before working capital changes	(169.65)	(2,871.00)
Adjustments for movement in working capital changes:		
Inventories	(933.89)	1,409.52
Trade receivables	(462.41)	(185.42)
Other financial assets	(155.47)	(9.64)
Other assets	(9.70)	245.20
Trade payables	874.57	5,238.05
Other financial liabilities	50.69	(6.06)
Provisions	13.07	(6.36)
Other liabilities	(0.56)	(98.62)
Cash flow generated from operations (gross)	(793.34)	3,715.64
Less: taxes paid (net)	0.20	50.49
Net cash flow (used in) / generated from operating activities (A)	(793.14)	3,766.13
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(34.74)	(14.22)
Proceeds from sale of property plant and equipment	5.53	-
Interest received	3.55	4.01
Rent received	-	2.51
Net cash flow (used in) investing activities (B)	(25.66)	(7.70)
C. Cash flow from financing activities		
Proceeds from Optionally Convertible Redeemable Preference Shares	-	6,000.00
Proceeds/ (repayments) from short-term borrowings (net)	388.11	-
Proceeds from long-term borrowings	578.00	(6,407.61)
(Repayments) from long-term borrowings	(300.00)	-
Payment of lease liabilities	(60.45)	(71.33)
Interest paid	(59.15)	(263.80)
Net cash flow generated from/ (used in) financing activities (C)	546.51	(742.74)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(272.29)	3,015.68
Cash and cash equivalents at the beginning of the year (refer note 8)	3,087.52	71.82
Cash and cash equivalents at the end of the year (refer note 8)	2,815.23	3,087.52

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NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841
Statement of cash flow for the year ended 31st March 2024
(All amounts in lakhs unless otherwise stated)

Components of cash and cash equivalents are as below:

	As at 30 March 2024	As at 31 March 2023
Balance with scheduled banks in current accounts	2,811.89	3,087.32
Cash on hand	3.34	0.20
	2,815.23	3,087.52

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

Particulars	Short- term borrowings	Long- term borrowings	Lease liabilities	Total
Net debt as on 1 April 2022	-	6,850.00	205.12	7,055.12
Cash flows				
Repayments	-	875.00	(61.86)	813.14
Proceeds	-	(7,250.00)	(70.87)	(7,320.87)
Interest on lease liability	-	-	18.91	18.91
New leases	-	-	72.89	72.89
Balance as on 31 Mach 2023	-	475.00	164.18	639.18
Cash flows				
Proceeds	388.11	578.00	-	966.11
Repayments	-	(300.00)	(60.33)	(360.33)
Non cash changes				
Interest on lease liability	-	-	13.37	13.37
Balance as on 31 March 2024	388.11	753.00	117.21	1,258.32

Summary of material accounting policies and other explanatory information

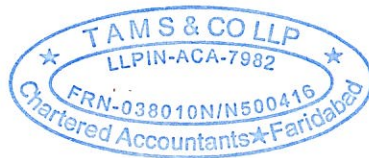
1-46

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

For **T A M S & CO LLP**
Chartered Accountants
Firm Registration No.: 038010N/N500416

Mohan Soni

Mohan Soni
Partner
Membership No.095882



Place : New Delhi
Date : 29 May 2024

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

Kusum Sharma

Kusum Sharma
Director
DIN: 02086304

Suman Singh

Suman Singh
Director
DIN: 02326675

NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

NOTES TO FINANCIAL STATEMENTS

1 Company overview and material accounting policies

1.1 Company overview

Nicholas Healthcare Limited ("the Company") is engaged in trading of the pharmaceutical formulations. The Company is a deemed public limited domiciled in India and was incorporated on 20 January, 2009 under the provisions of the Companies Act, 2013 in India. The registered office of the Company is located at Delhi. The Company is wholly owned subsidiary of Akums Drugs and Pharmaceuticals Ltd.

1.2 Basis of preparation of financial statements

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

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

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

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

The Company has prepared the financial statements on accrual and going concern basis.

The financial statements of the Company for the year ended 31 March 2024 were approved and authorised for issue by Board of Directors in their meeting held on 29 May 2024. The Board of Directors can permit revisions to these financial statements after obtaining necessary approvals or at the instance of regulatory authorities, as per provisions of the Act.

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

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the financial statements is required to be disclosed.

There are no Ind AS which have been issued but not made effective on the Company as at the year end.

1.3 Use of judgment, estimates and assumptions

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

Judgments, estimates and assumptions

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



Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

Material judgments, estimates and assumptions

Taxes

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

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

1.5 Intangible assets

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

The Company uses a presumption that the useful life of an intangible asset is ten years from the date when the asset is available for use.

The cost thereof is amortised over a period of 10 years.

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

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

1.6 Lease

The Company as a lessee

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

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

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

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

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

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

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



NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

1.7 Financial instruments

1.7.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

1.7.2 Subsequent measurement

(i) Financial assets carried at amortised cost

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

(ii) Financial liabilities

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

1.7.3. Derecognition of financial instruments

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

1.8 Fair value of financial instruments

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

1.9 Impairment

a. Financial assets

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

b. Non-financial assets

Intangible assets

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

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

1.10 Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

1.11 Earnings per share

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

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



NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

1.12 Taxes

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

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

1.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and bank deposit with banks where original maturity is three months or less.

1.14 Revenue Recognition

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

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

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

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

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



NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

License fee/royalty

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

Interest income

Interest income is recognized using the effective interest method.

1.15 Segment reporting

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

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

1.16 Employees Benefits

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

(i) Gratuity

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

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

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

(ii) Provident fund

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

(iii)Compensated absences

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

1.17 Valuation of Inventories

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

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

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NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	As at	As at
	31 March 2024	31 March 2023
10. Equity share capital		
Authorised		
50,000 (31 March 2023 : 50,000) equity shares of (31 March 2023 ₹10) each	5.00	5.00
Issued, subscribed and fully paid up		
50,000 (31 March 2023: 50,000) equity shares of ₹ 10 (31 March 2023: ₹ 10)	5.00	5.00
	5.00	5.00

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning/end of the year	50,000	5.00	50,000	5.00

10.2 Terms/rights attached to equity shares

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

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

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% Holding	No. of shares	% Holding
Akums Drugs & Pharmaceuticals Ltd and its nominees	50,000	100.00	50,000	100.00

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

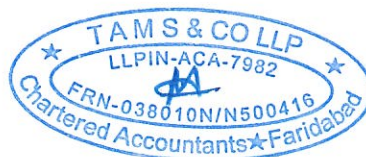
*As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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

10.5 No shares have been reserved for issue under options.

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NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

11. Instruments entirely equity in nature

	As at 31 March 2024	As at 31 March 2023
Optionally Convertible Redeemable Preference Shares (OCRPS)		
Authorised		
58,337 (31 March 2023 58,337) OCRPS of ₹ 10 (31 March 2023: ₹ 10) each	5.83	5.83
Issued, subscribed and fully paid up		
58,337 (31 March 2023 58,337) OCRPS of ₹ 10 (31 March 2023: ₹ 10) each	5.83	5.83
	5.83	5.83

11.1 Reconciliation of OCRPS outstanding at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Rs.	No. of shares	Rs.
At the end of the year	58,337	5.83	-	-
Add: issued during the year	-	-	58,337	5.83
Balance as at the end of the year	58,337	5.83	58,337	5.83

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

The Company has only one class of preference shares (Optionally convertible redeemable preference share) having face value of ₹ 10 per share. Preference share will carry preferential right via-a-via equity share of the company with respect to payment of dividend and repayment in case of winding up or repayment of capital of the company. Dividend should be paid to these share holders on a non cumulative basis @ 0.0001% or such other rate as prescribed by the board.

Each OCRPS shall either be redeemed @ ₹ 10 per share or converted into (One) equity share of ₹ 10 each. These OCRPS hold voting rights as per the provisions of the Companies Act, 2013

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

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NICHOLAS HEALTHCARE LIMITED
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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

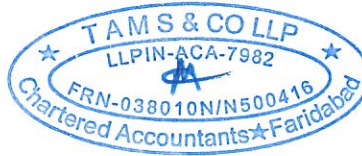
2 Property, plant and equipment. & Intangible assets

(Amount in Rs.)

Particulars	Property, plant and equipment.					Total
	Furniture and fittings	Office equipment	Computers	Plant & Machinery	Electrical Fittings	
Gross Block						
Balance as at 1 April 2022	0.26	11.82	0.69	-	-	12.77
Additions	0.19	5.76	8.16	0.10	0.01	14.22
Balance as at 31 March 2023/ 1 April 2023	0.44	17.58	8.85	0.10	0.01	26.98
Additions	17.12	3.16	13.70	-	0.76	34.74
Disposals/ adjustments	(0.88)	(4.65)	-	-	-	(5.53)
Balance as at 31 March 2024	16.68	16.09	22.55	0.10	0.77	56.19
Accumulated depreciation						
Balance as at 1 April 2022	0.04	1.88	0.11	-	-	2.03
Charge for the year	0.08	3.09	0.80	-	-	3.97
Balance as at 31 March 2023/ 1 April 2023	0.12	4.97	0.91	-	-	6.00
Charge for the year	1.48	1.89	10.06	0.01	0.08	13.53
Reversal of disposal	0.04	1.93	-	-	-	1.97
Balance as at 31 March 2024	1.64	8.79	10.97	0.01	0.08	21.51
Net block						
As at 31 March 2023	0.32	12.61	7.94	1.10	1.01	20.98
As at 31 March 2024	15.04	7.30	11.58	0.09	0.69	34.68

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NICHOLAS HEALTHCARE LIMITED
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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

3. Intangible assets

Particulars	Brands /trademarks	Total
Gross carrying value		
Opening balance as at 1 April 2022	28.39	28.39
Additions during the year	-	-
Balance as at 31 March 2023/ 1 April 2023	28.39	28.39
Additions during the year	-	-
Balance as at 31 March 2024	28.39	28.39
Amortisation		
Accumulated as at 1 April 2022	4.77	4.77
Charge for the year	5.68	5.68
Balance as on 31 March 2023/ 1 April 2023	10.45	10.45
Charge for the year	3.83	3.83
Balance as on 31 March 2024	14.28	14.28
Net carrying value		
As at 31 March 2023	17.94	17.94
As at 31 March 2024	14.11	14.11

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NICHOLAS HEALTHCARE LIMITED
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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
4. Other financial assets (Non Current)		
Security deposits	22.60	28.99
Deposit having remaining maturity of more than 12 months*	163.26	1.40
	185.86	30.39
<i>*pledged with government authorities and others.</i>		
5. Non-current tax assets		
Advance income-tax (net of provision)	0.41	0.62
	0.41	0.62
6. Inventories		
Stock-in-trade (refer note 1.17 on valuation of inventories)	1,485.59	623.85
in transit	72.15	-
	1,557.74	623.85
Refer note 32 for information on inventories pledged as security by the Company		
7. Trade receivables		
Trade receivables considered good (unsecured)	2,696.00	2,311.20
Trade receivables-credit impaired	604.38	445.90
	3,300.38	2,757.10
Less: Allowance for expected credit losses	(604.38)	(445.90)
	2,696.00	2,311.20
7.1 Due to related party, refer note 35		
7.2 Refer note 37 for disclosure of fair value in respect of financial assets measured at amortized cost and assessment of expected credit losses respectively.		
7.3 Refer note 37 for disclosure in respect of ageing of above receivables.		
8. Cash and cash equivalents		
Balance with scheduled banks		
in current accounts	2,811.89	3,087.32
Cash on hand	3.34	0.20
	2,815.23	3,087.52
9. Other current assets		
Unsecured, considered good		
Advance to suppliers	1.86	-
Prepaid expenses	6.45	11.42
Employee advances	0.75	0.10
Balance with statutory authorities	379.59	367.43
	388.65	378.95



NICHOLAS HEALTHCARE LIMITED

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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024*(All amounts in lakhs unless otherwise stated)*

Particulars	As at 31 March 2024	As at 31 March 2023
12. Other equity		
(a) Securities premium		
Balance as at the beginning of the year	5,994.17	-
Add: on account of issue of OCRPS	-	5,994.17
Balance as at the end of the year	<u>5,994.17</u>	<u>5,994.17</u>
(b) Retained earnings		
Balance as per beginning of the year	(474.72)	(3,216.58)
Add: (Loss)/ Profit for the year	(393.46)	2,729.57
Add: Other comprehensive income for the year		
- Remesurement of defined benefit plans	3.60	12.29
Balance as at end of the year	<u>(864.58)</u>	<u>(474.72)</u>
	<u>5,129.59</u>	<u>5,519.45</u>

Nature of reserves

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

1.Retained earnings

Retained earnings are the profits that the Company has earned till date and not distributed. Retained earnings is a free reserve available to the Company and includes actuarial gain/ loss arising on account of defined benefit plan.

2. Security Premium

Security premium has been created out of the shares issued by the Company and would be issued as per the provisions of Companies Act, 1956.

13. Financial liabilitiesSecurity deposit received
from customers

63.00	40.00
<u>63.00</u>	<u>40.00</u>

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

14. Borrowings**Term loans****Unsecured**

Loan from related party (refer note below)

753.00	475.00
<u>753.00</u>	<u>475.00</u>

Note:

The loan from related party include unsecured loan taken from Holding company for working capital expenses at an interest rate of 8% per annum(31 March 2023: 8% per annum) The said loan is repayable after March 2026.

15. Provisions**Provision for employee benefits**Gratuity (refer note 31)
Compensated absences (refer note 31)

8.11	10.41
8.78	4.77
<u>16.89</u>	<u>15.18</u>



NICHOLAS HEALTHCARE LIMITED
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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
16. Borrowings		
Secured		
Cash credit facility (refer note below)	388.11	-
	388.11	-
Notes:		
Nature of security and repayment terms of the above borrowings are as below:		
	Amount outstanding as at	
	As at	As at
	31 March 2024	31 March 2023
Cash credit facility from HSBC Bank		
Cash Credit facility received from HSBC Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 7.85% to 9.00% p.a.(previous period 8.90% to 9.25% p.a.)	150.50	-
Cash credit facility from JP Morgan chase Bank N.A.		
Cash Credit facility received from JP Morgan chase Bank N.A.has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 9.54% p.a.	237.61	-
	388.11	-

- a) Refer note 32 for assets pledged as security.
- b) Refer note 36 for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of the
- c) Refer note 34 for note on submission of quarterly to banks and its reconciliation with the amounts appearing in the books of accounts.
- d) The company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.
- e) The above loans have been utilised as per the purpose for these loans were sanctioned.

17. Deferred tax assets (net)

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

Deferred tax liabilities consists of:

Right of use assets	-	(37.94)
Accelerated depreciation and amortisation for tax purposes on property, plant and equipment and intangible assets	-	(0.64)

Deferred tax assets consists of:

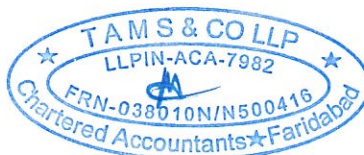
Expenses allowable under Income Tax Act, 1961 on payment basis	-	4.14
Security deposit	-	1.73
Lease liability	-	41.32
Unabsorbed losses	-	0.72

Deferred tax assets (net)

-	(9.33)
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Note: The deferred tax based on its estimation of realisation, has been recognised only to the extent of deferred tax liabilities as per the relevant Indian Accounting Standard. Accordingly, no deferred tax asset in excess of deferred tax liabilities has been recognised in the statement of profit and loss.

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NICHOLAS HEALTHCARE LIMITED
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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
18. Trade payables		
Total outstanding dues of micro and small enterprises : and (refer note.41)	82.03	28.37
Total outstanding dues of creditors other than micro and small enterprises	1,122.55	302.74
	<u>1,204.58</u>	<u>331.11</u>
18.1 Due to related party, refer note 35		
Refer note 37 for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of the maturity profile		
Refer note 37 for disclosure in respect of ageing of the above payables.		
19. Other financial liabilities		
Employee payables	84.64	56.95
	<u>84.64</u>	<u>56.95</u>
20. Other current liabilities		
Advance from customers	9.20	12.12
Statutory dues payable	8.65	6.29
	<u>17.85</u>	<u>18.41</u>
21. Provisions		
Provision for employee benefits		
Gratuity (refer note 31)	2.31	0.04
Compensated absences (refer note 31)	5.88	0.39
	<u>8.19</u>	<u>0.43</u>

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NICHOLAS HEALTHCARE LIMITED

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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in lakhs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
22. Revenue from operations		
Sale of Goods		
Domestic-Sale of Traded Goods	3,571.80	4,536.91
	3,571.80	4,536.91
Refer Note 36 in terms of disclosures required under Ind AS 115		
23. Other income		
Interest income on:		
fixed deposits	2.36	0.08
Others	1.19	3.93
Foreign exchange Gain	91.79	(15.06)
Gain/(Loss) on reassessment or termination of ROU	-	3.54
Royalty income	-	2.51
Income from duty drawback	-	13.60
Liabilities no longer required written back	1.10	3,004.29
Miscellaneous income	0.36	-
	96.80	3,012.89
24. Change in inventory of finished goods and work in progress		
Opening stock		
Stock-in-trade	(A) 623.85	2,033.37
Less: Closing stock		
Stock-in-trade	(B) 1,557.74	623.85
Change in inventory of stock-in-trade (A-B)	(933.89)	1,409.52
25. Employee benefits expense		
Salaries, wages and bonus	435.74	507.12
Contributions to provident and other funds (refer note 31)	8.95	14.38
Provident fund	8.62	14.17
ESIC	0.33	0.21
Gratuity expense	3.57	6.92
Leave encashment expense	10.90	(0.01)
Staff welfare expense	1.67	3.19
	446.36	524.69

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NICHOLAS HEALTHCARE LIMITED
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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
26. Other expenses		
Electricity expenses	3.63	5.30
Short term leases (refer to note 43f)	21.38	2.12
Repairs and maintenance - Others	21.73	15.10
Insurance	8.43	10.40
Travelling expense	119.08	149.02
Fees and subscription	12.60	4.20
Legal and professional expenses	27.73	17.56
Payment to auditors (refer note 30)	0.60	0.35
Provision for doubtful debts	169.40	-
Bad Debts	-	5.15
Freight and cartage outward	79.21	195.54
Commission on sales	29.04	7.03
Director sitting fees	0.30	0.24
Miscellaneous expenses	32.87	36.20
	525.99	448.21
27. Finance costs		
Interest		
on short-term borrowings from banks	14.90	-
Interest on loan from related party	36.50	263.80
on income-tax	0.01	-
Interest expense on lease liability	13.37	18.91
Other borrowing costs	7.74	-
	72.52	282.71
28. Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 2)	15.50	3.97
Amortisation of right-of-use assets (refer note 43)	49.66	64.56
Amortisation of intangible assets (refer note 3)	3.83	5.68
	68.99	74.21

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Particulars	Year ended 31 March 2024	Year ended 31 March 2023
29 Earning per equity share (EPS)		
Profit/ (loss) attributable to equity shareholders (₹)	(393.46)	2,729.57
Total number of equity shares outstanding at the end of the year	50,000	50,000
Weighted average number of equity shares in calculating basic EPS	50,000	50,000
Weighted average number of equity shares in calculating diluted EPS	108,337	64,584
Nominal value per share (₹)	10	10
Basic EPS (₹)	(786.92)	5,459.15
Diluted EPS (₹)	(786.92)	4,226.38

Note: OCRPS issued by the Company are anti-dilutive in nature during the year ended 31 March 2024, hence the basic and diluted EPS remains the same for the year ended 31 March 2024 in accordance with relevant Indian Accounting standard

30 Payment to auditor		
(a) as auditor	0.60	0.35
	0.60	0.35

31 Employees benefits
A Defined contribution plan

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

	Year ended 31 March 2024	Year ended 31 March 2023
Company's contribution to Provident Fund	8.62	14.17
Company's contribution to Employees' State Insurance Scheme	0.33	0.21
	8.95	14.38

B Defined benefit plan - Gratuity

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

	Year ended 31 March 2024	Year ended 31 March 2023
Non-current	8.11	10.41
Current	2.31	0.04
	10.42	10.45

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

	Year ended 31 March 2024	Year ended 31 March 2023
Present value of the obligation as at the beginning of the year	10.45	15.82
Service cost	2.80	5.78
Interest cost	0.77	1.14
Benefits paid	-	-
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(3.60)	(12.29)
Present value of the obligation as at end of the year	10.42	10.45

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

	Year ended 31 March 2024	Year ended 31 March 2023
Service cost	2.80	5.78
Interest cost	0.77	1.14
Net impact on profit before tax	3.57	6.92
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(3.60)	(12.29)
Amount recognised in total comprehensive income	(0.03)	(5.37)

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

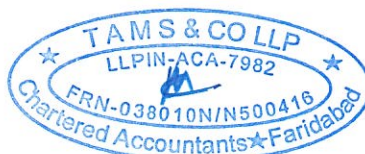
Actuarial (gain)/ loss from change in demographic assumption	(5.72)	-
Actuarial (gain)/ loss from change in financial assumption	30.70	(0.25)
Actuarial (gain)/ loss from experience adjustment	(28.58)	(12.04)
Total actuarial (gain)/ loss	(3.60)	(12.29)

(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.

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NICHOLAS HEALTHCARE LIMITED
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Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in lakhs unless otherwise stated)

(vi) Actuarial assumptions

Discount rate (per annum)	7.22%	7.36%
Future salary increase (per annum)	12.00%	5.50%
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Average future service (in years)	22.34 years	22.34 years

Notes:

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

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

(vii) Sensitivity analysis for gratuity liability

	Year ended 31 March 2024	Year ended 31 March 2023
Impact of change in discount rate		
Present value of obligation at the end of the year	10.42	10.45
- Impact due to increase of 0.5 %	(0.12)	(1.16)
- Impact due to decrease of 0.5 %	0.12	1.28
Impact of change in salary increase		
Present value of obligation at the end of the year	10.42	10.45
- Impact due to increase of 0.5 %	0.12	1.30
- Impact due to decrease of 0.5 %	(0.11)	(1.19)

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

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

	As at 31 March 2024	As at 31 March 2023
Within next 12 months	2.31	0.04
Between 1-5 years	6.76	0.52
Beyond 5 years	1.35	9.89
	10.42	10.45

(ix) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 3.43 lakhs as at 31 March 2024 (31 March 2023: ₹ 9.33 lacs).

(x) Other long-term employee benefits

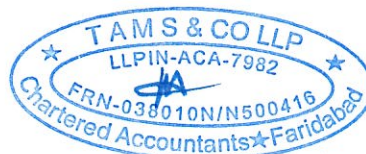
An amount of ₹ 10.90 lakh as at 31 March 2024 (31 March 2023: ₹ Nil) pertains to expense towards compensated absences

C Compensated absences

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

32 Assets pledged as security

	As at 31 March 2024	As at 31 March 2023
Current		
Inventories	1,557.74	623.85
Cash and cash equivalents	2,815.23	3,087.52
Other current assets	388.65	378.95
Trade receivables	2,696.00	2,311.20
Total current assets pledged as security	7,457.62	6,401.52
Non-current		
Property, plant and equipment	34.68	20.98
Total assets pledged as security	7,492.30	6,422.49



NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

33 Reporting to banks/ financial institutions

The Company is regular in submission of monthly stock statements with banks for the borrowings sanctioned against hypothecation of current assets.

Year	Name of Bank	Particulars of securities provided	Amount as per books of accounts	Amount reported in statement	Difference	Reason for material discrepancies
Jun-23	HDFC Bank/JP Morgan bank	Stock	701.04	1,682.10	(981.06)	Provision not taken in bank stock
		Debtors(Net)	2,387.51	752.14	1,635.37	Debtors showing in bank less than 90 days only.
Sep-23	HDFC Bank/JP Morgan bank	Stock	774.45	1,176.95	(402.50)	Provision not taken in bank stock
		Debtors(Net)	2,523.59	630.31	1,893.28	Debtors showing in bank less than 90 days only.
Dec-23	HDFC Bank/JP Morgan bank	Stock	1,054.47	1,463.75	(409.28)	Provision not taken in bank stock
		Debtors(Net)	2,952.85	1,144.29	1,808.56	Debtors showing in bank less than 90 days only.
Mar-24	HDFC Bank/JP Morgan bank	Stock	1,557.74	1,444.81	112.93	Due to GIT
		Debtors(Net)	2,696.00	894.42	1,801.58	Debtors showing in bank less than 90 days only.

The Company are regular in submission of monthly stock statement With bank for the borrowings sanctioned hypothecation of current asstes.

34 Reporting to banks/ financial institutions

The company are regular in submission of monthly stock statements with banks for the borrowings sanctioned against hypothecation of current assets.

35 Related party disclosures

Related party disclosures, as required by Ind AS-24

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

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

a) Parent

-Akums Drugs and Pharmaceuticals Limited

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

Director of the Company:

-Kusum Sharma

-Pushpa Devi

-Suman Singh

Key management personnel of Parent of the Company

-Mr. Sanjeev Jain

-Mr. Sandeep Jain

c) Other related parties-Fellow subsidiaries

Malik Lifesciences Private Limited

Akumentis Healthcare Limited

Avha Lifesciences Private Limited

Plenteous Pharmaceuticals Limited

Pure & Cure Healthcare Private Limited

May & Bakers Pharmaceuticals Limited

Medibox Pharma Private Limited

Akums Healthcare Limited

Sarvagunausdhi Private Limited

Akums Foundation

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NICHOLAS HEALTHCARE LIMITED

Summary of materail accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	2023-24 (Rs.)	2022-23 (Rs.)
(a) Loan:		
-Loan taken during the year		
Akums Drugs and Pharmaceuticals Limited	578.00	875.00
-Loan repaid during the year		
Akums Drugs and Pharmaceuticals Limited	300.00	7,250.00
Interest on Loan:		
Akums Drugs and Pharmaceuticals Limited		
- Interest for the year	36.50	262.63
-Guarantee Commission	7.74	-
Sales of goods and others		
Akums Drugs and Pharmaceuticals Limited	0.48	9.82
Sarvagunausdhi Private Limited	6.62	90.29
Pure and Cure Healthcare Private Limited	17.04	10.70
Akums Foundation	-	591.52
Akums Heath and Education Society	0.05	8.50
Sales of property, plant and equipment		
Akums Drugs and Pharmaceuticals Limited	3.95	-
Plenteous Pharmaceuticals Limited	1.59	-
Issue of OCRPS		
Pure and Cure Healthcare Private Limited	-	6,000.00
Purchase of goods and others		
Akums Drugs and Pharmaceuticals Limited	224.25	213.01
AVHA Lifesciences Private Limited	-	459.28
Medibox Pharma Private Limited	0.11	-
Maxcure Nutravedics Limited	3.45	-
Malik Lifesciences Private Limited	227.61	29.99
Sarvagunausdhi Private Limited	362.68	17.48
Plenteous Pharmaceuticals Limited	0.05	-
Akums Healthcare Limited	32.51	-
Akumentis Healthcare Ltd.	33.76	-
Pure and Cure Healthcare Private Limited	562.65	263.87
Purchases of property, plant and equipment		
AVHA Lifesciences Private Limited	-	8.08
Sarvagunausdhi Private Limited	33.74	-
Income Reimbursement		
Sarvagunausdhi Private Limited	-	1.76
Medibox Pharma Pvt. Ltd. (Amazing)	1.17	-
Expense Reimbursement		
Akums Drugs and Pharmaceuticals Limited	5.31	16.98
Sarvagunausdhi Private Limited	1.03	-
Pure and Cure Healthcare Private Limited	0.20	0.04
May and Backer Pharmaceuticals Limited	0.11	0.28
Medibox Pharma Pvt. Ltd. (M & B)	0.35	-

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NICHOLAS HEALTHCARE LIMITED

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	2023-24 (Rs.)	2022-23 (Rs.)
Rent		
Akums Drugs and Pharmaceuticals Limited	8.51	-
May and Backer Pharmaceuticals Limited	10.99	-
Sandeep Jain	-	0.71
Sanjeev Jain	-	1.42
Expenses paid		
Akums Drugs and Pharmaceuticals Limited	1.16	0.09
Pure and Cure Healthcare Private Limited	2.51	-
Sarvagunausdhi Private Limited	8.26	0.09
Corporate gurantee taken/ released		
Akums Drugs and Pharmaceuticals Limited	2,200.00	-
Corporate gurantee charges		
Akums Drugs and Pharmaceuticals Limited	7.74	-
Sitting fees		
-Kusum Pal Sharma	0.10	0.08
-Pushpa Rawat	0.10	0.08
-Suman Singh	0.10	0.08
Outstanding Balances at end of the year	As at 31 March 2024	As at 31 March 2023
Borrowings-non current		
Akums Drugs and Pharmaceuticals Limited	753.00	475.00
Trade receivables		
Akums Drugs and Pharmaceuticals Limited	4.66	-
Trade payable		
Pure & Cure Healthcare Pvt. Ltd.	554.65	148.83
Malik Lifesciences Pvt. Ltd.	225.31	9.15
Maxcure Nutravedics Ltd.	3.86	-
Akums Drugs and Pharmaceuticals Limited	139.43	48.18
Corporate Gurantee**		
Akums Drugs and Pharmaceuticals Limited	4.23	-

**represents corporate gurantee taken from the holding company for the loan taken by the Company. The gurantee given has been given per the amount sanctioned by the bank

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NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024*(All amounts in lakhs unless otherwise stated)***36 Disclosure required under Ind AS 115 - Revenue from customers****A Disaggregation of revenue:**

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Revenue from sale of goods - Stock In Trade	3,571.80	4,536.91
	3,571.80	4,536.91

B Contract balances

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

	Year ended 31 March 2024	Year ended 31 March 2023
Contract liabilities		
Advance received from customers	9.20	12.12
Total contract liabilities	9.20	12.12
Receivables		
Trade receivables	2,696.00	2,311.20
Total receivables	2,696.00	2,311.20

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	12.12	101.92
Addition during the year	9.20	12.12
Revenue recognised during the year	12.12	101.92
Closing balance	9.20	12.12

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

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

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37 Financial instruments

A Financial instruments by category

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

Particulars	Amortised cost	
	As at	As at
	31 March 2024	31 March 2023
Financial assets		
Trade receivables	2,696.00	2,311.20
Cash and cash equivalents	2,815.23	3,087.52
Other financial assets	185.86	30.39
Total financial assets	5,697.09	5,429.11
Financial liabilities		
Borrowings	1,141.11	475.00
Trade payables	1,204.58	331.11
Lease liabilities	117.21	164.18
Other financial liabilities	147.64	96.95
Total financial liabilities	2,610.54	1,067.23

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalent are considered to be the same as their fair values.
 The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

B. Fair values hierarchy

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

The categories used are as follows:

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

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

Level 3: Inputs which are not based on observable market data (unobservable inputs).

There are no assets or liabilities which have been valued at face value are requier any disclouser of face value hierarcy

B.1 Financial Laibility measured at fair value- recurring fair value measurements.

There is no financial assets/liab at fair value.

Financial risk management

Financial risk management objectives and policies

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

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

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

Financial risk factors

The Company's activities expose it to a variety of financial risks:

- a) Market risk
- b) Credit risk
- c) Liquidity risk

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

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NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in lakhs unless otherwise stated)

(a) Market risk

(i) Foreign currency risk

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

Foreign currency risk exposure:

Particulars	31 March 2024		31 March 2023	
	USD	INR(In lac)	USD	INR(lac)
Trade receivables	1,000,252	834.26	1,000,252	758.26
Total	1,000,252	834.26	1,000,252	758.26

Sensitivity

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

Particulars	Currency	31 March 2024		31 March 2023	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1.%* (31 March 2023 1%)	USD	8.34	(8.34)	7.58	(7.58)

* Holding all other variables constant

(ii) Interest rate risk

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

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

Interest rate risk exposure

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

Particulars	As at		As at	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Variable rate borrowing	Loan from Other than holding company	388.11	-	
Fixed rate borrowing	Loan From Holding company	753.00	475.00	
Total borrowings		1,141.11	475.00	

Sensitivity

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

Interest sensitivity*

Interest rates – increase by 100 basis points	3.88	-
Interest rates – decrease by 100 basis points	(3.88)	-

(b) Credit risk

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

(i) Credit risk management

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

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

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

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

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

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NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

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

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

Financial assets that expose the entity to credit risk –
31 March 2024

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	2,815.23	-	2,815.23
Other financial assets	185.86	-	185.86
Moderate credit risk			
Trade receivables	3,300.38	(604.38)	2,696.00
Total	6,301.47	(604.38)	5,697.09

31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	3,087.52	-	3,087.52
Other financial assets	30.39	-	30.39
Moderate credit risk			
Trade receivables	2,757.10	(445.90)	2,311.20
Total	5,875.01	(445.90)	5,429.11

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

As at 31 March 2024	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	1,416.57	-	-	1,416.57
6 months - 1 years	190.41	-	-	190.41
More than 1 years	1,693.40	36%	604.38	1,089.02
Total	3,300.38		604.38	2,696.00

As at 31 March 2023

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	1,022.35	-	-	1,022.35
6 months - 1 years	271.99	-	-	271.99
More than 1 years	1,462.77	30%	445.90	1,016.87
Total	2,757.11		445.90	2,311.21

Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2022	476.10
Changes in provision	(30.20)
Loss allowance on 31 March 2023	445.90
Changes in provision	158.48
Loss allowance on 31 March 2024	604.38



(All amounts in lakhs unless otherwise stated)

Trade receivables ageing

The table below analyse the outstanding trade receivables:

Particulars	Outstanding for the following periods from due date of payment					Total
	Less Than 6	6 month To 1	1-2 years	2-3 years	More than 3	
	Month	year			years	
(i) Undisputed trade receivables- considered good	1,416.57	190.41	303.28	1,390.11	-	3,300.38
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	(604.38)	-	(604.38)
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-
	1,416.57	190.41	303.28	785.73	-	2,696.00

Particulars	Outstanding for the following periods from due date of payment					Total
	Less Than 6	6 month To 1	1-2 years	2-3 years	More than 3	
	Month	year			years	
(i) Undisputed trade receivables- considered good	517.35	776.99	1,462.77	-	-	2,757.10
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	(445.90)	-	-	(445.90)
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-
	517.35	776.99	1,016.86	-	-	2,311.20

(c) Liquidity risk

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

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

Financing arrangements

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

Working capital facility
JP Morgan
HSBC

	As at 31 March 2024	As at 31 March 2023
	1,262.39	-
	549.50	-
	1,811.89	-

Maturities of financial liabilities

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

Particulars	31 March 2024			Total
	Less than 1 year	1 - 5 years	More than 5 years	
Non-derivatives				
Borrowings	388.11	753.00	-	1,141.11
Trade payable	1,204.58	-	-	1,204.58
Lease liabilities	53.60	63.61	-	117.21
Other financial liabilities	84.64	63.00	-	147.64
Total	1,730.93	879.61	-	2,610.54

Particulars	31 March 2023			Total
	Less than 1 year	1 - 5 years	More than 5 years	
Non-derivatives				
Borrowings	475.00	-	-	475.00
Trade payable	331.11	-	-	331.11
Lease liabilities	57.80	106.37	-	164.18
Other financial liabilities	56.95	40.00	-	96.95
Total	920.86	146.37	-	1,067.23

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Trade payables ageing

The table below analyse the outstanding trade payables:

31 March 2024

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	82.03	-	-	-	82.03
Non- MSME	1,106.45	6.35	-	-	1,112.80
Unbilled dues	9.76	-	-	-	9.76
	1,198.23	6.35	-	-	1,204.58

31 March 2023

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	28.37	-	-	-	28.37
Non- MSME	276.16	19.93	-	-	296.09
Unbilled dues	6.65	-	-	-	6.65
	311.18	19.93	-	-	331.11

38 Taxes

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current taxes		
-on profit and loss	-	-
-tax for earlier years	-	-
Total	-	-
Deferred taxes	9.34	36.65
Tax expense	9.34	36.65

(a) Current tax

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before income taxes	(384.12)	(233.78)
Income tax using the Company's domestic tax rate *	25.17%	26.00%
Expected tax expense [A]	-	-
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Deferred tax write off recognised in earlier years	9.34	-
Effect of non-deductible expenses and others	-	36.65
Total adjustments [B]	9.34	36.65
Actual tax expense [C=A+B]	9.34	36.65

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

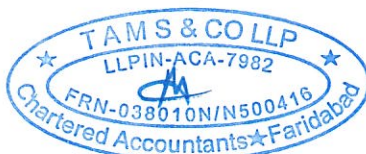
Base tax rate	22%	22%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4%	4%
Applicable rate of tax	25.17%	25.17%

Particulars	As at 31 March 2024			As at 31 March 2023		
	Unabsorbed depreciation	Business losses	Expiry date	Unabsorbed depreciation	Business losses	Expiry date
Unused tax losses*						
A.Y. 2021-22	1.07	1.74	31-Mar-29	1.07	1.74	31-Mar-29
A.Y. 2024-25	14.45	354.06	31-Mar-32	-	-	31-Mar-32
Total	15.52	355.81		-	-	

Note:

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

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NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

b) Changes in deferred tax assets and liabilities for the year ended 31 March 2024 :-

Particulars	As at 31 March 2023	Recognised in OCI	Recognised/ (reversed) in profit and loss	As at 31 March 2024
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(0.64)	-	0.64	-
Deferred tax assets consists of:				
Employee benefits	4.14	-	(4.14)	-
Lease liability	5.12	-	(5.12)	-
Unabsorbed losses	0.71	-	(0.71)	-
Net deferred tax asset / (liability)	9.33	-	(9.33)	-

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

Particulars	As at 31 March 2022	Recognised in OCI	Recognised in profit and loss	As at 31 March 2023
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(0.58)	-	(0.06)	(0.64)
Deferred tax assets consists of:				
Employee benefits	1.46	-	2.68	4.14
Lease liability	(0.04)	-	5.16	5.12
Unabsorbed losses	44.96	-	(44.25)	0.71
MAT Credit	0.19	-	(0.19)	-
Net deferred tax asset / (liability)	45.99	-	(36.66)	9.33

39 Segment reporting

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

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

Operating segments

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

There is only one reportable segment for the Company which is "Trading of Pharmaceuticals Formulations", hence no specific disclosures have been made. Accordingly, information has been presented for entity-wide disclosures as under:

Entity wide disclosures

(a). Information about product revenue

The Company drives its product revenue mainly from pharmaceuticals formulations.

(b). Information about geographical areas

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

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

Particulars	Year ended		Year ended	
	No. of customers	31 March 2024	No. of customers	31 March 2023
Revenue		3,571.80		4,536.91
Revenue from one customers amounting to 10% or more of Company's total	-	-	1	591.52



NICHOLAS HEALTHCARE LIMITED
CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in lakhs unless otherwise stated)

40 Capital management

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

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

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

Particulars	As at	As at
	31 March 2024	31 March 2023
Long term borrowing	753.00	475.00
Short term borrowing	388.11	-
Less:		
Cash and cash equivalents	2,815.23	3,087.52
Net debt (A)	(1,674.12)	(2,612.52)
Total equity* (B)	5,140.42	5,530.28
Gearing ratio (A/B)	-48.30%	-89.54%

*Equity includes capital and all reserves of the Company that are managed as capital.

41 Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance	Reasons for variance
(a) Current ratio	Current Assets	Current liab	4.24	13.78	-953.1%	refer note 1
(b) Debt - Equity ratio	Total debt	Shareholders equity	0.16	0.11	5.4%	
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	(0.23)	0.26	-49.7%	refer note 1
(d) Return on equity ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	(0.07)	2.35	-242.8%	refer note 1
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	2.69	2.60	9.5%	
(f) Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	143%	204%	-60.9%	refer note 1
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	504%	292%	212.4%	refer note 1
(h) Net capital turnover ratio	Net Sales	Working Capital	63%	76%	-13.8%	
(i) Net profit ratio	Net Profit	Net Sales	-11%	60%	-71.2%	refer note 1
(j) Return on capital employed	Earning before interest and taxes	Capital Employed	-7%	52%	-58.5%	refer note 1
(k) Return on investment	Profit after tax	Investment	-7%	45%	-52.1%	refer note 1

Note 1:- The Company operations have focused to reduce the working capital thereby leading to decrease in receivables and inventory. Further, during the year the Company has tried to clear off the old inventory leading to higher cost of material consumed, finally resulting in losses as compared to profits in the previous year. With reduction in the revenue and more focus on improvement in the working capital, however with lower margins, the Company has incurred losses impacting the above mentioned ratios. This has impacted the above ratios as mentioned above.



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

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due	82.03	28.37
- Interest amount due	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

43 Lease

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

(b) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases

(c) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2024 is 8.5% p.a (1 April 2023: 8% p.a.)

(d) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised as on 31 March 2024:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)
Building	2	1-3 years

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

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

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

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

Particulars	Category of	
	Building	Total
Balance as at 1 April 2022 (on account of application of Ind AS 116)	200.29	200.29
Add: Additions during the year	15.02	15.02
Less: Amortisation charged on the right-of-use assets	64.56	64.56
Balance as at 31 March 2023	150.75	120.70
Balance as at 1 April 2023	150.75	150.75
Add: Additions during the year	-	-
Less: Deletion during the year	-	-
Less: Amortisation charged on the right-of-use assets	49.54	49.54
Balance as at 31 March 2024	101.21	101.33

(f) Lease payment not recognised as lease liability

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Expenses relating to short term leases(included in other expenses)	21.38	2.12
Total	21.38	2.12

(g) The total cash outflow for leases for the year ended 31 March 2024 was ₹ 117.21 lakhs. (31 March 2023: ₹164.17 lakhs)



NICHOLAS HEALTHCARE LIMITED

CIN - U24232DL2009PLC186841

Summary of material accounting policies and other explanatory information for the year ended 31 March 2024

(All amounts in lakhs unless otherwise stated)

(h) Future minimum lease payments as on 31 Marh 2024 are as follows:

Minimum Lease payments due	As on 31 March 2024		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	60.64	7.04	53.60
1-5 Year	66.37	2.76	63.61
More than 5 Year	-	-	-
Total	127.01	9.80	117.21

Future minimum lease payments as on 31 March 2023 are as follows:

Minimum Lease payments due	As on 31 March 2023		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	57.80	10.84	46.96
1-5 Year	127.01	9.80	117.21
More than 5 Year	-	-	-
Total	184.81	20.64	164.17

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

45 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall only use such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on 1 April 2023.

The Company uses certain accounting software for maintaining its books of account. During the current financial year, the audit trail (edit log) feature for any direct changes made at the database level were not enabled for the said software used for maintenance of all the accounting records by the Company. However, the audit trails (edit log) at the applications level (entered from the frontend by users) for the accounting software were operating for all relevant transactions recorded in the software.

46 Other statutory information

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

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

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

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

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

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

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

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

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

As per our report of even date attached

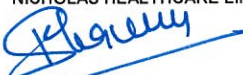
For T A M S & CO LLP
Chartered Accountants
Firm Registration No.: 038010N/N500416


Mohan Soni
Partner
Membership No.095882

Place : New Delhi
Date : 29 May 2024



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


Kusum Sharma
Director
DIN: 02086304


Suman Singh
Director
DIN: 02326675