

Akums Drugs & Pharmaceuticals Ltd.



# **2020-21** **ANNUAL REPORT**



**2020-21 HIGHLIGHTS**

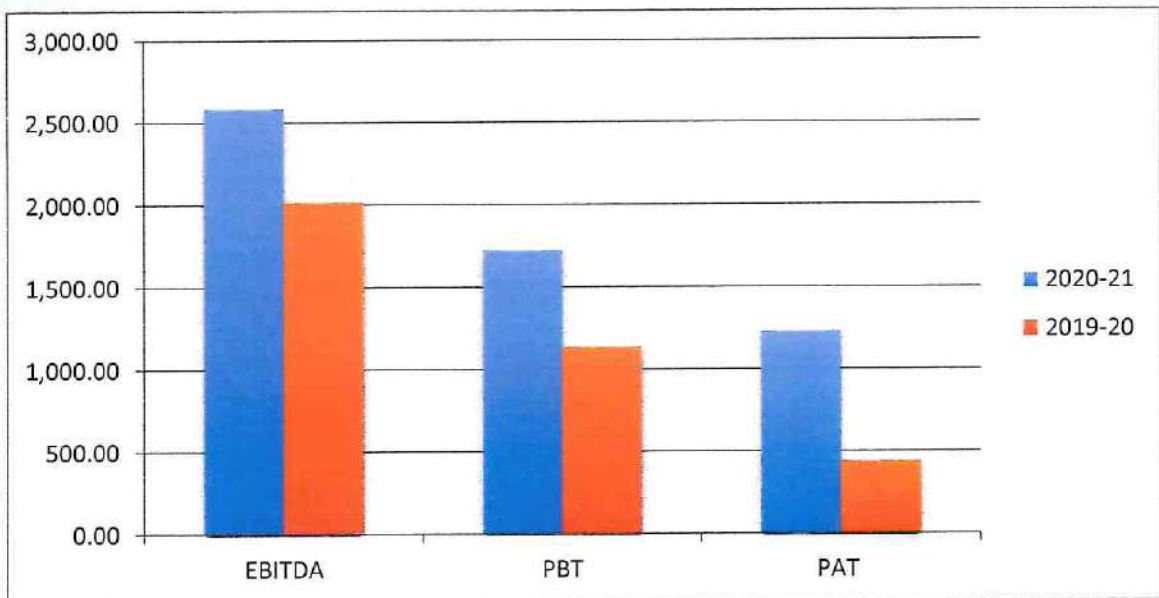
**Consolidated Financial**

Total income: INR 27,437.85 Mn.

EBIDTA: INR 2,584.99 Mn.

Total Comprehensive income: INR 1,233.08 Mn.

Below mentioned is the tabular presentation of the EBIDTA, PBT and PAT for the current year and previous year in respect of consolidated financial of the Company.



(INR in million)





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**Particulars**

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**Shri Sanjeev Jain & Shri Sandeep Jain: Promoters of Akums Group**



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## ABOUT US

Akums is India's single largest Medicine Manufacturer organization which manufactures approximately 11-12% of India's total drugs consumption. The organization offers a comprehensive range of services which cover all major business aspects of pharmaceuticals industry:

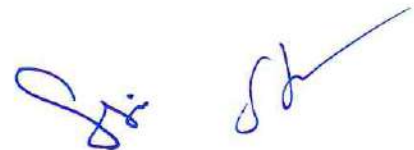
- ♣ Contract Research & Manufacturing Services (CRAMS),
- ♣ Nutraceuticals & cosmetics manufacturing
- ♣ Formulation & development of Novel Drugs Delivery Systems (N.D.D.S.),
- ♣ Loan License,
- ♣ New Formulations with DCGI Approvals,
- ♣ API manufacturing business
- ♣ Branded marketing business
- ♣ Generic marketing business
- ♣ Institutional sales business
- ♣ Retail sales business

Akums' 15 (Fifteen) state of the art facilities are equipped to produce all modern dosage forms — tablets, hard gelatin capsules, soft gelatin capsules, powder in sachets, liquid syrups and suspensions, injections, eye/ear drops, ointments, creams, gels, lotions, ayurveda and herbal preparations, nutraceutical and cosmetic preparations and many more. Akums along with its subsidiaries offers significant manufacturing capacities:

- 119.65 Million Tablets, per day
- 19.47 Million Hard Gelatin Capsules, per day
- 3.19 Soft Gelatin Capsules, per day
- 2.01 Liquid Orals, per day
- 1.83 Sachets, per day
- 1.46 Vials, per day
- 1.07 Ampoules, per day
- 0.65 FFS, per day
- 0.61 Topical Preparations, per day
- 0.3 3-Piece Eye Nasal Drops, per day

Akums has emerged as an integrated solution provider for companies seeking pharma formulations specific development and business goals. Along with its core service offering, the company offers advanced solutions for formulation development and testing.

The cornerstone of AKUMS was laid down by its promoters Shri Sanjeev Jain and Shri Sandeep Jain in the year 2004. Today, they are spearheading the largest & fastest growing pharmaceutical organization which is vertically integrated pharma company and provide services from API manufacturing, to pharma formulations manufacturing, ethical & generic medicines marketer, to retail pharmacy chain. Akums has made significant contribution to the growth of Pharma Industry by making available of world class pharma products at affordable price.

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As trendsetters, Shri Sanjeev Jain and Shri Sandeep Jain gave a new concept to Pharma Industry to specialize in Contract Manufacturing. There is no retail shop across the Country, where medicines manufactured by Akums group is not available. Akums manufactures TOP 72 out of 100 ORGs for all the big Pharma houses and MNC's. Akums ranks 3rd in Next Fortune 500 Companies in Pharmaceutical Sector for the year 2020. Akums has Unique Business Model of developing innovative New Drugs with DCGI approvals; and offering such products with Akums technology to Big Pharma Companies, under their Brand Names.

Akums' has highest manufacturing capacities in manufacturing Oral Solid Dosages, Liquid Orals, Injections, Hormones, Beta Penicillin, Beta Cephalosporin, Dermatology, Cosmetics, Ayurvedics, Herbals and Food Supplements.

Akums group has 796 DCGI approvals; 429 FSSAI Approvals, filed 63 Patent Applications, developed 24 Novel Drug Delivery Technologies and over 4000 formulations; all highest as compared to any other company. Akums manufactures for most of the leading MNCs & domestic pharma companies. Innovative ideas in new product development, patents; creation & retention of customers have brought company to its pinnacle.

Akums has all the Quality Accreditations approvals –

WHO – GMP	ISO 9001 : 20015	ISO 14001: 2015	GLP	ISO 17025: 2017 (NABL)	ISO 50001:2018	ISO 22000:2018
FSSAI	Ayush Premium	HACCP	NSF GMP	DSIR – R&D Certification	ISO 27001: 2013	

Akums also has International approvals –

ANVISA – Brazil	NAFDAC- Nigeria	NSF International	MOH – Vietnam	MOH – Cambodia	CD&DA – Sri Lanka	DRA – Bhutan
DDA – Nepal	MOH- Afghanistan	FDB – Ghana	PMPB – Malawi	PPB – Kenya	NDA-Uganda	DPM – Ivory Coast
TFDA- Tanzania	FMHACA- Ethiopia	ZAZIBONA (Zambia, Botswana, Namibia)	MOH- Yemen	MOH – Kazakhstan	FDA Philippines	MCA – Zimbabwe

Akums Export its products to more than 53 Countries namely Libya, Nigeria, Ghana, Kenya, Uganda, Yemen, Ethiopia, Malawi, Rwanda, Jamaica, Mozambique, Zambia, Burundi, Tanzania, Philippines, Vietnam, Cambodia, Sri Lanka, Bangladesh, Singapore, Nepal, Bhutan, Myanmar, UAE, Ukraine, Tajikistan, Afghanistan, Kazakhstan, Turkmenistan, Kyrgyzstan, Malaysia, Venezuela, Belarus, Nicaragua, Honduras, Guatemala, Ivory coast, Mali, Niger, Benin, Senegal, Burkina Faso, Cameroon, Guinea, Congo, Chad, Mauritania, Botswana, Namibia, Zimbabwe.

Akums is financially strong with AA-(stable) and A1+ rating by ICRA for Long Term and short term ratings respectively.

**Manufacturing Facilities: Akums Drugs & Pharmaceuticals Ltd. & its Manufacturing Subsidiaries (Akums)**

Unit(s)	Preparations	Location
Unit-1	Akums Unit-I: Oral Solid Dosage Forms Tablets, Capsules – Hard & Soft Gelatin	19, 20 & 21, Sector-6A, I.I.E, SIDCUL, Haridwar
Unit-2	Akums Unit-II: Liquid Orals Syrups, suspensions, drops, jellies	22, Sector-6A, I.I.E, SIDCUL, Haridwar
Unit-3	Akums Unit-III: Injectables – Liquid & Dry ampoules, Vials, eye ear nasal drops, parentals, PFS	2, 3, 4 & 5, Sector-6B, SIDCUL, Haridwar
Unit-4	Akums Unit-IV: Hormonal Preparations - Tablets, capsules, liquids, injectables, ointments	48, Sector-6A, SIDCUL, Haridwar
Unit-5	Akums Unit-V: Dermatology & Cosmetics- Ointments, gels, creams, scrubs, lotions, shampoos, oils	47, Sector-6A, SIDCUL, Haridwar
Unit-6	Maxcure Nutravedics Ltd. Ayurvedic, Food supplement, Nutraceuticals	13, Sector 6A, SIDCUL, Haridwar
Unit-7	Pure & Cure Healthcare Pvt Ltd Unit-I Oral solids, injections, ointment & cosmetic, eye drops, creams, lotions	26A, 27, 28, 29 & 30, Sector-8A, I.I.E, SIDCUL, Haridwar
Unit-8	Malik Lifesciences Pvt Ltd- Betalactum Cephalosporin Unit – LowRH preparations	16, Vardhman Industrial Estate, Village Bahadarpur Saini, Roorkee, Haridwar
Unit-9	Malik Lifesciences Pvt Ltd- Betalactum Penicillin Unit – Clavulanac, Readymix	16, Vardhman Industrial Estate, Village Bahadarpur Saini, Roorkee, Haridwar
Unit – 10 & 11	Malik Lifesciences Pvt. Ltd. General Dosage & General Topical	16, Vardhman Industrial Estate, Village Bahadarpur Saini, Roorkee, Haridwar
Unit-12	Pure & Cure Healthcare Pvt. Ltd. Unit-II Oral solid dosages, Tab., cap.	Village-Tezpur, Mouza, Rampur, District- Kamrup, Guwahati (Assam).
Unit-13	Akums Lifesciences Ltd. Unit-I Latest generation cephalosporin APIs & intermediates	Derabassi Plant: Village Sundran, P.O: Mubarakpur, Tehsil Derabassi, District Mohali
Unit-14	Akums Lifesciences Ltd. Unit-II niche penicillin APIs & non-antibiotic APIs	Laru Plant: Village Chachrauli, Tehsil Derabassi, District Mohali
Unit-15	Akums Healthcare Ltd. Various pharmaceutical dosage forms	Plot No- B-6,7,8,9, Sigaddi Growth Center, SIDCUL, Kotdwar, Pauri Garhwal, Uttrakhand
R & D	R & D Centre-I R & D Centre-II	19, 20 & 21, Sector-6A, I.I.E, SIDCUL, Haridwar L-103, Taloja Industrial Area, MIDC, Taloja- 410203
Stability	Stability Chamber- centralized Warehouse	Plot. No. 6, Sector 6B, SIDCUL, Haridwar
Branch Offices	I. MUMBAI  II. AHMEDABAD	I. 503/504, Hubtown Solaris, Prof NS Phadke Marg, Andheri East, Mumbai. II. 24, Nirgun Bunglow, Ramdev Nagar Road, Satellite, Ahmedabad, Gujarat – 380015

### FINANCIAL HIGHLIGHTS

#### 1. CONSOLIDATED SALES, PROFITABILITY, ASSETS AND NET WORTH OF MANUFACTURING COMPANIES FOR FY 2020-21

Company Name	Total Sales / Revenue	Profitability (EBIDTA)	PAT (Inclusive of Other Comprehensive Income)	Gross Fixed Assets	Net Worth
Akums	<b>8,919,490,000</b>	<b>812,181,000</b>	<b>(1,452,729,000)</b>	<b>4,009,313,000</b>	<b>5,670,459,000</b>
	8,024,291,302	1,054,478,474	508,933,685	3,915,718,740	7,123,188,526
Pure & Cure	<b>9,344,283,000</b>	<b>1,544,560,000</b>	<b>899,215,000</b>	<b>3,842,959,000</b>	<b>3,726,823,000</b>
	7,182,015,331	886,530,868	328,918,339	3,677,669,987	2,827,606,146
Malik	<b>2,688,475,000</b>	<b>89,725,000</b>	<b>(65,957,000)</b>	<b>1,015,345,000</b>	<b>157,017,000</b>
	3,508,656,775	189,635,134	3,136,498	969,371,032	222,973,954
Maxcure	<b>2,892,060,000</b>	<b>254,021,000</b>	<b>60,692,000</b>	<b>420,385,000</b>	<b>974,807,000</b>
	5,002,823,888	280,846,658	177,994,257	359,512,056	914,115,079
Upadhrish	<b>216,206,124</b>	<b>151,175,957</b>	<b>51,456,205</b>	<b>139,812,830</b>	<b>52,957,205</b>
	190,897,495	74,198,108	48,052,045	130,740,954	115,149,434
Akums Lifesciences	<b>6,727,000</b>	<b>(298,226,000)</b>	<b>9,914,532,000</b>	<b>2,145,239,000</b>	<b>814,362,000</b>
	1,130,000	(53,528,000)	(272,909,000)	4,669,193,000	(9,150,225,000)
Akums Healthcare	<b>60,000</b>	<b>(121,808)</b>	<b>(2,302,664)</b>	<b>94,558,990</b>	<b>(1,302,664)</b>
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<b>Total</b>	<b>24,067,301,124</b>	<b>2,553,315,149</b>	<b>9,404,906,541</b>	<b>11,667,612,820</b>	<b>11,395,122,541</b>
	23,909,814,791	2,432,161,242	794,125,824	13,722,205,769	2,052,808,139.00

Note: Bold figures represent current year and unbold figures represent previous year.



**2. CONSOLIDATED SALES, PROFITABILITY, ASSETS AND NET WORTH OF MARKETING COMPANIES FOR FY 2020-21**

Company Name	Total Sales / Revenue/ Income	Profitability (EBIDTA)	PAT (Inclusive of Other Comprehensive Income)	Gross Fixed Assets	Net Worth
Akumentis	<b>2,370,477,000</b> 2,578,065,000	<b>325,989,000</b> 138,360,000	<b>201,232,000</b> (29,028,000)	<b>31,842,000</b> 33,244,000	<b>180,960,000</b> (20,272,000)
Unosource	<b>817,454,000</b> 725,931,000	<b>172,812,000</b> 94,126,915	<b>57,168,000</b> (84,232,616)	<b>35,946,000</b> 39,487,931	<b>(614,772,000)</b> (671,940,346)
Amazing	<b>602,717,329</b> 458,505,740	<b>44,078,360</b> 18,758,588	<b>18,345,624</b> 3,140,431	<b>7,300,941</b> 7,138,822	<b>(2,789,259)</b> (21,134,883)
Plenteous	<b>1,112,861,000</b> 617,880,570	<b>52,075,850</b> 52,075,850	<b>46,329,000</b> 26,409,644	<b>9,260,682</b> 2,279,809	<b>98,264,000</b> 51,934,668
May & Baker	<b>340,121,031</b> 396,034,506	<b>24,109,262</b> 22,842,369	<b>14,235,648</b> 9,520,599	<b>1,241,531</b> 1,201,834	<b>72,575,689</b> 58,340,041
Delcure	<b>1,359,377,586</b> 559,749,728	<b>793,550,952</b> (124,597,640)	<b>684,392,737</b> (361,978,001)	<b>47,220,448</b> 47,220,448	<b>(1,609,759,472)</b> (2,294,152,209)
AVHA	<b>484,174,170</b> 161,864,056	<b>6,642,030</b> (6,528,805)	<b>(9,381,069)</b> (15,755,381)	<b>2,561,000</b> 2,561,000	<b>(40,152,278)</b> (30,771,209)
SGA	<b>108,530,487</b> 87,916,529	<b>(58,769,162)</b> (84,623,293)	<b>(64,296,885)</b> (98,758,148)	<b>21,723,046</b> 27,771,508	<b>(317,503,086)</b> (253,206,201)
Others*	<b>955,291,756</b> 919,893,086	<b>(35,106,979)</b> (56,364,217)	<b>(67,279,951)</b> (638,288,790)	<b>47,143,744</b> 47,293,435	<b>34,725,441</b> 123,401,645
<b>Total</b>	<b>8,151,004,359</b> 6,505,840,215	<b>1,325,381,313</b> 54,049,767	<b>880,745,104</b> (693,724,468)	<b>204,239,392</b> 208,198,787	<b>(2,198,450,965)</b> (3,057,800,494)

**Note: Bold figures represent current year and unbold figures represent previous year.**

\* Nicholas Healthcare Ltd., Cure Sure Pharma, AUSL Pharma, Akum Impex LLP, Dhanwantri Vedaresearch LLP and Medibox Digital Solutions Pvt. Ltd. etc.

### 3. CONSOLIDATED TURNOVER OF COMPANIES

The consolidated statement of Sales Turnover of the Company and its subsidiaries for the FOR FY 2020-21.

(Amount in Rs.)

Manufacturing	Sales Turnover	Other Incomes	Total Turnover
Akums	8,365,310,000	554,180,000	8,919,490,000
Pure & Cure	9,328,789,000	15,494,000	9,344,283,000
Malik Lifesciences	2,678,399,000	10,076,000	2,688,475,000
Maxcure	3,851,906,000	40,154,000	3,892,060,000
Akums Lifesciences	6,719,000	07,000	6,727,000
Akums Healthcare	0	60,000	60,000
Upadhrish	214,633,372	1,572,752	216,206,124
<b>Sub-Total (A)</b>	<b>24,445,756,372</b>	<b>621,543,752</b>	<b>25,067,301,124</b>
<b>Marketing Subsidiaries</b>			
Akumentis	2,333,536,000	36,941,000	2,370,477,000
Unosource	791,696,900	25,758,000	817,454,000
Amazing	602,068,426	648,903	602,717,329
Plenteous	1,101,736,000	11,125,000	1,112,861,000
May & Baker	332,603,970	7,517,061	340,121,031
Delcure	374,852,009	984,525,577	1,359,377,586
AVHA Lifesciences	483,088,796	1,085,374	484,174,170
Sarvagunaushdhi	101,870,882	6,659,605	108,530,487
Others*	952,418,367	1,395,303	953,813,670
<b>Sub-Total (B)</b>	<b>7,073,871,350</b>	<b>1,075,655,823</b>	<b>8,149,526,273</b>
<b>Grand Total (A+B)</b>	<b>31,519,627,722</b>	<b>1,697,199,575</b>	<b>33,216,827,397</b>

\* Nicholas Healthcare Ltd., Cure Sure Pharma, AUSL Pharma, Akum Impex LLP, Dhanwantri Vedaresearch LLP and Medibox Digital Solutions Pvt. Ltd. etc.

#### 4. CONSOLIDATED FINANCIAL RESULTS FOR 5 YEARS OF MANUFACTURING COMPANIES

The financial summary & highlights of the Company and other manufacturing subsidiaries for the last 5 years has been as under:

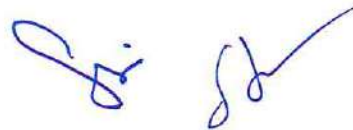
Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Sales	24,445,756,372	28,707,649,768	20,510,650,081	15,641,592,391	15,249,977,138
Other Incomes	621,543,752	827,802,794	706,405,026	589,079,059	459,370,479
<b>Total Income</b>	<b>25,067,301,124</b>	<b>29,535,452,562</b>	<b>21,217,055,107</b>	<b>16,230,671,450</b>	<b>15,709,347,617</b>
<b>EBITDA</b>	<b>2,553,315,149</b>	<b>3,325,290,906</b>	<b>2,809,946,517</b>	<b>2,772,786,323</b>	<b>2,505,245,093</b>
Finance Cost	253,079,000	733,016,959	367,704,199	296,065,674	365,480,243
Depreciation	721,477,000	1,480,362,523	515,135,159	474,997,924	360,722,812
<b>Profit Before Tax</b>	<b>8,922,004,000</b>	<b>1,111,911,424</b>	<b>1,927,107,159</b>	<b>2,001,722,725</b>	<b>1,749,042,038</b>
Tax Expenses	1,202,444,000	706,796,159	569,391,627	591,035,675	436,458,773
<b>Profit After Tax (Inclusive of other comprehensive Income)</b>	<b>9,404,907,000</b>	<b>469,305,439</b>	<b>1,357,482,139</b>	<b>1,410,687,050</b>	<b>1,312,583,265</b>



5. THE FINANCIAL SUMMARY & HIGHLIGHTS OF THE COMPANY STANDALONE FOR THE LAST 5 YEARS HAS BEEN AS UNDER:

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Sales	8,365,310,000	7,369,054,303	6,854,986,244	5,975,220,795	6,338,648,824
Other Incomes	554,180,000	655,236,999	552,771,422	554,811,597	430,930,717
<b>Total Income</b>	<b>8,919,490,000</b>	<b>8,024,291,302</b>	<b>7,407,757,666</b>	<b>6,530,032,392</b>	<b>6,769,579,541</b>
<b>EBITDA</b>	<b>812,181,000</b>	<b>1,054,478,474</b>	<b>1,385,430,052</b>	<b>1,303,943,559</b>	<b>720,500,134</b>
Interest/ Financial Exp.	8,193,000	43,358,610	36,321,875	26,899,288	50,147,210
Depreciation	261,036,000	252,602,351	228,579,471	229,960,822	236,486,363
Exceptional item	2,494,952,000	NA	NA	NA	NA
<b>Profit (loss) Before Tax</b>	<b>(1,952,000,000)</b>	<b>758,514,513</b>	<b>1,120,528,706</b>	<b>1,047,083,449</b>	<b>433,866,561</b>
Tax Expenses	(497,719,000)	249,929,452	372,112,965	369,856,512	109,653,155
<b>Profit After Tax*</b>	<b>(1,452,729,000)</b>	<b>504,933,685</b>	<b>747,319,674</b>	<b>681,315,091</b>	<b>324,106,818</b>

\*PAT includes other comprehensive income



**AMOUNT PROPOSES TO CARRY TO RESERVE**

Net Worth of Akums (Standalone) as on 31.03.2021 INR 5,670,459,000/-

Net worth of the Company is calculated as under:

<i>i.</i>	Share Capital	:	13,005,850/-
<i>ii.</i>	Reserves & Surplus as on 31.03.2020	:	7,110,182,000/-
<i>iii.</i>	Loss carried forward for 2020-21	:	(1,452,729,000)
	<b>TOTAL</b>		
	(Incl. Capital Subsidy)		<b>5,670,459,000/-</b>



## REVIEW OF BUSINESS DIVISIONS 2020-2021

Together, our business divisions make us a vertically integrated player of pharmaceuticals industry

Our business consists of the following dedicated divisions:

Formulations Manufacturing

Nutraceuticals & Cosmetics Manufacturing

Branded Marketing

Generic Marketing

Export Business

Institutional Sales

Retail Sales

API Manufacturing

Research & Development Centre



*Shi Sh*

### Formulations Manufacturing

Akums is uniquely positioned to address its customer needs by offering its services in the form of Research & Development of New Formulations and obtaining DCGI approval, Technology Development & offering tailor made specialized products.

Akums has huge production capacities of all dosage forms with its 15 formulations manufacturing facilities.

The domestic CRAMS market is expected to reach US \$ 40 billion by 2030 & Akums positioned well to take benefit of this growth cycle.

On consolidated basis turnover from formulations manufacturing segment of the Company has increased by 10.00 % (represent the highlights of financials here through charts/ diagrams)

### Nutraceuticals & Cosmeceuticals Manufacturing

Nutraceuticals are on a growth trajectory, below mentioned are the major factors driving the growth of nutraceuticals:

a) Growing demand for fortified food due to the increasing health awareness amongst consumers; and

b) Benefits from their potential nutritional, safety and therapeutic effects help improve health, prevent chronic diseases, postpone the aging process, or support functions and integrity of the body

In consequence, consumer choice is shifting from chemically-derived products to protective healthcare items such as nutraceuticals that contain safer, natural and healthier ingredients. Health consciousness, leading to healthy eating habits and consumption of nutrient rich food is increasing the adoption of fortified foods.

These growing choices are expected to drive the growth of the nutraceuticals & cosmeceuticals market size.

Akums has a dedicated wholly owned subsidiary i.e. Maxcure Nutravedics Ltd. which deals exclusively in the development and manufacture of well-characterised specialty ingredients in the nutraceuticals / dietary supplements and cosmeceuticals segments.

### Branded Marketing

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is estimated at US\$ 42 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030.

Akums has a dedicated branded marketing company in the form of Akumentis Healthcare Ltd.

### Branded Generic Marketing

Branded generics dominate the domestic market by making more than 70 % of the retail market and local players have a large chunk of this market share.

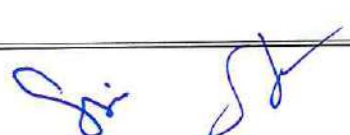
Akums has multiple wholly owned subsidiaries i.e. Amazing Research & Laboratories Ltd., Plenteous Pharmaceuticals Ltd. and May & Baker Pharmaceuticals Ltd. etc. which deals exclusively in branded generic marketing.

### Export Marketing

India's pharmaceutical exports stood at US\$ 24.44 billion in FY21.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume. India enjoys an important position in the global pharmaceuticals sector.

Akums has a dedicated export marketing company in the form of Unosource Pharma Ltd.



### Generic & Retail Marketing

Generic medicine is designed to be identical as branded drugs, in strength, safety, route of administration, performance characteristics, quality, and intended use. Generic drugs work in the same way as branded drugs in terms of clinical benefits. Generic drugs are manufactured after the expiration of the exclusive rights or patent of the branded drugs.

Government of India has a lot of focus on promotion of generic medicines as it helps to reduce medical expenses of public at large while serving the same benefits as of branded medicines. Government of India has running a project titled "Jan Aushdhi" by opening of retail stores.

Akums has its wholly owned subsidiary Sarvagunaushdhi Pvt. Ltd. which runs retail pharmacy for generic medicines across India under brand name of "StayHappy"

StayHappy is the only generic retail pharmacy chain in India which is making available most of medicines in generic forms and running efficiently by leveraging on the manufacturing strength of the Company.

StayHappy has a moto that good healthcare should not be limited to people with deep pockets. It should be accessible to everyone. StayHappy believes in this thought and has commenced a nationwide generic medicines revolution. At StayHappy pharmacy one could get top-quality generic medicines at unbelievably low prices. StayHappy currently have more than 1600 retail stores across the country.

### Institutional Sales

The Company has dedicated wholly owned subsidiaries in the form of AVHALifesciences Pvt. Ltd. and Nicholas Healthcare Ltd, which deals exclusively in catering of hospital medicines requirements and other institutional sales including participating in tender issued by different institutions or governments.

### API Manufacturing

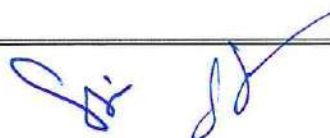
Recently Akums has also foray into Active Pharmaceuticals Ingredients (API) business. The API business at Akums comprises both captive consumption as well as external sales.

Akums has commenced its API business through its subsidiary i.e. Akums Lifesciences Ltd. which is expected to operational fully in FY. 2021-22. This will help the Company in backward integration, as well third party sale of API, which is currently high in demand.

API business has supplemented a strong in-line product portfolio with a development pipeline of new products across a variety of therapy areas.

### Research & Development Centre

In order to produce innovative, more efficient and high quality pharmaceutical formulations the Company has established two Research & Development Centre one at Mumbai and another at holy city Haridwar.





**Corporate Information**

**Board of Directors:**

Shri Sanjeev Jain (Whole Time Director)  
Shri Sandeep Jain (Whole Time Director)  
Dr. Deepak Haldankar (Whole Time Director)  
Dr. Amit Varma (Director)  
Shri N.L. Kalra (Independent Director)  
Ms. Neena Vivek (Independent Director)

**Committees:**

**Audit Committee**

Shri N.L. Kalra  
Ms. Neena Vivek  
Dr. Amit Varma

**Nomination & Remuneration Committee**

Shri N.L. Kalra  
Ms. Neena Vivek  
Dr. Amit Varma

**Corporate Social Responsibility Committee**

Shri N.L. Kalra  
Dr. Amit Varma  
Shri Sanjeev Jain  
Shri Sandeep Jain

**Key Managerial Personnel**

Shri Vinod Raheja (Chief Financial Officer)  
Shri Dharamvir Malik (Company Secretary)

**Statutory Auditors**

M/s. Walker Chandio & LLP

**Cost Auditors**

M/s. Jain Sharma & Associates

**Secretarial Auditors**

M/s. A K Nandwani & Associates

**Internal Auditors**

M/s. Vibhor Gupta & Associates

**Bankers**

State Bank of India  
Standard Chartered Bank

**Registered Office**

304, 3<sup>rd</sup> Floor, Mohan Place,  
L.S.C, C-Block, Saraswati Vihar  
Delhi-110034

**Website**

[www.akums.in](http://www.akums.in)

**CIN**

U24239DL2004PLC125888

**Contact Details**

Phone: 011- 47511000

E-mail: [akumsho@akums.net](mailto:akumsho@akums.net)



**BOARD'S REPORT 2020-21**

To

The Members,

Your Directors have immense pleasure in presenting their 17<sup>th</sup> (Seventeenth) Annual Report on the business and operations of the Company together with the Standalone & Consolidated Audited Statements of Accounts for the Financial Year ended on March 31, 2021.

**1. FINANCIAL RESULTS**

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from operations	83653.10	73690.54	272,262.94	241,415.59
Other Income	5541.80	6552.37	2,115.57	2,748.72
<b>Total Income</b>	<b>89194.90</b>	<b>80242.91</b>	<b>274,378.51</b>	<b>244,164.31</b>
Less: Expenses	81073.09	69698.12	248,582.54	224,004.57
<b>EBITDA</b>	<b>8121.81</b>	<b>10544.79</b>	<b>25,849.97</b>	<b>20,159.74</b>
Less: -Finance Cost	81.93	433.58	674.42	1,993.22
-Depreciation/Amortization	2610.36	2526.05	6,984.05	6,668.07
<b>Profit before exceptional item &amp; Taxation</b>	<b>5429.52</b>	<b>7585.16</b>	<b>18,191.50</b>	<b>11,498.45</b>
Exceptional Items	(24949.52)	--	<b>1,000.00</b>	--
Less: Tax expenses				
-Current Tax	622.17	23681.18	5,529.86	4,735.80
-Deferred Tax	(5616.70)	(61.68)	(647.28)	2,075.67
-Prior year tax	17.34	199.81	----	205.55
<b>Profit/ loss after Tax (PAT)</b>	<b>(14542.81)</b>	<b>5085.85</b>	<b>12,343.63</b>	<b>4,365.36</b>
Other Comprehensive Income	15.52	(36.51)	(12.74)	1.38
<b>Total Comprehensive Income</b>	<b>(14527.29)</b>	<b>5049.34</b>	<b>12,330.89</b>	<b>4,366.74</b>



Key highlights of the Company's consolidated financial performance during FY 2020-21 are as follows:

- Revenue from operations increased by 12.78 % (from INR 24,141.55 Mn to INR 27,226.29 Mn) driven by steady performance of the Company.
- Total Revenue increased by 12.37 % (from INR 24,416.43 Mn to INR 27,437.85 Mn)
- Earnings Before Interest, Tax, Deprecitaion & Amortization (EBITDA) increased by 28.23% (from Rs 2,015.97 Mn to Rs 2,584.99 Mn)
- Total Comprehensive Income increased by 182.40% (from Rs 436.67 Mn to Rs 1,233.08 Mn) mainly driven by lower finance cost and exceptional item

## 2. COMPANY'S AFFAIRS

The year 2020-21, was a most challenging year due to spread of COVID-19 pandemic. Even during these difficult times, your company is able to deliver the good performance. Your Company exhibited all-round performance in all the business areas.

During the year under review –

- » The CDMO Division has shown excellent performance and achieved a turnover of INR 2,507 crore.
- » The Marketing division also achieved its all-time high growth and contributed a turnover of INR 815 crore.
- » The Company has acquired Parabolic Drugs Limited (presently Akums Lifesciences Limited), with around INR 100 crore investment, which has bright future in API space.

The consolidated turnover of the Marketing and Manufacturing Companies during the financial year 2020-2021 have been INR 27,437,851,000/-.

The Standalone revenue (Sales & other incomes) of Akums Drugs & Pharmaceuticals Ltd. (Akums) during the financial year 2020-2021 has been INR 8919.49 Mn. (Previous Year INR 8024.29 Mn.). Revenue from operations has been to INR 8365.31 Mn. (Previous Year INR 7369.05 Mn.) Other Income has been INR 554.18 Mn. (Previous Year INR 655.24 Mn.).

### 3. COVID-19

Your company supported its employees and their families, society and Government bodies during these tough times. A thorough thermal scanning and sanitization protocol was introduced at all the plants and offices. Monitoring employees for signs & symptoms of Covid-19 at regular intervals and distribution of immunity booster medicines/ herbals. Additional buses provided to maintain physical distance. Work from home was provided wherever possible to maintain lean staff in the work area.

### 4. DIVIDEND

Your Company is continuously travelling through the path of expansion. In view of the need for conserving the resources of the Company, the Board of Directors does not recommend any dividend for the Financial Year 2020-2021.

### 5. RESERVES

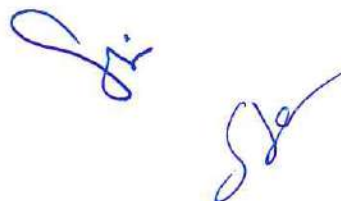
The total comprehensive loss of Rs. 1,452,729,000) has been adjusted with previous year's reserves of Rs. 7,110,182,000/- alongwith securities premium, thus total reserves of Rs. 5,657,453,000/- is retained in Balance Sheet accordingly.

### 6. EXTRACT OF ANNUAL RETURN

In compliance with Section 92 and Section 134 (3) (a) of the Companies Act, 2013 read with applicable Rules made thereunder, the Annual Return as on 31st March, 2021 is available on the Company's website at [www.akums.in](http://www.akums.in)

### 7. CHANGES IN CAPITAL STRUCTURE

During the Financial Year 2020-21, no change took place in the Capital structure of the Company. Currently, Authorised Share Capital of the Company is Rs. 15,000,000/- (Rupees One Crore Fifty Lakhs) divided into 15,00,000 (Fifteen Lakhs) Equity Shares. Issued, Subscribed and Paid up Share Capital of the Company is Rs. 13,005,850/- (Rupees One Crore Thirty Lakhs Five Thousand Eight Hundred and Fifty Only) divided into 13,00,850 (Thirteen Lakhs Eight Hundred and Fifty) Equity Shares.

Two handwritten signatures in blue ink are present at the bottom right of the page. The first signature is a stylized 'S' followed by 'ji', and the second is a more complex signature.

## 8. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2020-2021, the following changes took place in the composition of Board of Directors of the Company.

- a) Cessation of Shri Narendra Dev Sachdeva (DIN:00330005) due to his sudden demise on 20.06.2020.
- b) Appointment of Dr. Deepak Gurudas Haldankar (DIN:08733074) as Director with effect from 29.09.2020; and
- c) Resignation of Shri Vijaypal Singh Rawat (DIN:06744017) from directorship of the company w.e.f 10.10.2020.

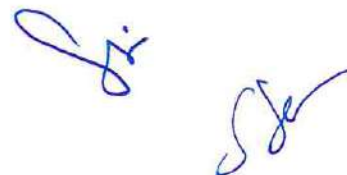
Further, as per the provisions of the Companies Act, 2013, Shri Sandeep Jain, Director, will retire at the ensuing annual general meeting and, being eligible, seek reappointment. The Board of Directors recommends their re-appointment.

Apart from above there is no change in the composition of the Board of Directors of the Company.

## 9. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-2021, the Board of Directors duly met four times on 10.06.2020, 29.09.2020, 24.12.2020 and 25.03.2021 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. However, in case of urgent business needs, approval is taken by passing resolutions through circulation.

The Details of attendance of Directors at Board Meetings of the Company are given as under:



Name of Director	Category	No. of Board Meetings		%
		Eligible to attend	Attended	
Shri Sanjeev Jain	Executive	4	4	100
Shri Sandeep Jain	Executive	4	4	100
Dr. Deepak Haldankar	Executive	2	2	100
Shri N.L Kalra	Independent	4	4	100
Ms. Neena Vivek	Independent	4	4	100
Dr. Amit Varma	Non-Executive	4	3	75
Shri V.P.S. Rawat*	Executive	2	1	50
Shri N.D. Sachdeva**	Non-Executive	1	0	0

\*Resigned w.e.f. 10.10.2020

\*\*Demised on 20.06.2020

a) Meeting of Committees & General Meeting(s) during the Financial Year 2020-2021:

- i) During the period under review Audit Committee meetings were held on 24.12.2020 & 25.03.2021 and CSR Committee meeting was held on 25.03.2021.

The Details of attendance of Directors at the Committee(s) Meeting(s) of the Company are given as under:

Name of the Directors	Name of Committee Meeting					
	Audit Committee			CSR Committee		
	Held	Attendance	%	Held	Attendance	%
Shri N.L Kalra	2	2	100	1	1	100
Ms. Neena Vivek	2	2	100	0	0	NA
Dr. Amit Varma	2	1	50	1	1	100
Shri Sanjeev Jain	0	0	NA	1	1	100
Shri Sandeep Jain	0	0	NA	1	1	100

- ii) Annual General Meeting of the Company for the previous financial year i.e. 2019-20 was held on 30.12.2020 which was attended by all the shareholders; and Shri Sanjeev Jain (Director cum shareholder), Shri Sandeep Jain (Director cum shareholder), Dr. Deepak Haldankar, Shri N.L. Kalra & Ms. Neena Vivek, directors of the Company along with the Company Secretary, Chief Financial Officer, representative of Statutory Auditor & Secretarial Auditor of the Company.

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of 134(3) read with Section 134(5) of Companies Act, 2013, the Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The Company is not listed, yet the director had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; for ensuring the orderly and efficient conduct of business, including adherence to company's policies, the safeguarding its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- g) The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

#### 11. DECLARATION BY AN INDEPENDENT DIRECTOR(S)

The Company has received declarations from all the Independent Director(s) of the Company confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. In the opinion of the Board, the Independent Director of the Company fulfills the conditions specified under the Act.

**12. AUDIT COMMITTEE**

The detailed pertaining to composition of Audit Committee is included in the Corporate Governance Report, which forms part of this Report.

**13. CSR COMMITTEE**

The detailed pertaining to composition of Corporate Social Responsibility (CSR) Committee is included in the Corporate Governance Report, which forms part of this Report.

**14. NOMINATION & REMUNERATION COMMITTEE**

The detailed pertaining to composition of Nomination and Remuneration committee is included in the Corporate Governance Report, which forms part of this Report.

**15. AUDITOR(S)**

**A) Statutory Auditor**

Walker Chandiok & Co LLP, are Statutory Auditors of the Company pursuant to Member's approval obtained at the 15<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2019. Their term of appointment is five years to audit the financials of the Company for the Financial Year 2019-20 to 2023-24 (both inclusive) and accordingly they shall hold office till conclusion of the 19<sup>th</sup> Annual General Meeting of the Company.

The Auditors' Report for the financial year ended 31<sup>st</sup> March, 2021 on the financial statements of the Company forms a part of this Annual Report. There are no qualifications, reservations, adverse remarks, disclaimer or emphasis of matter in the Auditors' Reports apart from not charging of interest from one of subsidiary.

**B) Details in respect of Frauds reported by Auditors under Section 143(12):**

As specified under the second proviso of Section 143 (12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review. Remarks made in the Auditors' Report are self-explanatory and do not call any further comments from Directors' of your Company.

**C) Cost Auditor**

As per the provisions of Section 148 the Companies Act, 2013 read with Companies (Audit & Auditors') Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the Company is required to maintain the cost records in respect of its business and accordingly such records are made and maintained.



Your Board has appointed M/s. Jain Sharma & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2020-21, now their tenure had expired, hence the Board re-appointed M/s Jain Sharma & Associates as Cost Auditor to audit the cost accounts of the Company for the financial year 2021-22. As required by the Act, the remuneration of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors is being placed before the Members for their ratification.

**D) Internal Auditor**

As per the Provisions of section 138 read with Rule 13 of The Companies (Accounts) Rules, 2014, with regard to Internal Audit. M/s Vibhor Gupta & Associates had been appointed as the Internal Auditor for the financial year 2020-21. The audits are based on an internal audit plan, which is reviewed each year by the management and the audit committee. The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the company's operations.

**E) Secretarial Auditor**

In terms of Section 204 (1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, mandates Secretarial Audit for prescribed class of Companies.

In terms of Section 204 of the Act and Rules made there under, M/s. A.K. Nandwani & Associates, Practicing Company Secretary were appointed as Secretarial Auditors of the Company for the financial year 2020-21. The Board has re-appointed A.K. Nandwani & Associates, Practicing Company Secretary as Secretarial Auditor for the Financial year 2021-22.

In terms of sub-section (3) of section 134 of the Companies Act, 2013 the Secretarial Audit Report in the Form MR-3 for the financial year 2020-21 is annexed with Board's report, as Annexure-VI.

The report is self-explanatory and do not call for any further comments.

**16. MATERIAL CHANGES AND COMMITMENTS**

During the period under review, the Company has increased its stake in Akumentis Healthcare Ltd. from 77.21% to 91.50%.

Parabolic Drugs Ltd.

Your company has acquired Parabolic Drugs Ltd. (Now Akums Lifesciences Ltd.) as per the provision of Insolvency and Bankruptcy Code, as Resolution Plan submitted by the Company has been approved by the NCLT, Chandigarh on 12th January 2021. Thereafter name of Parabolic was changed to Akums Lifesciences Ltd.

Apart from others, no other material changes and commitments occurred, which may affect the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**17. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

The Company is engaged inter alia in the business of manufacturing, marketing, trading, importing, exporting, developing, testing and allied activities of pharmaceutical formulations of drugs, ayurvedics, herbals, toiletries, nutraceuticals, food & dietary supplements, derma and cosmetics, healthcare & hospital products, OTC products, active pharmaceutical ingredients, excipients and compounds.

During the period under review there is no change in nature of business of the Company, except entering into API business with the acquisition of Akums Lifesciences Ltd.

**18. COMPANIES WHICH BECAME/CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURE & ASSOCIATES COMPANIES**

During the financial year 2020-21, Your Company has incorporated of new subsidiary company i.e. Akums Healthcare Ltd. on 29th December 2020. Now, the Company has 15 subsidiary companies, one step-down subsidiary, two LLPs; and there is no subsidiary, which is incorporated outside India in terms of proviso 4 of section 137(1) of Companies Act, 2013.

Sr. no.	Name of Subsidiary	Nature of Business	% of Shareholding	Status WOS* / Subsidiary
1	Pure & Cure Healthcare Pvt. Ltd.	Manufacturing of Pharmaceuticals Formulations	100%	WOS
2	Maxcure Nutravedics Ltd.	Manufacturing of Nutraceuticals & Cosmetics	100%	WOS
3	Malik Lifesciences Pvt. Ltd.	Manufacturing of Pharmaceuticals Formulations	100%	WOS
4	Akums Lifesciences Ltd.	Manufacturing of API	100%	WOS
5	Akumentis Healthcare Ltd.	Branded Marketing	92.50%	Subsidiary
6	Unosource Pharma Ltd.	Export Marketing	99.89%	Subsidiary
7	Sarvagunaushdhi Pvt. Ltd.	Retail Sales	100%	WOS
8	AVHA Lifesciences Pvt. Ltd.	Institutional Sales	100%	WOS
9	Delcure Lifesciences Ltd.	Branded Marketing	100%	WOS
10	Amazing Research & Laboratories Ltd.	Generic Branded Marketing	100%	WOS
11	May & Baker Pharmaceuticals Ltd.	Generic Branded Marketing	100%	WOS
12	Plenteous Pharmaceuticals Ltd.	Generic Branded Marketing	100%	WOS
13	Nicholas Healthcare Ltd.	Institutional Sales	100%	WOS
14	Abbott Pharma Ltd.	Trading of pharma	100%	WOS
15	Akums Healthcare Ltd.	Manufacturing of formulations	100%	WOS

\*WOS means wholly owned subsidiary

The statement containing the salient features of the Financial Statements of the Company's subsidiaries is given in Form AOC-1 forming part of the report as **Annexure-VII**.

The highlights of performance and financial position of each of the subsidiary companies and their contribution to the overall performance of the Company during the financial year under review is included under the head of financial highlights of this report.

#### **19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The details of loans, guarantees and investments, as contemplated under section 186 of the Companies Act, 2013, made by the Company and remaining outstanding as on 31.03.2021, are enclosed to this report as **Annexure-VIII**.

#### **20. PARTICULARS OF RELATED PARTY TRANSACTIONS**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 were at arm's length and in ordinary course of business.

Omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseeable and repetitive in nature, in all other cases approval of Board/ Audit Committee is taken for entering into a related party transaction.

Though Section 188 is not applicable to the transactions yet the details of related party transactions are provided under notes to financial statements and Form AOC-2 are annexed with the Board Report in **Annexure-IX**.

#### **21. FIXED DEPOSITS UNDER CHAPTER V OF THE COMPANIES ACT, 2013**

During the year under review, the company has not accepted any deposit from Public within the meaning of chapter V of Companies Act, 2013 and as such, no amount on account of principal or interest on public deposit was outstanding as on the date of the balance sheet.

#### **22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report providing the detailed overview of your Company's performance, industry trends, business and risks involved has been provided separately and forming part of this report as **Annexure - I**

#### **23. REMUNERATION POLICY**

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise. Experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act.

The Company has a remuneration policy which provides for basis for fixation of remuneration of Directors and Key Managerial Personnel of the Company.

#### 24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

##### (A) Conservation of Energy

##### (i) Energy Conservation measures taken

Optimum energy conservation steps are being taken to reduce per unit cost. Power factor is being monitored continuously as energy conservation measure. Maintenance of proper voltage supply, proper load distribution and replacement of traditional tube lights with LEDs lead to regular saving of energy. Installed variable speed based controller on the air compressor for minimizing the losses during unloading. Installed ON/OFF based controller in the cooling tower and monitoring the switching based controller in the cooling tower fans, for reducing the specific power consumption. No waste is generated in the Company which can be converted into any source of energy.

- (ii) No other alternate source of energy is feasible.
- (iii) Adequate additional investment is being made on energy conservation.
- (iv) The average performance in terms of production units is under control however electricity tariffs are beyond the control of the company.

Particulars	2020-21	2019-20
(i) Units of Electricity Purchased (Kwh Lakhs)	316.29	332.16
(ii) Total Amount of Electricity Purchased (Rs. Lakhs)	1,986.66	2174.08
(iii) Rate of Electricity Per Unit (Rs.)	6.28	6.55
(iv) Units (Kwh Lakhs) Own Generation (DG. Set)	5.01	15.47
(v) Units generated Per Liter of Diesel Oil	3.63	3.66
(vi) Total amount of Diesel consumed (Rs. Lakhs)	81.05	235.73
(vii) Cost Per Unit (Rs.)	16.21	15.23

##### (B) Technology absorption

- (i) Efforts are continuously being made for technology absorption
- (ii) Company has been engaged in product development, product improvement & cost reduction.
- (iii) No technology has been imported. The Company has its own DISR approved Research & Development Centre.
- (iv) During the financial year 2020-2021, expenditure on R & D was Rs. 236,147,000/- (Previous year Rs. 306,827,000/-).

**(C) Foreign exchange earnings and Outgo:**

During the financial year 2020-21, expenditure in foreign currencies amounted to Rs. 3,672,000/- (previous year Rs. 22,579,000/-).

**25. RISK MANAGEMENT POLICY**

The Company has adequate risk management process to identify and notify the Board of directors about the risk or opportunities that could have an adverse impact on the Company's operations or could be exploited to maximize the gains. The process and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by statutory auditors.

**26. ENVIRONMENT AND SOCIAL POLICY**

Your Company has adopted the Environment and Social Policy.

The Board of Directors of the Company in its Board Meeting held on 13.11.2019 had passed resolution for adoption of the Environment and Social Policy and the Company is in compliance with such policy.

**27. EXECUTIVE COMMITTEE**

The Company has constituted an executive committee to expedite the strategic decisions. The Committee consist the following members:

- |                         |   |
|-------------------------|---|
| (i) Shri Sanjeev Jain   | - Whole Time Director                         |
| (ii) Shri Sandeep Jain  | - Whole Time Director                         |
| (iii) Shri Sunil Thakur | - Partner, Quadria Capital Advisors Pvt. Ltd. |

The functions of Executive Committee are as:-

- The executive committee, before the start of each Financial Year reviews and approves the annual budget prepared by the management of the Company for that Financial Year.
- The executive committee oversees the evaluation of Company's and its subsidiaries' periodic (monthly / quarterly/ half yearly / yearly) performance to ensure achievement of the budget and goals, and recommend the action points or corrective measures including any change to the annual budget to the Board;
- The executive committee identifies, reviews and approve the capital expenditure items which are not included in the annual budget for any Financial Year.
- Any other business or strategic matters.



## 28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this report.

In line with the provisions of the Companies Act, 2013, the Company has framed its CSR Policy and CSR Annual Action Plan and the same has been approved by the CSR Committee and the Board of Directors of the Company. The CSR Policy of the Company provides the road map for its CSR activities.

The company believes, considers and promotes the fact that with a Dynamic Corporate Social Responsibility culture, society will benefit; and when society benefits, corporate also benefit.

It is reflected in company's culture that the responsibilities of the entrepreneur are not confined to four walls of its business or its customers; the company also has a commitment and social responsibilities towards community.

The company had complied with the provisions of law in its true spirit.

In terms of section 135(5), the Company was required to spend at least 2% of its average net profits made during three immediate preceding financial years i.e. the Company was required to make such spending during financial year 2020-21 related to the financial year, 2017-18, 2018-19 and 2019-20.

Net profits before tax during the three preceding financial years had been as under:

Financial Year(s)	Profit Before Tax (PBT) (Rupees).
2017-18	1,053,335,214
2018-19	1,118,843,901
2019-20	807,836,010

Average profits of financial year 2017-18, 2018-19 and 2019-20 had been Rs. 993,338,375/- and the Company was required to spend INR 19,866,768/- during the financial year 2020-21, being 2% of preceding three years.

The Company has spent an amount of INR 20,010,322/- out of which an amount of INR 50,00,000/- was donated to 'JITO Administrative Training Foundation' for utilization of funds on its main objects and an amount of INR 15,010,322/- were spent by the Company directly on the activities specified under Schedule-VII of Companies Act, 2013.

The Corporate Social Responsibility activities undertaken during the year by the Company have been mentioned in this report separately, as Annexure-IV.

### 29. MANAGERIAL REMUNERATION

In terms of the provisions of Section 197(12) of the Companies Act, 2013 and rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 no employee was in receipt of remuneration for the Financial Year 2020-21 which, in the aggregate, was Rupees One Crore and two lakh or more per annum or proportionally, except in case of Shri Sanjeev Jain & Shri Sandeep Jain, whose remuneration is disclosed under note no. 40 (II) of notes to the accounts.

### 30. EVALUATION OF BOARD PERFORMANCE

Provisions of Section 134(3)(p) and rules 8(4) of Companies (Accounts) Rules, 2014 related to formal evaluation of Board of Directors and its committees is not applicable to the Company, as the Company is neither listed nor its paid up Capital is Rs. 25.00 Cr. or more.

### 31. MATERIAL COURTS ORDERS

During the year, no material order was passed by any regulators, tribunals or courts which impacts the going concern & company's operations in future.

### 32. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The management of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### 33. MAINTENANCE OF COST RECORDS

In terms of provisions of Section 148 (1) of the Companies Act, 2013 and rules made there under the Company is required to maintained cost records and the Company has maintained such accounts and records in proper manner, the same was also made available to the cost auditors of the Company for their audit. M/s. Jain Sharma & Associates, Cost Accountants, were engaged to carry out Audit of Cost Records of the Company during Financial year 2020-2021.

### 34. VIGIL MECHANISM POLICY

In terms of the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a policy on Vigil Mechanism for the Directors/KMP and Employees of the Company to report their genuine concerns relating to actual or suspected fraud, unethical behavior, violation of the Company's Code of Conduct or any other event which would adversely affect the business interests of the Company.



### 35. HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company is committed to nurturing, enhancing and retaining talent through superior Learning & Organizational Development.

The Company believes that our people are our biggest assets and hence we invest in productive training programs for them. The Company encourages people to explore opportunities in harmony with their natural talent and nurture them to grow.

The Company embeds a sense of inclusion and equality in its people. This means fostering a conducive work environment that enhances professional and personal growth. Our strong culture of mutual trust, oneness, learning, care and concern is a key inspiration to meet tomorrow's challenges.

### 36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Your Company believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

A mechanism has been established to report such matters to the ICC, during the period under review, no complaint was received in this regard.

### 37. CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended on March 31<sup>st</sup>, 2021 have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

### 38. CREDIT RATING

The Company has rating agreement with ICRA Limited and ICRA is required to review the rating on an annual basis and when the circumstances so warrant. The Rating Committee of ICRA Ltd. has upgraded the long term credit rating as (ICRA) AA- and the outlook on the long-term rating has been revised to 'Stable' from 'Positive'. The Rating Committee of ICRA has also upgraded the short term rating as (ICRA) A1+.



### 39. SECRETARIAL STANDARDS

During the year under review, your Company has complied with all applicable Secretarial Standards issued by Institute of Companies Secretaries of India (ICSI)

### 40. OTHER REPORTS FORMING PART OF BOARD REPORT

Following reports forming part of Board Report are enclosed:

Management Discussion & Analysis Report (**Annexure-I**)

SWOT Analysis (**Annexure-II**)

Corporate Governance Report (**Annexure-III**)

CSR Activities undertaken (**Annexure-IV**)

Bio-data of Directors (**Annexure-V**)

### 41. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, customers, suppliers, alliance partners, bankers and all other stakeholders for the continued support given by them to the Company and their confidence reposed in the management.

Place : Delhi

Date: 27.09.2021



Sanjeev Jain  
Director  
DIN: 00323433

For & on behalf of the Board of Directors  
Akums Drugs & Pharmaceuticals Limited



Sandeep Jain  
Director  
DIN: 00323476

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **Company Overview**

Established in the year 2004, Akums Drugs and Pharmaceuticals Limited (henceforth referred to as 'Akums' or 'the Company') has started its journey as manufacturer of pharmaceutical formulations; and today Akums is a vertically integrated pharmaceuticals Company which deals in all series of activities of pharma industry and includes manufacturing of API, manufacturing of pharmaceutical formulations, branded marketing, branded generic marketing, pure generic marketing, institutional sales & retail outlets as its business verticals.

Akums' greatest strength is its huge manufacturing facilities spread across multiple locations in India.

Throughout its 17 year-long journey, Akums' has maintained an excellent relation with its clients by providing quality medicines. As an end-to-end solutions provider, the Company has built deep trust-based relationships with its clients which drives longevity and sustained business engagement.

### **SECTOR STRUCTURE AND DEVELOPMENT**

#### **GLOBAL PHARMACEUTICAL SECTOR**

The worldwide outbreak of COVID-19 pandemic forced various governments to implement months of lockdown in 2020, which significantly bring down business activities. The pandemic bring the attention of political leaders across the globe towards healthcare & pharma sectors. The pandemic will increase spending on medicines and other allied products.

The pharmaceutical industry is one of the fastest growing industries in the world and it is one of the biggest contributors to the world economy. The global pharmaceutical market size is estimated to reach USD 1.6 trillion.

According to Grand View Research, the global pharmaceutical manufacturing market size was valued at US\$ 324.42 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 13.74% from 2020 till 2027. One dominant trends seen by the global pharmaceutical industry is increased use of medicines over the past decade, which has seen the rate of medicine usage outpace both population and economic growth.

The pharmaceutical industry is growing at an unusually rapid pace. Manufacturing companies are confronted with enormous challenges due to high market growth, new medicines and therapy forms and changing regulations.

While growth in developed markets will slow down, emerging markets will become increasingly important in the coming decade. The Indian pharmaceuticals market, along with the markets of emerging countries, will spearhead growth of global pharma sector.

The reasons for growth of global pharma sector are obvious: the global population will be increasing by 1.24 percent per year until 2030 and ageing at the same time. All in all, the proportion of people aged 65 to 80 will rise to 28 percent, compared to 22 percent in 2000. Increasing urbanization, a growing middle class and affordability of medicines also lead to a higher demand for medication.

Other factors includes changing lifestyles, hectic daily activities, unhealthy eating habits, increasing incidence of chronic diseases across the entire global population providing growth opportunities for the sector players.

By 2025, there will be more than 8.1 billion people across the globe; and if present life style would continue, people would be more prone to health issues.

As per an estimate more than 20% people of the world will be overweight or obese and number of people reaching old age is mounting, and the prevalence of a chronic diseases doubles every five years after the age of 65.

In short, there are more people – and more sick or elderly people – in the world today than ever before. More people have access to affordable healthcare than ever before, and, in coming years, access to healthcare may well be regarded everywhere as a basic human right.

The world pharma market is dominated by countries like USA, EU and Japan and the contribution of Pharma Emerging countries is expected to be more in coming years. According to IMS health report, it is projected that, US will continue to consume most of medicine, followed by Europe and China. Brazil, Russia and India put together contribute about 6 percent of global consumption of the medicine.

Global generic drug sales are expected to make up 29.2 percent of the total pharmaceutical sales by value worldwide in 2022. Generics now make up more than 80 percent by volume of drugs dispensed around the world, and that percentage will continue to grow as more drugs lose patent protection.

### **Indian Pharmaceutical Market**

With a population of about 1.35 billion, India is home to 1/6th of the world's population. This population density and factors like sustained economic growth, higher disposable income, improved access to quality healthcare, rise in chronic diseases due to sedentary lifestyles, and deeper insurance penetration make India one of the most promising pharmaceutical markets in the world. As per secondary sales data by IQVIA, the domestic pharma market is valued at about INR 1.56 lakh crore or about US\$ 21 billion. Over the past 5 years, the domestic pharmaceutical market has grown at 9.5% CAGR and has been one of the fastest growing pharmaceutical markets in the world. However, the growth was impacted in 2020 owing to COVID-19- related lockdowns, which resulted in lower patient footfalls at clinics / OPDs and deferment of non-emergency surgeries and procedures. Going forward, the India pharma market is expected to grow at 7.5-10.5% CAGR through 2020 to 2025 and feature among the top 10 pharmaceutical markets in the world with sales of about US\$ 32 billion by 2025.

The Indian pharma industry is poised for a big leap forward in this decade. Health has come into sharp focus as never before. The developments over the past year have emphasized the importance of an innovation ecosystem, a robust infrastructure for production of drugs and pharmaceuticals. India has emerged as a pharmacy to the world, supplying critical drugs and vaccines in the course of this pandemic.

As per the report on the Indian Pharmaceutical Industry 2021 by FICCI and EY, during 2020-30, Indian pharma industry is expected to grow at a CAGR of 12% to reach at US\$ 130 billion by 2030.

The Indian pharmaceutical sector is expected to grow with faster compound annual growth rate (CAGR) compared to global growth rate.

During the financial year 2019-20 below mentioned is the glance of Indian Pharma industry:

Particulars	INR (Cr.)	USD (Bn)
Domestic Market	1,51,700	20.50
Export	1,52,440	20.60
Industry Size	3,04,140	41.10

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest supplier of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume.

The overall penetration of modern medicines is quite low in India. The per capita spending on pharmaceuticals in India is one of the lowest among emerging markets. Compared to the emerging market average per capita spend of about USD 117 per year, the spending in India is approximately USD 15-25 per year. Affordability, access and awareness are the prime factors, which will determine demand for pharmaceutical products in the Indian market.

Other factors like rising per capita income, improving access to healthcare facilities, and higher government spending on healthcare will drive market demand. Moreover, introduction of government health insurance scheme, penetration of private health insurance, increasing healthcare awareness and enhanced investments for treating chronic ailments would serve as key growth drivers.

The Indian pharmaceutical market is dominated by Branded generic drugs which contribute 70 percent of market share in terms of revenue. The patented drug market contribute 21 percent whereas, over the counter (OTC) drug market contribute 9 percent of total USD 20 billion revenue of the Indian pharmaceutical market. The share of generic drugs is expected to continue increasing; domestic generic drug market is expected to reach USD 28 billion in 2025.

India's cost of production is nearly 33 per cent lower than developed market; labour costs are 50–55 per cent cheaper than in Western countries. The cost of setting up a production plant in India is 40 per cent lower than in Western countries. This Cost-efficiency would continue to create opportunities for Indian companies in emerging markets & Africa continent. Apart from other advantages, India has a skilled workforce as well as high managerial & technical competence in comparison to its peers in Asia.

As per a report in coming 2-3 years, Public expenditure on health would increase to 2.5 – 3 per cent of Gross Domestic Product (GDP) from the current 1.3 per cent. This would result in increase of consumption of pharma products and eventually boost top & bottom line of such companies which has focus on quality & affordability.

Indian pharmaceuticals sector is globally respected and is one of the most successful business sector in India. It has contributed immensely to India's healthcare outcomes and economy. World-class capabilities and favourable market conditions over the last many years have ensured that India continues to be one of the most lucrative pharma markets in the world.

Indian pharmaceuticals market will grow to USD 55 billion by 2025 driven by a steady increase in affordability and a step jump in market access. At the projected scale, this market will be comparable to all developed markets other than the US, Japan and China. Even more impressive will be its level of penetration. In terms of volumes, India will be at the top, a close second only to the US market. This combination of value and volume provides interesting opportunities to move ahead within the Sector.

#### **Future Prospect of Pharma Sector**

Medicine spending in India is projected to grow 9 12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

The rising burden of lifestyle diseases, growing population and increasing healthcare awareness are positively contributing to growth and domestic consumption in the sector.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines also going to play important role for the pharmaceutical companies.

By 2025, India is likely to be among the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size.

A FICCI report expressed confidence that Indian Pharma Industry can become a USD 150 billion industry by 2030.

India is becoming a leading destination for clinical trials, contract research & manufacturing activities which is leading to the growth of bio services sector.

The Indian pharmaceuticals market has characteristics that make it unique. First, branded generics dominate, making up for 70 to 80 per cent of the retail market. Second, local players have enjoyed a dominant position driven by formulation development capabilities and early investments. Third, price levels are low, driven by intense competition. While India ranks tenth globally in terms of value, it is ranked third in volumes. These characteristics present their own opportunities and challenges.

Over the next decade, the market will proliferate, presenting a variety of opportunities. To lead, players must not only participate across multiple opportunity areas, but also significantly modify their business models to enable a profitable scaling up.

Over the past 5 years, the distinction between local players and multinational companies has increasingly blurred and Indian pharma market offer equal opportunity for both type of players.

First, population growth at around 1.3 per cent every year and a steady rise in disease prevalence will increase the patient pool by nearly 20 per cent year to year basis.

Second, the affordability of drugs will rise due to sustained growth in incomes and increases in insurance coverage. With real GDP growing at nearly 8 per cent over the next decade, third income levels will rise steadily.

Rising incomes will drive 73 million households into the middle and upper income segments. In addition to income growth, health insurance coverage will augment affordability. Currently, nearly 600 million people enjoy health insurance coverage. Private insurance coverage will grow by nearly 15 per cent annually. However, the largest impact will be seen through government sponsored programs that are largely focused on the 'below poverty line' (BPL) segment, and this scheme only is expected to provide coverage to nearly 526 million people by 2030.

This scenario will be characterized by strong growth in GDP and incomes, insurance coverage, and government and private sector spending on healthcare. Over the next decade, India's population is expected to grow at 1.3 per cent; the prevalence of diseases such as diabetes and cancer will increase by 25 to 40 per cent; GDP will grow at close to 8 per cent; the Rashtriya Swasthya Bima Yojana (RSBY) will cover 75 per cent of the BPL population.

We fully expect this market to evolve constantly, though the central questions to change every few years.

### **Government Initiatives**

The government of India has taken measures to boost pharmaceutical sector. The Government of India unveiled 'Production Link Incentive' (PLI) Scheme aimed at making India a global leader in drug and API manufacturing. Government had also constituted 'Pharma Forum' for quick address of challenges of the industry. Approval time for new facilities has been reduced to boost investments.

Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative. In recent times DCGI has taken several initiatives in order to promote generic medicines in India; and Akums is ready to take benefits from this initiative of the Government of India.

Ministry of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology.

In order to promote the pharmaceutical sector the government has taken the following initiatives:

- (I) As per NBDS, a proposal has been made to set up the National Biotechnology Regulatory Authority (NBRA) to provide a single-window clearance mechanism for all bio-safety products to create efficiencies & streamline the drug approval process
- (II) Government is has relax FDI norms in the pharmaceutical sector
- (III) The increased expenditure on healthcare is expected to benefit the pharmaceutical sector as well

The Department of Pharmaceuticals released a draft National Pharmaceutical Policy with the following objectives:

- a) Make all essential drugs accessible to masses through affordable prices
- b) Provide the Indian pharmaceutical sector with a long term stable policy environment
- c) Make India self-sufficient in end to end domestic drug manufacturing
- d) Maintain world class quality for domestic consumption and exports
- e) Create a positive environment for research and development in the pharma sector.

## INDUSTRY STRUCTURE AND DEVELOPMENT

### CONTRACT MANUFACTURING IN PHARMA INDUSTRY

Partnering with a contract manufacturing organization (CMO) is a strategic choice by many pharmaceutical companies – from big players to smaller specialty entities. The capital intensive nature of the business and complexity of the manufacturing requirements are among the primary reasons driving pharmaceutical companies to outsource commercial manufacturing. Additional factors providing a solid foundation for the growth of the CMO services market include growing demand for generic medicines.

The global market for Contract Research and Manufacturing Services (CRAMS) is expected to grow at 7% CAGR during 2019-25 on the back of increasing costs of R&D, coupled with significant revenue loss due to impending patent cliff that has forced major pharmaceutical companies worldwide to outsource part of their research and manufacturing activities to low-cost countries like India. CRAMS is one of the fastest-growing sectors in the pharmaceutical industry.

India offers significant cost advantages over matured manufacturing hubs in Europe and North America and has already emerged as one of the leading cost-competitive and quality manufacturing hubs for many global players including big pharma companies. Moreover, the current economic crisis along with the incessant pricing pressure and pro-generic agenda are driving pharma companies to influence the strengths of Indian pharma manufacturers.

Akums' manufacturing philosophy is strategic yet simple: we drive continuous improvement and innovation to produce high-quality, affordable medicines and enhancing healthcare. Akums have state-of-the-art technologies, which help us deliver affordable and superior quality products

The pharmaceutical companies are looking for various opportunities to reduce cost, improve efficiencies, improve pipeline and reduce the time-to-market. To reduce cost, the pharmaceutical companies are adopting different strategies like outsourcing (in areas like manufacturing and product developments and other functions). The marketing companies have specialized themselves in marketing and exports; and left the activity of product development and manufacturing to contract manufacturing, who have developed their expertise in those areas.

Previously, the paradigm of the Pharmaceutical industry required companies to be vertically integrated, i.e., the company itself performed all the operations required of its business. Now investors are demanding continued high financial performance. As a result "outsourcing" has become a significant way of doing business.

Contract Manufacturing in pharma sector has been on the upswing for several years now, with growing budget of clients, Contract Manufacturing Organizations (CMOs) reporting increased in business on year on year basis. Part of the reason for this movement has been a more strategic approach of pharma marketing companies to outsource their manufacturing requirements that have gone beyond basic cost calculations and in turn marketing companies benefited from CMOs' leading-edge innovation.

With the passage of time pharma contract manufacturing has emerged as a major industry; and pharma industry has become hugely dependent on contract manufacturing and this trend will continue in the in future as well, because of inherent benefits being offered by contract manufacturing.

The Indian pharmaceutical industry is having opportunities in the domestic market with growing demand for quality health care. More opportunities are seen in the area of Contract Research and Manufacturing Services (CRAMS).

Currently CRAMS is a fragmented market in India with more than 1,000 players, which is going to see a good consolidation, with the increase of regulatory tightness.

CRAMS industry is estimated to worth USD 20 billion by 2025 and expected to witness a strong growth at a CAGR of 18-20 per cent in the coming years.

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### **DRIVERS FOR CONTRACT MANUFACTURING**

The key objectives and drivers for outsourcing the manufacturing functions for Pharma marketing companies are as follows:

- Reduce profit margins in Pharma market
- Growing demand for generic drugs; patent expiration of major therapeutic brands
- Demand for up-to-date processes
- Need for high-quality R & D facilities and cost-effective production technologies that meet global regulatory
- Improving cost for pharma marketing companies
- Better capacity management with flexibility to handle business needs
- Effectively utilizing internal core expertise and other resources (including financial) and more opportunity to focus on core competencies of marketing
- Quick time-to-market
- Leveraging external expertise (and addressing the challenge of non-availability of internal resources and capabilities)
- Investing less capital (and leveraging financial resource in other core activities)
- Leveraging vendor's innovative, state-of-the-art process and production technologies to support the rapid technical transfer of products from R&D to full scale commercial manufacturing.

Contract manufacturing approach is adopted for improving cost, process and capabilities as Contract Manufacturing Organizations (CMO) can leverage their skills and competencies to improve process, avail volume discounts on raw material on account of economies of scale. The knowledge and experience of CMO helps marketing companies to get the best practices and leverage experiences of contract manufacturing companies for their products.

Apart from the above CMO provides a range of services like product development, obtaining DCGI approvals, lesser costs due to economy of scale and other related aspects. CMO employs latest manufacturing facilities and techniques and has the capability to understand and deploy multiple regulatory requirements. CMO brings maturity while integrating with customer process and system. To provide efficient and integrated services, CMO integrates with supply chain activities of the pharmaceutical companies.

### **ACTIVE PHARMACEUTICALS INGREDIENTS (API) INDUSTRY**

According to Global Market Estimates, the Indian API Market is expected to grow rapidly at a CAGR of 8.57% during the 2020 to 2026 phase.

The global Active Pharmaceutical Ingredient market is expected to reach US\$ 364.17 billion by 2027. Increased healthcare expenditure by the urban population and an increase in the geriatric population are influencing the market growth of APIs. The captive API segment, which holds the dominant market share, is anticipated to grow at a significant rate in the coming years owing to the easy availability of raw materials and greater investments by major players to develop manufacturing facilities. The API market is undergoing immense changes due to supply chain disruption by COVID-19. There is increasing preference to reduce dependence on China for API products. Therefore, API sector will continue to get favorable government regulations in coming years.

The government has announced PLI scheme to boost the API industry in India. This scheme is in line with the government's emphasis on building an Aatmanirbhar Bharat (self-reliant India) and could give impetus to India's pharmaceutical sector.

#### **China Plus One Strategy coupled with Production Linked Incentive (PLI) scheme**

The pandemic has aroused renewed interest for the 'China Plus One' strategy to enhance supply chain resilience, by diversifying manufacturing activities into other countries. Global companies stepped up efforts to implement the 'China Plus One' strategy, of diversifying and de-risking their supply chains in the wake of the COVID-19-induced disruptions and US-China trade tensions. This provides a unique opportunity for India to emerge as a global manufacturing hub. India stands out as an attractive option due to its strategic location, a large domestic market, skilled labour and low labour cost, among others. On top of these arguments the policy offer, 'Production-Linked Incentive Scheme', announced in April 2020, is proving to be attractive to many manufacturers, more importantly to pharmaceuticals manufacturers. After the pandemic, global pharma majors are securing supply chains and reducing dependence on China.

China's huge economies of scale account for the 25-30% cost difference between Chinese and Indian APIs and intermediates. India imports 68% of its requirements from China. The government has launched a INR 3,000 crores scheme for setting up bulk drug parks. It has also announced a Production-Linked Incentive (PLI) scheme of INR 6,940 crores, targeting domestic manufacturing of 53 APIs with high dependence on imports. Additionally, in February 2021, the cabinet also approved a Production Linked Incentive scheme for pharma sector, entailing an outlay of INR 15,000 crores. The China Plus One policy coupled with the Government of India's PLI scheme, is likely to improvise the competitiveness of Indian Pharmaceuticals Manufacturers in the long run.

#### **OUTSOURCING STRATEGY DECISION FRAMEWORK**

Decision of marketing companies to outsource the products is based on the following factors:

- Company internal capabilities and capacity.
- Product development related capabilities of manufacture & ability to take risks
- Cost of internal operations; being higher than contract manufacturer.
- Availability of internal resources (including Financial).
- Stage of drug lifecycle.
- Focus on core competency i.e. Marketing of Pharma products.

#### **Prevailing trend:**

For the basic manufacture of medical products and drugs, India has a far superior edge over nations such as China, Vietnam and Ireland, due to resources including manpower, technically knowledgeable work force, and WHO-GMP approved production facilities. A substantial 40% lower cost of operation and production is clearly the highlight for multinationals to consider India for their outsourcing needs.

With the advent of multinational pharmaceutical organizations, and their rapidly growing presence in the country, the concept of contract manufacturing has steadily evolved and quickly adapted, so as to encompass services such as basic manufacturing of medicinal products, formulation development, stability studies, and various stages of clinical trials.

Some multinational companies in India have stopped manufacturing some of their products and have outsourced to Indian manufacturers. Products which are even brand leaders in its segments are also outsourced to many Indian companies and yet could retain its market share.

Beside, during the last five-seven years or even more the innovative products introduced do not command vary large market value and are not block busters as they used to be earlier. Research pipeline, though now getting moderately filled, may have only moderate advantage over the existing products and hence very few of them may go on to become real block busters. Hence MNCs are now adopting the strategy of marketing the brand even after the product goes off patent by slashing down their brand's price to the level of branded generics.

Hence to get the maximum mileage of their brands they are looking to outsource their manufacturing to more cost efficient centers like India and yet retain their quality and brand image. This is a newer opportunity of contract manufacturing opening up.

The contract manufacturing space in India is expected to gain grounds in the near future and expected to grow by 17-18 per cent on a compound annual growth rate as efficiency in manufacturing and maturity of business models would lead to containment of cost of manufacturing to a great extent.

The cost of drug development has increased in last few years forcing pharmaceutical companies to adopt new approaches towards drug discovery and delivery. As part of various core and non-core operations, companies are increasingly deploying outsourcing strategies to increase revenues through faster and cost effective drug development. Now, most of the pharmaceutical companies outsourcing manufacturing functions. Consequently, cost is controlled with flexible model, without making any large capital investment and also allows companies to invest and focus resources on their core competencies to generate more value, through their expertise in marketing.

Most pharma companies evaluate its manufacturing strategy based on new options, challenges, internal capabilities and constraints.

The Global Pharmaceuticals Contract Manufacturing market is worth about USD 60 billion. This market is highly fragmented.

Contract manufacturing in India is forecast to expand at a CAGR of 20%. Big Pharma Companies are increasingly outsourcing manufacturing to low cost destinations due to cost and margin pressures, India is one of the best market for Pharma Contract Manufacturing, which offer skilled manpower and a robust manufacturing infrastructure.

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## AKUMS POSITION IN PHARMA CONTRACT MANUFACTURING INDUSTRY

Akums is India's largest medicine manufacturing company engaged in manufacturing of pharmaceuticals formulations, nutraceuticals, cosmaceuticals, ayurvedics / herbal preparations, hormones and more, in all dosage forms like tablets, capsules, injectable – ampule/vials, PFS, FFS oral, ear & eye drops, hormonal, liquid orals, Cosmetics and dermatology, creams & ointments, dry syrup etc. Akums and its subsidiaries manufacturer over 12% of total medicines consumption of India.

Quality, innovation and customer satisfaction are virtues at Akums. The approach is technology driven to serve the emerging needs in the ever expanding market. The 15 (Fifteen) state of art manufacturing facilities dedicated to separate dosage forms across therapeutic segments are equipped with sophisticated and ultra modern equipment & machines, with huge manufacturing capacities in all sections Akums has an acumen to innovate & dedication to provide quality products.

Akums carry out various steps for its customers like research, testing, regulatory approvals, manufacturing, customization packaging & logistics support etc. which prove true the concept of "one stop shop". Akums has state of the art technology, equipment and automation to provide best quality medicines to the customers.

In our continuous pursuit of a healthier world, we are continuously working toward redesigning global healthcare while setting new goals for ourselves.

## AKUMS' CRAMS BUSINESS MODEL

Akums focus rests on specialized products with limited reliance on commodity products. The company's strengths lies in developing new formulations, conducting Stability studies, undertaking Bio-equivalence studies, clinical trials, obtaining Drug Controller General of India's (DCGI) approval for manufacturing and marketing new Fixed Dose Combinations (FDCs) & formulations; and thereafter offering new formulations with Akums own technology to its customers under marketing Company's brand names.

Business Model Includes –

- a. Contract Research & Manufacturing Services (CRAMS) in Medicines.
- b. Research & Development of New Formulations & obtaining DCGI approval
- c. Technology Development & Transfer to others
- d. Offering tailor made Specialized products
- e. Arranging Clinical Trials & Bio-equivalence Studies
- f. Research & Development of formulations based on N.D.D.S
- g. Patenting of Innovative Drugs
- h. Development in Process & Packaging
- i. Sustained Improvement in Product Quality.
- j. Loan License of manufacturing facilities

Akums manufacture Pharmaceutical Formulations in most of the Therapeutic Segments and in almost all dosage forms, covering about 4000 formulations. It is a research based company manufacturing products on contract basis mostly with its own technology.

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### **Future prospects of Akums'**

Akums' being a pioneer in Pharma Contract Manufacturing; and after establishing itself as market leader in domestic market in Contract Manufacturing, has established itself as a vertically integrated pharma Company which business segments includes API Manufacturing, formulations manufacturing, export, branded marketing, branded generic marketing, pure generic marketing, institutional sales & retail outlets through its subsidiaries with the aim to be one of the top company of pharma sector.

In the domestic market, generics are expected to fuel growth in future, while anticipating the future at right time Akums had ventured a generic pharmacy business through its subsidiary which operates more than 1500 retail outlets & aims to open about 15000 stores. In coming time Stayhappi Pharmacy going to generate a huge business potential for manufacturing facilities of Akums.

Apart from that Government supported 'Jan Aushdhi' campaign is also going to be a big business generator for manufacturing facilities of Akums. As part of the campaign, the Government will make available low cost generic drugs; and such medicines would be procured in bulk from public and private drug manufacturers.

Government makes purchases directly from pharmaceutical manufacturing companies. This market is currently estimated at nearly USD 1 billion but has the potential to grow to USD 4.5 billion by 2025. Akums has couple of subsidiaries which exclusively deals in institutional business.

About USD 55 billion is the expected sales gain to generics drugs on account of branded drugs going off patent during 2022-25. After these products go off patents, there will be a requirement to manufacture these drugs in a cost-effective manner to keep them price competitive. This, in turn, will create an opportunity for Companies like Akums in India which is symbol of quality and affordable medicines manufacturing centers in India.

### **Quality & Compliance**

Since inception Akums has high focus on quality & compliances. In fact quality is one of the major unique sale proposition of the Company. It has established a well-defined validation and qualification structure to ensure that systems, facilities and processes are designed and developed in line with the needs of customers and in order to comply with regulatory requirements. The Company has established quality risk management procedures and followed internal audits, failure inquiries and implement permanent corrective measures when it comes to quality of the products.

The Company continues to do everything necessary to improve its quality systems to ensure compliances with ever-evolving regulations.

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## Financial review

### Consolidated abridged Profit & Loss Statement

Particulars	INR (Cr.)		
	2019-20	2020-21	Growth %
Net Sales	2414.16		
EBITDA	201.60		
PBT	113.82		
PAT	43.65		

### Revenue from operations (net)

Revenue from operations increased by 70% to `4,814 crore in 2020-21. This increase was mainly driven by back of higher volume growth and optimum capacity utilisation.

### Material costs

Raw materials consumed decreased to 44.8% in 2020-21, against 49.9% in 2019-20. The reduction in raw material consumption was mainly due to better product mix, backward integration for some of key starting materials and better yields.

### Employee expenses

People-related expenses increased to `434 crore in the financial year 2020-21 from `345 crore in the year 2019-20. This increase was due to increase in employee strength of more than 900 comparing to the financial year 2019-20 and additional expenses in terms of incentives and employees welfare incurred due to COVID-19.

### Other expenses

Other expenses include other operating expenses, marketing, R&D and administrative expenses stood at `671 crore in the financial year 2020-21 against `509 crore in the year 2019-20. As a per cent of revenue, other expenses are at 14% as compared to 18% in previous year.




## Consolidated abridged Balance sheet

INR (Cr.)

Particulars	2020-21	2019-20
<b>Assets</b>		
Non-current assets		828.42
current assets		1,249.85
<b>Equity &amp; Liabilities</b>		
Equity & other equity		720.88
Non-current liabilities		627.41
Current liabilities		729.98

**Shareholders' Funds**

Shareholders' Funds increased to `2,597 crore in 2020-21 from `1,770 crore in 2019-20 mainly due to increase in profits.

**Fixed Assets**

The gross carrying value of Fixed Assets increased to `2,696 crore in 2019-20 primarily due to capitalization of additional blocks in the existing facilities and acquisitions.

**OUTLOOK**

With China losing credibility on account of not disclosing information on the virus or the severity of the outbreak on time and thereby contributing to its development into a pandemic, government leaders and businesses are looking at other alternative low-cost nations to source supplies. India could directly benefit from this. The country has a robust pharma sector, with proven expertise in drug manufacturing and treatment. This got further highlighted when the country quickly ramped up production of Hydroxychloroquine (HCQ), a key drug used to fight against the corona virus; and subsequently ramped up the production of covid vaccine and helped mankind to fight with Covid-19 pandemic.

The COVID-19 pandemic is changing the world order and power structure, compelling leaders across the globe to revisit their business and growth strategies. With its deep expertise in the manufacture of drugs, highly skilled scientists, and low-cost manufacturing, India definitely stands to gain from such a restructuring.

Going ahead, the Company has charted a definite growth trajectory that involves continue its strength in the CRAMS space, fortifying its position in the API and strengthening its presence branded & generic marketing and tapping the new area of growth in institutional and retails segments. The Company aim to continue to look to build new capacities/facilities organically or inorganically that would propel its growth in the coming years.

**ANNEXURE-II****SWOT ANALYSIS OF AKUMS**

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Core Competency on crucial matters.</li> <li>• Unique Characteristics of Business Facilities.</li> <li>• Innovative Business Models.</li> <li>• Technology driven Innovative Products.</li> <li>• Specialized Products through Innovative Technology.</li> <li>• Large Manufacturing Facilities.</li> <li>• Wide Products Ranges.</li> <li>• State of the Art Infrastructure.</li> <li>• Quality &amp; Global Accreditation.</li> <li>• Vast Client base.</li> <li>• Strong R&amp;D, DCGI Approval &amp; IPR.</li> <li>• Strong system of Product Planning &amp; Development.</li> <li>• Many business verticals within pharma sector.</li> <li>• Dedicated Management and many more.</li> </ul>	<p><b>WEAKNESS</b></p> <ul style="list-style-type: none"> <li>• Price Competition from Small &amp; Un-organized players.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Enhance International Business.</li> <li>• Brand Building / Visibility.</li> <li>• Rise in Outsourcing Activities.</li> <li>• Rise in Global demand.</li> <li>• Increase in Spending on Health related matters.</li> <li>• Venturing new pharma marketing business models.</li> <li>• Expand retail footprints</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Uncertain Policies of Government.</li> <li>• Wage Inflation.</li> <li>• Counterfeit Drugs.</li> <li>• Outbreak of COVID-19 pandemic.</li> </ul>

A bird eye view of Strengths, Weakness, Opportunities and Threats (SWOT) analysis of the Company.

**STRENGTHS:**

Akums is the largest manufacturer of pharmaceuticals products in India. Over a period of Seventeen years, Akums has achieved greater heights in its domain. Today, Akums along with its subsidiaries has fifteen (15) state-of-the-art manufacturing facilities, with huge capacity to produce 119 million tablets per day, 19 million hard gelatin capsules per day, 3 million soft gelatin capsules per day, 2 million liquid orals per day and 1 million Sachets per day. Moreover, Akums is significantly ahead as compared to other player such as adoption and development of innovative technologies, structural drug design, innovative business plan, huge state of the art manufacturing facilities, wide product range, large client base and strong R & D which provide strong competitive advantages to Akums over small & unorganized contract manufacturer. Some of the major factors that provide strength to Akums are as follows:



### 1. CORE COMPETENCE ON CRUCIAL MATTERS

Akums has its core competency in following areas:

- ◆ Contract Research & Manufacturing Services (CRAMS)
- ◆ Development of Novel Drug Delivery System (N.D.D.S) based on Innovation.
- ◆ Development of Tailor made specialized products.
- ◆ Development of New Formulations and to take DCGI approvals.
- ◆ Patenting of Innovative Drugs
- ◆ IPR Protection
- ◆ Arranging Clinical Trials & Bio-equivalence Studies
- ◆ Technology Transfer (Purchase & Sale)
- ◆ Arranging product registrations of imported drugs
- ◆ Technical Collaboration & Joint Ventures
- ◆ Continuous Improvement in Product Quality

### 2. UNIQUE CHARACTERISTICS OF BUSINESS FACILITIES

The business characteristics of Akums are unique & different from others –

- ◆ Akums quality is the best. Akums has AN-VISA, WHO-GMP, GLP, ISO-9001, ISO 14001, HACCP, NABL & many international accreditations.
- ◆ Akums has the highest manufacturing capacity in all sections.
- ◆ Akums Manufacturing Facilities are the best in the country.
- ◆ Akums has manufacturing facilities for specialized products; Low Rh and Clavulanic Acid preparations.
- ◆ Akums has DSIR approved best R&D and F&D Center & NABL certified laboratories.
- ◆ Akums manufacture highest number of products.
- ◆ Akums employ highest number of Technical & Non-technical personnel.
- ◆ Akums product delivery is quickest.
- ◆ Akums is financially sound with ready support of Banks
- ◆ Akums has large client base– all MNCs and Top Pharma Companies
- ◆ Akums possesses all essential of business – Men, Material, Machines, Money, Marketing, Management & Motivation.
- ◆ Akums is professionally managed consisting of its employees with Dedication, Diligence, Devotion, Determination, Dynamism, Discipline & Direction
- ◆ Akums is unique. It has no comparison with any other pharma manufacturer. It has no competition with others.
- ◆ Akums knows how to create and retain customers

### 3. INNOVATIVE BUSINESS MODEL

Akums specializes in Contract Research & Manufacturing Services (CRAMS), Formulation & Development of Noval Drugs Delivery System (N.D.D.S), Loan License, Institutional Business, Technology Transfer, Technical Collaboration & Joint Venture, undertaking bio equivalence studies, clinical trials, obtaining Drug Controller General of India's (DCGI) approval for manufacturing and marketing new Fixed Dose Combinations (FDCs) & molecules and thereby offering new formulations with Akums own technology to its customers under their brand names.

#### 4. TECHNOLOGY DRIVEN INNOVATIVE PRODUCTS



The infographic features a central image of a scientist in a lab coat and mask, holding a syringe and a vial. Surrounding this central image are ten circular callouts, each containing a different pharmaceutical technology. The callouts are arranged in a circular pattern around the central image. The technologies listed are:

- READY TO USE ANTIBIOTIC
- GASTRIC FLOATING TABLETS
- MEDICINAL JELLIES IN PALATABLE TASTE
- BI-LAYERED + SUSTAINED RELEASE + TABLET IN TABLET
- MOUTH MELT POWER IN SACHET
- LOW RH TECHNOLOGY SACHET PRODUCTS
- READY TO USE ANTIBIOTIC
- TABLET IN TABLET
- LOW RH & CLAVULANIC PREPARATIONS
- LOW RH TECHNOLOGY TABLETS PRODUCTS
- INLAY TABLET
- TASTE MASKING OF BITTER DRUGS

**TECHNOLOGY DRIVEN  
INNOVATIVE PRODUCTS**

*Signature*

## 5. SPECIALIZED PRODUCTS THROUGH INNOVATIVE TECHNOLOGIES

### a) Breakthrough Technologies

Akums works towards expanding its research capabilities to develop breakthrough technologies. There is a constant endeavor to enhance and/or modify drug release profiles to maximize therapeutic value of the available formulations.

Out of the many, some breakthrough technologies are mentioned under:



#### **Pribsys:**

Pribsys Technology enables the ophthalmic formulations to remain preserved from microbial growth without adding any conventional preservation and hence provides alternative to BAK-containing ophthalmic preparations.



#### **Excebind:**

Excebind technology provides high efficacy to the fiber for binding with maximum dietary fat.



#### **Distab:**

It significantly reduces the disintegrating time of the tablet.



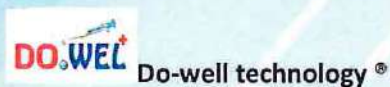
#### **Excederm:**

It facilitates the absorption of penetrant through the skin by temporarily diminishing the impermeability of the skin and provides more absorption to topical formulations.



In this technology, unique excipients are added to an oral dosage form for rapid disintegration. This technology enables quicker therapeutic effect with steady & stable release profiles.





This technology makes injections less viscous, less painful and more efficacious. The patient compliance and doctor comfort is highly increased.



UHVM Technology, provide stable drug release profile for sustained release of formulations.



Solphilic & Solphilic- H Technology enhances solubility of hydrophobic drugs and improves absorption and bioavailability



SPORTINE TECHNOLOGY provides protective coating to the probiotics to enhance their viability .



SAFTALONG TECHNOLOGY improved permeability into cornea epithelium, which is a lipophilic layer.



S-TAB technology enhances the stability and potency of highly unstable drugs.



EFFERVESCENT VAGINAL TABLET are useful for fast release of drug even in low volume.





SPORNAM TECHNOLOGY provides polysaccharide coating to spores for stability at varying pH.



KURAFAST TECHNOLOGY helps in reduction of the disintegration time of dispersible tablets.



BIOPHILIC TECHNOLOGY Enhanced absorption of herbs and bioactive extracts.



MIZET TECHNOLOGY Enhanced absorption of lipophilic drugs by conversion into micelles.



AQUAJECT TECHNOLOGY provides pain-free oil based injections.



Novel tablet in tablet technology especially developed for PPI's.



Offer drug particles in NANO ranger for greater absorption.



E-SOI TECHNOLOGY converts ophthalmic suspensions to solutions for better and faster corneal penetration.



ULTAMAX TECHNOLOGY converts particle size to ultra-micronized form to reduce the intra and inter patient variability in terms of pharmacokinetic parameters.



ENTRO SEAL TECHNOLOGY provides enteric coating on soft gelatin and soft veg capsules with excellent release profile.



XANLONG TECHNOLOGY provides extended retention time to the drug on the corneal surface.



AQUADERM TECHNOLOGY converts alcohol based topical formulation to aqueous base.



EMULSOL TECHNOLOGY converts emulsion in globular/droplet form thereby helping in greater absorption and stability.

#### **b) Few Specialized Products Developed**

Few Specialized Products, developed by AKUMS, including many products First Time in India or the world, both in Pharmaceuticals and nutraceuticals are given hereunder:

- ENO chewable Tablet & Suspension brand extension of GSK's ENO Sachet
- Lemon Fizz Antacid Sachet for Dabur and Pepfiz Antacid Sachet for Sun Pharma
- Pepmelt Antacid mouth melting Sachets, Revital H, Aqsusten, Piranulin for Sun Pharma
- Various Ophthalmic formulations converted from Suspension to Solution for effective absorption, penetration & best Patient compliance.
- Febuxostat Extended Release for Gout —First time in World

- Comfrey root 100% Ayurvedic Pain relieving Gel - First Time in the World
- Atorvastatin Gel for wound healing and pressure ulcers - First Time in the World
- Omeprazole(Controlled Release) & Domperidone (Sustained Release) capsules- First Time in the World
- Preservative Free Ophthalmic range - Travoprost, Travoprost + Timolol, Moxifloxacin + Dexamethasone, Loteprednol + Moxifloxacin in which Timolol and Dorzolamide + Timolol are First time in India
- Painless Progesterone injection —First time in India
- Nepafenac eyedrop in solution form —First time in India
- Brominidine gel for Rosacea (Facial Redness) —First time in India
- Sildenafil Vaginal Tablet for treating women infertility —First time in India
- Alendronate oral jelly for Osteoporosis —First time in India
- Tranexamic Acid Tablet for Melasma —First time in India
- Paracetamol 100 ml Infusion in FFS - First Time In India
- Progesterone Vaginal Gel (In pre filled Applicator) - First Time In India
- Diclofenac Painless Injection
- Jaundiff - Versatile Hepato Protector in a single dose
- Pinashin - Herbal solution to all Rhinological problems in a single dose
- Zolpidem Tartrate Inlay Tablet
- Pamabrom & Paracetamol Tablet
- Bimatoprost formulation for growth of eye lashes
- Gabapentin, Lidocaine & Baclofen topical Gel for Neuropathic pains
- Topical Itraconazole Gel
- Folic acid Mouth wash for Gingivitis in Pregnancy
- Albendazole oral jelly for use in Paediatric segment
- Micellized Vitamin D3 drops for Higher Bioavailability
- Tramadol Oral drops for Palliative Care
- Fenticonazole Vaginal Capsule
- Citicoline eye drop
- Azelaic Acid Gel (with Nano particles)
- Enteric Coated Soft Gelatin Capsules for COD liver Oil and Fish Oil
- Caffeine Citrate Injection
- Confrey root 100% ayurvedic pain relieving Gel
- Various ophthalmic formulations converted from suspension to solution for effective absorption, penetration and best patient compliance.

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**6. WIDE THERAPEUTIC SEGMENTS**

- ❖ Antiepileptics
- ❖ Antiamoebics
- ❖ Antiasthmatic
- ❖ Analgesics
- ❖ Antibiotics
- ❖ Anti-Hypertensives
- ❖ Anti-diabetics / Diabetes mellitus
- ❖ Antipyretics
- ❖ Antiemetics
- ❖ Antacids
- ❖ Central Nervous System
- ❖ Cardiovascular
- ❖ Cosmetics
- ❖ Cough & Cold Preparations
- ❖ Corticosteroids
- ❖ Dermatologicals
- ❖ Dyslipidemia
- ❖ Fed Supplement
- ❖ Geriatric Care
- ❖ Genitourinary
- ❖ Gastrointestinal Tract (GIT)
- ❖ Gynecology
- ❖ Hormones
- ❖ Haematinics
- ❖ Herbal Preparations
- ❖ Nutraceuticals
- ❖ Pain Management
- ❖ Probiotics
- ❖ Pediatrics
- ❖ Respiratory
- ❖ Sedatives / Hypnotics
- ❖ Tranquilizers
- ❖ Urological
- ❖ Veterinary Preparations





7. SEVERAL MANUFACTURING FACILITIES AND OTHER INFRA




## 8. WIDE PRODUCT RANGE



Akums manufactures tablets, Capsules hard gelatin, Capsules soft gelatin, jellies, Gels, dry syrup, liquid orals, dry injections liquid injections, lyophilized injections bolus, pre-filled syringes, eye and ear drops FFS and 3 piece packs, nasal drops, hormones, ointments, creams, lotions, cosmetics, ayurvedic, herbal, nutraceuticals, veterinary products & others.

Akums manufactures more than 4000 formulations in practically all dosage forms and therapeutic segments including Hormonal, Herbal, Nutraceutical, Ayurvedic, veterinary formulations, feed supplements & proteins supplements. In addition, Akums has developed specialized products for world's most prevalent ailments like Diabetes, Alopecia, Hypertension, Anxiety & Obesity.

Akums manufactures medicines cater to almost all ailments like Anti-hypertensive, Antibiotics, Antidiabetics, Antiamoebics, Antipyretics, Antihypertensives, Gastrointestinals, Tranquilizers, corticosteroids, Antiepileptics, Antiemetics, Corticosteroids, Sedatives, Cough & Cold, Multivitamins, Antacids Hormones, Cosmetics, Dermatologicals, Nutraceuticals, Herbal, Cardiovascular, Antiasthmatics, Food supplements, Genitourinary, Haematinics, Analgesic, Veterinary Preparations, Ophthalmic, Otolological pain management, Central Nervous System, Geriatric care, Respiratory Segment, Urological, Gynaecology, Pediatrics etc.

## 9. STATE OF ART INFRASTRUCTURE

Besides R & D Centre & Central Warehousing, Akums eleven independent State-of-the-art manufacturing facilities are modern & sophisticated international standards which include ultra-modern plant, machineries & equipment, in house testing facilities - instrumentation and microbiology laboratories, automation in packaging and cartoning, sterile facility etc.



## 10. HUGE MANUFACTURING FACILITIES

Akums production capacity is as under:

Dosage Wise Capacity of All Plants (In Million)			
Dosage Form	Per Annum	Per month	Per Day
Tablets	42008.48	3500.71	116.69
HG Capsule	5601.12	466.76	15.56
SG Capsule	1274.64	106.22	3.54
Sachets	570.81	47.57	1.59
Dry Powder injection & Liquid injection	700.00	58.33	1.94
Dry Syrup	115.44	9.62	0.32
Eye/ Ear Drops (SVP)	165.60	13.80	0.46
Infusion bottles (LVP)	42.00	3.50	0.12
Pre-filled syringes	9.60	0.80	0.027
Cosmetic Products (Pharma based)	102.89	8.57	0.86
Powder & Sachets	733.20	61.10	2.04
Medicinal Jelly	6.00	0.50	0.017

Akums has Ultra-modern & sophisticated machineries with around 200 packaging lines, 14 Alu-Alu, 2 AF 150, 2 AF 120 T, 1 AF 60 T, 49 Granulation section consisting of 25 RMGs, 23 Fluid Bed Processors, 26 Auto-coaters, 11 FFS, 8 Tunnels, Nearly 325 HPLC's, 15 FTIR's, 2 Atomic Absorption Spectro-Photometers, 15 GC-HS-Auto sampler with FID, TCD, ECB, T.O.C.A, HPTLC, ICPOES, Particle size analyzer-Malvern, Zetasizer, Differential Scanning Calorimetry (DSC), 20200 KVA DG Sets, SCADA water System with Hot and Cold Loop, 1170 AHU's and more.



## 11. QUALITY & GLOBAL ACCREDITATIONS

Akums has been accredited with WHO-GMP, ISO 9001:2008, ISO 14001:2004, ISO 17025:2004 (NABL), GLP and QMS-HACCP, GMP-Ayush certificates, which have been instituted and awarded by international bodies after thorough and stringent inspection of quality norms & systems adopted by the company. Akums observes Global Standards as per ICH guidelines, Safety Health Environment (SHE), U.K.-M.H.R.A., U.S.-F.D.A. norms, Industrial hygiene and good environmental control. Akums has strong Product Quality Review System and conducts stability studies to ensure quality till shelf life. Akums R&D activities have been approved by Government of India, Department of Scientific Industrial Research (DSIR).

Akums has dedicated stability study center as per ICH guidelines for regular monitoring.

Q.C. Department is well equipped with highly sophisticated equipment, instruments, microbiology laboratory and fulfills requirement of CFR. International guidelines are followed for documentation and practices. QA team under the supervision of CQA team monitors all processes and compliances of QC department.

Akums world class state-of-the-art manufacturing facilities have already been audited and approved by the regulatory bodies of various countries, namely ANVISA- Brazil; NAFDAC; Nigeria; FDB-Ghana; PMPB-Malawi; MOH-Libya; MOH-Cambodia; DDA-Nepal; CD&DA- Sri Lanka; MOH – Vietnam; NDA Uganda, PPB Kenya, MOH-Belarus; DPM-Ivory Coast etc.

## 12. VAST CLIENTS BASE

Delivering quality pharmaceutical formulations, nutraceuticals and cosmetics products to below mentioned clients & many more:

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						<b>AND MANY MORE...</b>

Akums manufactures products for almost all big Indian Pharma Companies and Multinationals including Sandoz, Dr. Reddy's, Bayer, Ferring, MSD, GSK, Merck, Abbott, Mylan, Ranbaxy, Avon, P&G, Sun Pharma, Torrent, Allergan, Besins, 4-Life, Sanofi Aventis, UCB, Menarini Raunaq, Provimi, Wockhardt, Emcure, Intas, FDC, Dabur, Lupin, Pharmed, Blue Cross, Cipla, Ranbaxy, Cadila, Ipca, Akumentis, TTK, Glenmark, Hetero, Fourrts, Lundbeck, Apex, Alkem, Deys, Mankind, Uni-Sankiyo, Ajanta, Albert David, Eris, Aristo, Medley, Micro, Mapra, Unichem, Biochem, Panacea, Piramal, Medreich, Entod, Novartis, Zuventus, oriflamme, Tianjin Tianshi and many more.

Main Export customers include Ful-For, Med-Interplast, Alwatan, Avoross, Nunusfarma, Sinclair, Kalba-International, Ananta, Alter-Ego, United Lab, Coral Med, Euro Health Care, Technopharma, Korlyns, Therapeutics, Sim Ha International, Biomedicine, Lunan Pharmaceuticals Group Corp. etc.

**13. STRONG R&D, DCGI APPROVALS, PATENTS & IPR:**

R & D facility of AKUMS is DSIR approved and has dedicated scientists with proven record. R & D Department has been developing unique and innovative products, many of them first time in the world or India. The department is capable of developing tailor made products as per customer need from pilot to commercial scale batches.

Akums R&D facility is bestowed with most modern and sophisticated equipment sufficient enough to develop & obtain Drug Controller General of India (D.C.G.I) approval for new Fixed Dose Combinations and patenting of new formulations.

Akums' Group Formulation Development Department, in a short span of time, has obtained more than 796 "New Drug Approvals" from D.C.G.I (Some of them are for the first time in the world or in the country), 429 FSSAI approvals and has filed 61 patents.

**14. STRONG SYSTEMS OF PRODUCT PLANNING**


Before a product is developed, a proper planning is must. Akums has well-built system of product planning viz system for scheduling tasks, prospective procurement of API, process validation, equipment qualification etc. Akums sound system of product planning ensures not only better service to customers but also facilitate timely completion of sudden demand from customers.

**15. STRONG PRODUCT DEVELOPMENT STAGES**

Akums has best Formulation Development in the industry. It adopts unique Process & Method of Development and packaging, conducts Stability Studies, both Accelerated & Real, and develops Tailor made specialized products. Akums has filed nearly 60 applications for patenting its innovative drugs. Akums has good liaisoning for arranging Bio equivalence studies, clinical trials and obtaining DCGI approvals. Akums commercial batches are in consonance with trial batches.

At Akums Development of a new product is divided into following two parts

1. Internal Source Ideas
2. External source Ideas

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**INTERNAL SOURCE IDEAS** – Framework & methodology adopted by the Company internally;

**a) PMT**

Product management team of the Company studies innovative and newest molecules developed or available in the World. Team identifies its usages, indications and usefulness for India. The ideas are generated generally by PMT.

**b) MDT**

Medical doctor's team studies as to how the product will work on human body and its advantages for humans.

**c) IMT**

Internal Marketing Team makes an overall survey; as to whether the product will be acceptable in the market from cost point of view as well as demand point of view.

**d) Government Approval**

After the product is cleared by PMT, MDT & IMT, Form 29 a test licence is obtained from Drugs Control Office.

**e) R&D**

The raw material is sourced by the raw material purchase department and formulation development team develops the product; the product is analyzed by Quality Control Department and the product is kept for Stability.

**f) Regulatory Department**

Regulatory Department in close coordination with Formulation Development Department and Quality Control Department prepares a dossier for filing with DCGI.

**g) DCGI Approval**

Application is filed with DCGI for approval. DCGI generally orders for clinical trials and / or Bi-equivalence Studies.

**h) C.T and B.E**

Clinical trials and / or Bi-equivalence Studies are conducted, as desired by DCGI.

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**i) Commercial Batches**

Commercial Batches for customers after DCGI approval is received, the product is offered to customers. The products are manufactured under the brand names of customers.

**j) Patents** – Patents are filed for new innovations, wherever required.

**EXTERNAL SOURCE IDEAS** – Sometimes ideas are received from customers. Products are developed as per customer requirement or as per customer ideas.

Procedure, standard, framework, methodology remains as discussed earlier.

**16. SYSTEMS, AUDITS & COMMUNICATION**

Akums possesses excellent information technology. Akums Finance, Accounts, Taxation, Costing, Material Management, Sales Distribution etc. are controlled through international SAP system. There is complete Automation in manufacturing processes, Raw Material Stores, Raw Material Testing, Colour weight variations, Coating, finished goods stores etc. Akums has automated Management Information system like batch wise production yield & wastage, costing of products, rate / price revisions, and product wise profitability.

**17. CREATION AND RETENTION OF CUSTOMERS**

In a crowded and competitive business environment where sales are shrinking and profits are thinning, Akums is progressing fast with expansions and higher sales turnover. Akums understands that the essence of business is to create customers; profits will follow; and towards this end the Business Development Department of the company always thrives to attract good customers.

Akums understands that purpose of business is

- a. To create customers
- b. To Retain customers
- c. To earn from customers

For creation of customers we have products which are research oriented, innovative, technology driven and developed for the first time in India or the World.

Business goes where it is invited; but stays where it is treated well. Retaining the customers is much more important than creating the customers. For retaining the customers, Quality, Timely Supplies, Service & Satisfaction of Customer, Competitive Prices, Honesty & transparency in dealing and Innovative products are necessary.

Akums has all big multinationals & big Indian Pharma companies as its clients. Every customer is evaluated before starting any business. Our innovative products attract customers and make our job easy. Akums work for the customers who believe in quality; Akums evaluates a customer having the ability to sell innovative and patient friendly medicines who have the policy of long term sustainability and believe in long term business relations.

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To know about the changing customer requirement we have –

- a. Customer focused result & Feedback System
- b. Customer Grievances, complaint and suggestion systems
- c. Quality Responsibility, Recall & Compliant Redressal
- d. Customer satisfaction surveys:
- e. Lost customer analysis:
- f. Follow up on Customer Feedback

We are able to satisfy our customers because we have an edge over the others on account of the following:

- a. Fair Business Practices
- b. Akums integrity at all business levels
- c. Believe in customer delight
- d. Protecting consumer interest
- e. Highest Quality of products
- f. Timely Deliveries
- g. Transparency in dealings
- h. Transparency in rates
- i. Honesty in dealings
- j. Unique Business model
- k. Innovative product development
- l. Unique characteristics of Business
- m. Competitive Advantage over others
- n. Innovative policies with regard to products
- o. Highest standards of Quality
- p. Different Environment & Culture
- q. Possesses all essentials of Business
- r. Excellent systems
- s. Strong customers base
- t. Ability for creation and retention of customers
- u. Sustained growth with excellence
- v. Manufacturer of Main ORG Brands

Much more than the changing customer requirement, there is a changing requirement of the Government. The regulatory requirements in Pharma are changing very fast. In the fast changing regulatory requirements, smaller units have put their shutters down; and many more are finding their escape routes in the directions.

The policy of Akums had been to go a step ahead of forthcoming changing regulatory requirements. We have the big Pharma Companies – Indian & MNC's as our customers. We not only adapt their changing requirement, we meet requirements and quality standards of all big Pharma Companies and therefore our quality standards are highest. We also adopt the forthcoming changes in Global Pharmaceuticals requirements.

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#### 18. DEDICATED MANAGEMENT

Akums is professionally managed by the Board of Directors which is assisted by a team of Qualified and experienced professional executives. The intelligence, knowledge, education and experience of the promoters create the mission for the organization and it is the wisdom and effectiveness of the corporate personnel which translates their vision into reality and converts the resources into results.

The dynamic management team comprises of professionals expertise in their field that includes professionals from the Management Schools, Chartered Accountants, Company Secretaries, Cost Accountants, and Postgraduates & Graduates in Pharmacy & Management, Law and Marketing and highly qualified and experienced Technical Professional with proven caliber and capacity of Research & Development, Quality Assurance and Manufacturing.

#### 19. DEDICATED EXPORT SUBSIDIARY

In the year 2014, Unosource Pharma— Akums export subsidiary was set up with an aim of expanding Akums' manufacturing prowess across the world.

Unosource Pharma is a multifaceted company striving towards global health. Its product portfolio includes generics and branded formulations for emerging markets. They have more than 700 products registered in around 40 countries including a range of CTD dossiers.

The company has presence in geographies like—Libya, Nigeria, Ghana, Kenya, Uganda, Yemen, Ethiopia, Malawi, Rwanda, Jamaica, Mozambique, Zambia, Burundi, Tanzania, Philippines, Vietnam, Cambodia, Sri Lanka, Bangladesh, Singapore, Nepal, Bhutan, Myanmar, UAE, Ukraine, Tajikistan, Afghanistan, Kazakhstan, Turkmenistan, Kyrgyzstan, Malaysia, Venezuela, Belarus, Nicaragua, Honduras, Guatemala, Ivory coast, Mali, Niger, Benin.

Unosource is supported by Akum's manufacturing facilities which have International approvals like—FDA Philippines, MOH – Vietnam, MOH – Cambodia, CD&DA – Sri Lanka, DRA – Bhutan, DDA – Nepal, MOH-Afghanistan, NAFDAC- Nigeria, FDB – Ghana, PMPB – Malawi, PPB – Kenya, NDA-Uganda, DPM – Ivory Coast, TFDA-Tanzania, FMHACA- Ethiopia, ZAZIBONA (Zambia, Zimbabwe, Botswana, Namibia), MOH-Yemen, MOH – Kazakhstan

#### 20. HUMAN RESOURCE

Our employees are partners in progress. Better remuneration, better facilities, better reward for work, and job satisfaction are basic factors we provide to our employees. The attrition rate in the organization is minimal.

Akums has the best talented people in their respective fields.

All technical people with Akums have migrated from different parts of the Country; and all from big renowned Pharma Companies.



The work culture of Akums attracts the talented people. Akums provides job satisfaction to people. Akums understands the need of every senior personnel, who comes from a different part of the country; and provide the facilities like:

- a. A house to live.
- b. A vehicle or transport facility to place of work
- c. Food for his liking
- d. Education for children; and
- e. Job satisfaction

Haridwar has good educational facility for children. Rest of the things Akums takes care. Akums also planning to start educational activities through its CSR project.

We have the best talented people of the country and they work as Akums Family members. The remuneration that we pay to our technical people is much higher compared to big pharma companies in India. Ex-gratia rewards are given to performers; apart for routine gifts, certificates & public recognitions amongst employees. Photographs of performers are displayed at different conspicuous locations. We provide breakfast and lunch / dinner to our senior people at plant level and highly subsidized food to all workers apart from free tea and snacks twice a day.

We support our technical people with best tools, equipment and technical books & literature.

We mobilize talent to deliver results free access to information and resources that they need to nurture their talents including additional training.


Akums fundamentals for corporate governance include independence, integrity and decision making by professionals, Respect of employees and team work, Code of conduct for board members and senior management, Adherence to ethical standards for effective management.

We create INNOVATION based collaboration with employees. We encourage employees to try out new ideas and make decisions that help in finding new and improved ways of doing things.

We understand that an empowered enterprise means higher motivation and employee engagement to have better performance and higher productivity.

We encourage our employees to use their individual talents, to drive better performance and productivity that create bottom line results.

As an employee centered strategy we create a common profile & identity. We encourage our workers to take the initiatives. Proper training is given to employees so that they can participate more actively and make things happen.



Akums has permanent training department, training halls / rooms, training tools & qualified trainers. The seniors have also to train juniors. We understand that leaders are those who create leaders; and not followers. Right from induction to on job up-gradation training and compulsory periodical training is must at all levels. No person is allowed to do any work unless he has taken training for the job. The training includes, Training for a Job he / she handles, Respect to seniors & colleagues, Maintenance of high standards of quality of product & culture of organization, Courtesy towards seniors, customers and suppliers.

Getting the most out of top talent means anticipating – and managing – complex, and constant change.

We provide technologies & tools to manage every component of the employee lifecycle – from selection to succession. We have created a single integrated environment for managing the processes recruitment, retention & development through advanced analytics & reporting capabilities.

Meeting these challenges means more than robotic execution. It means rethinking - and rebuilding - the way that top talent is recruited, retained and developed.

For maintaining Quality/Innovative Culture in the organization, employee motivation and reward is necessary.

Akums Human resource is powered by a well-defined rewards and recognition system and is backed by strong training programs.

In Akums, any person working with the Organization for the last 10 years is drawing at least 10 times or more of the remuneration of what he was drawing at the start. It is not only the remuneration which attracts an employee; we provide them the job satisfaction. Akums has provided employee Stock option Scheme (ESOPS) for its employees in subsidiary company. Akums also provided sales incentives to its teams of people working with marketing subsidiaries. All amenities are provided to employees to motivate them to work with Akums.

The Company continues to maintain a healthy professional environment, and regular up-gradation of the knowledge and skills. The Company believes that motivated employees are its most important resource & assets. Industrial relations have always been cordial, co-operative, concerted & peaceful.

We respect and value our people; uphold harmlessness and human dignity. We are respect oriented, setting high performance standards for ourselves, as individuals and as teams.

We acknowledge that every individual bring different perspectives and capabilities to the team and that a strong team is founded on variety of perspectives. We want individuals to dream, value, and differences create and experiment in pursuit of opportunities; and achieve leadership through teamwork.

We have nearly 50% women employees in Head Office and nearly 40% Women employees in factories. We have independent Women Director on Board of the Company.

### **STRONG COMPETITIVE ADVANTAGE OVER OTHERS**

Akums group has received 796 DCGI approvals for New Fixed Dose Combinations and molecules & many are in pipeline and have obtained 429 FSSAI approvals. Over 61 applications for Patent have been filed by Akums and many more in pipeline.

Akums financials are strong. It is rated long term credit rating as (ICRA) AA- and the outlook on the long-term rating has been revised to 'Stable' from 'Positive'. The Rating Committee of ICRA has also upgraded the short term rating as (ICRA) A1+.

DSIR and NABL approved R&D facilities. Integrated SAP and LIMS Software for operational excellence.

Akums is largest Contract Research Pharmaceutical formulations development manufacturer in India. Akums manufacture over 12% of India's Total domestic medicine consumption. Manufacture nearly 4000 commercialized formulations in various dosage forms. There would barely be any retail shop where products manufactured by Akums are not available.

Follow Best policies for training & development of technical & Non-Technical Personnel.

Manufacturing processes in all its units aim at ensuring maximum energy conservation, pollution control and effective waste management.

Akums can say that it has no competitors because a competitor next to Akums is not manufacturing even 20% of Akums production.

Computers at Plant are connected to a Central Server for Backup and Data Security. Plant is equipped with SAP (Version – 6.0) System. QC Lab is equipped with SAP Integrated with LIMS (Laboratory Information Management System)

### **21. STRONG RATING**

Akums has been financially rated as

- ◆ The Rating Committee of ICRA Ltd. has upgraded the long term credit rating as (ICRA) AA- and the outlook on the long-term rating has been revised to 'Stable' from 'Positive'. The Rating Committee of ICRA has also upgraded the short term rating as (ICRA) A1+

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## 22. CORPORATE CULTURE

Akums has

- ◆ Transparent, honest & fair dealings
- ◆ Fast & proper communication
- ◆ Accountability & proper disclosures
- ◆ Compliance of law beyond legal framework
- ◆ Independence, integrity and decision making by professionals
- ◆ Respect of employees and team work
- ◆ Code of conduct for board members and senior management
- ◆ Ethics of business & fair business policies
- ◆ Adherence to ethical standards for effective management
- ◆ Trust & confidence of stake holders, customers and society
- ◆ Society responsiveness
- ◆ Trust in creativity
- ◆ Built National health
- ◆ Growth with goodwill.

### WEAKNESS:

#### a) **Price Competition from Small and Un-organized players**

Presence of unorganized & small players with lower focused on quality and good manufacturing process may affect the business of the Company, as these types of company with lower spending on quality can offer manufacturing a lower price as compared to the Company like Akums which has utmost focused on quality and good manufacturing process. This may result in an increasingly competitive environment, characterized by stiff price competition.

However gradually this trend is shifting and now a day's quality of the product is at utmost priority of all the stakeholders and this trend would be beneficial for Akums in the coming years.

### OPPORTUNITIES:

#### a) **International Business**

Akums has a subsidiary Company "Unosource Pharma Limited" exclusively for exports in regulatory countries including USA, Canada, Europe etc. and also to semi regulated countries. Unosource has also established its own R & D centre in Mumbai for developing products for export only. Unosource has filed more than 1000 dossiers to various countries. Akums is also in the process of acquiring USFDA approved plants for this purpose. Akums is all set to commence business in various other countries where the company and its products are on the verge of getting registered or have been recently registered. Akums has ambitious plans to boost its overseas business in a big way and wants to be a global leader in manufacturing in the coming years.

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**b) Brand Building and marketing of own Products**

In today's scenario, if you are not a brand, you are a commodity. The customers can immediately associate the products or service with the brands. The company can build customer loyalty, by promoting its brands. 'Akums' itself is a brand and an icon of India Pharma industry. There is hardly any retail shop in the country where products manufactured by Akums are not available.

After making a mark in the contract manufacturing, the company visualizes its huge potential with respect to marketing and distribution of its own branded formulations. The Company has purchased or otherwise own brand name of products. The Company's subsidiaries act as the marketing arms and market products under Akums brands. Company proposes to cater to Hospitals, Nursing Homes etc. directly and to establish pharmacy retail chains to enhance its visibility in the market.

**c) Rise in outsourcing activities**

Increase in the pharmaceuticals outsourcing business in India would also drive growth of the Company. Now a day's most of the companies whether it is multinational, domestic, large or medium pharma companies adopting outsourcing of their manufacturing activities, this help them to focus on their core activities. India is a potentially preferred global outsourcing hub for pharmaceutical products due to low cost of skilled labour. The good thing is the Companies like Akums which has good infrastructure facility and all system in place, will be more beneficial than the small and unorganized players due to lots of challenges connected with them.

Cost advantage in contract manufacturing & Research multi-national companies find it compelling to shift their production bases to countries offering such cost advantage.

**d) Global demand for generics drugs rising**

A rise in geriatric population making the nations to move to and better quality formulations which is company's forte. Company has significant export opportunities. US\$40 billion worth of drugs in the USA and US\$25 billion worth of drugs in Europe are going off patent. This would translate to an opportunity of additional export of US\$ 20 billion for Indian Companies.

**e) Easy access with low cost by using digital solutions**

Digital technology is playing a crucial role in pharma industry near future. Companies are dumping traditional marketing for digital marketing. Mobile apps and social media are set to play a bigger role in this growth. The ease of access of information available online as well as the growing internet consumers to explore digital technology has led to the success of taking any business online and organizing it digitally.

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**f) Others**

Apart from the aforesaid factors, following mentioned are the some other factors which would boost the demand of pharmaceutical formulations in the coming years, which eventually would help the Company gain more business:

- i. Rapid OTC and generic market growth.
- ii. Increased penetration in the non - metro markets.
- iii. Expansion of the health insurance sector
- iv. Increase in per capita income

**THREATS:**

**UNCERTAIN POLICIES OF THE GOVERNMENT:**

**a) *Ban of various Fixed Dose Combinations (FDC)***

Regulatory control exercised by the government in Pharma industries is quite uncertain. Government had banned 344 fixed dose combinations (FDC). Though Company had stay from Delhi High Court. Supreme Court observed that Government had not given proper opportunity to the aggrieved parties. Therefore, the matter was referred to Drug Technical Advisory Board (DTAB).

However, not much of favorable decision is expected; Company has developed number of alternative formulations to cater its customers.

**b) *Wage inflation***

Wages are also one of major cost contributor in pharmaceutical manufacturing industry and lower labour cost has been one of major competitive advantage over the western countries. But now a day's there is a rapid increase in costs of skilled and unskilled manpower such as scientists / regulatory compliance personnel / professional consultants / International business development personnel and even workers. Wages of manpower may further increase in manufacturing pharmaceutical industry in India. This may create pressure on margin of the Company.

**c) *Counterfeit Drugs***

According to Pharmaceutical Outsourcing, "Counterfeiting is viewed as a serious public health menace promoted by criminals with little regard for the health and safety of patients which requires a combined public-private sector response."

The counterfeit medicine market is more lucrative than the narcotics business with the World Health Organization estimating that counterfeiting costs the global pharma industry \$75 billion USD a year. The Criminal Intelligence Service Canada says that "Most estimates range in the billions annually for global losses."

With that in mind, it's unsurprising that the majority of pharmaceutical companies believe that the illegal use of their brand name on these counterfeit products threatens the integrity of the company that they are trying to represent. As more pharmaceuticals are being sold via the internet, this concern is only getting worse.



**d) Outbreak of COVID-19**

The outbreak of COVID-19 has exposed the dependency of the Indian pharma sector on China for its Active Pharmaceutical Ingredients (API) procurement. Manufacturing units/warehouses not working at full utilization, due to unavailability of staff. Some of the covid impact factors are as:-

- Non-Availability or disrupted supply of raw materials and packing materials.
- Absence of seamless internet data connectivity with staff is creating issues in day to day work.
- Marketing staff facing issues in generating sales as they are unable to conduct in-person sales calls as they used in the pre-covid scenario.
- The Companies that have operations across the globe are facing issues with regard to their operations and staff in those locations. Every country has devised its own policies and guidelines.
- As with all industries, implementing effective and robust cyber security measures is a challenge in the work from scenario

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## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

Akums works towards improving health outcomes for patients around the world through the manufacture of high quality medicines and active pharmaceutical ingredients with quality products. Our Corporate Governance policies and procedures set the standard for how we engage with our stakeholders. We prioritize the long-term over the short-term to drive sustainable growth and create lasting value.

With empowerment and accountability as its two pillars, our Corporate Governance code guides all our actions. We aim for total transparency and meet our societal commitments by being a responsible corporate citizen. The Company believes that while implementation of the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business.

Corporate governance facilitates effective entrepreneurial and prudent management that can deliver the long term success of the company. It is a continuous process by which the values, principles, management policies and procedures of the company are inculcated and manifested.

Good corporate governance is about internalizing and manifesting the Company's commitment to the adoption of ethical practices across the company to deliver value in all of its dealings to all stakeholders at all times.

The company whole heartedly embraces good governance practices; and corporate governance of the company is predicated upon an ethos of transparency, accountability and fairness. The Board is committed to achieve and maintain highest standards of Corporate Governance on a going basis.

### 1. Best Governance Practices

The company constantly raises the bar in its relentless pursuit of corporate and business excellence. As such, it adopts, adapts and implements – voluntarily - some of the most robust and laudable good governance practices across the board, its operations and dealings. Towards this, the company has adopted several policies and guidelines for ethical and transparent operations.

These include:

- To comply with all industry specific laws and regulations in letter & spirit.
- Following secretarial standards issued by the Institute of Company Secretaries of India
- Secretarial audit by a practicing company secretary.
- Policies and procedures for disclosure and dissemination of information by the company.
- Internal Audit conducted by independent professionals
- All board committees headed by independent directors
- Concept of lead independent director and separate meetings of independent directors.
- Code of conduct for board of directors and senior management

- Prevention of sexual harassment policy; and
- Whistle blower policy and guidelines
- The Company has also Safety Policy in place to take care of employee(s) safety. Company celebrated Fire Safely Week.

## 2. Board of Directors

The Board of Directors of the Company provides leadership, strategic guidance to the Company and exercises control over the Company and accountable at all time to the shareholders of the Company. The present Board comprises six (6) directors who possess the requisite qualifications and experience which enabling them to contribute effectively in their capacity as Directors of the Company.

### 3.1 Composition of Board of Directors as on date are as follows:-

Name of Director	Category
Shri Sanjeev Jain	Executive-Non Independent Director
Shri Sandeep Jain	Executive-Non Independent Director
Dr. Deepak G. Haldankar	Executive-Non Independent Director
Dr. Amit Varma	Non-Executive-Non Independent Director
Shri Nand Lal Kalra	Independent Director
Ms. Neena Vivek	Independent Director

### 3.2 Independent Directors

As a good governance practice, the company facilitates/enables the conduct of separate meetings of the independent directors to update them on all business related issues and new initiatives. Shri N.L. Kalra is designated the lead independent director and he chairs meetings of the independent directors.

The Independent Directors held a separate meeting during the year, without the presence of Non-Independent Directors and members of management. Both the Independent Director was present at the meeting. The following issues were discussed in details:

- Reviewed the performance of the non-independent directors and the Board as a whole
- Reviewed the performance of the Chairman of the meeting/company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity and timeliness of flow on information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 3. COMMITTEE OF THE BOARD

Our Board has constituted sub-committees to focus on specific areas and make informed decision within the authority delegated to each of the committee. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the committee. All decisions and recommendations of the committees are placed before the Board for information or approval.

#### 4.1. AUDIT COMMITTEE

The Company complies with Section 177 of the Companies Act, 2013 and rules made there under pertaining to the constitution of Audit Committee. Now, the Audit Committee has been reconstituted by appointing Dr. Amit Varma as member of the Committee in place of Shri Sanjeev Jain. The Audit Committee presently consists of the three members, out of which two are Independent Non-executive Directors. All members of the Committee are financially literate and having the requisite financial management expertise.

#### COMPOSITION OF AUDIT COMMITTEE

1. Sh. N. L. Kalra, Independent Director
2. Ms. Neena Vivek, Independent Director
3. Dr. Amit Varma, Non-Executive Director

The Audit Committee of the Board, reviews, acts on and reports to Board with respect to various auditing and accounting matters. The primary responsibilities of the Committee, inter alia, are:-

- Auditing and accounting matters, including recommending the appointment of independent directors
- Compliance with legal and statutory requirements
- Integrity of the Company's financial statements, discussions with the independent auditors regarding the scope of the annual audits and fees to be paid to the independent auditors.
- Performance of the Company's internal audit function, independent auditors and accounting practices
- Review of related party transactions and whistle blower mechanism, and
- Evaluation of internal financial controls and risk management systems and policies

#### 4.2. NOMINATION & REMUNERATION COMMITTEE

This Committee shall identify the persons, who are qualified to become Directors of the Company with the criteria laid down, recommend to the Board their appointment and removal. The Committee determined and communicated to the Board the criteria of qualification, positive attributes and Independence of a Director, determining remuneration for Directors, Key Managerial Personnel & other employees.

The Company complies with Section 178 of the Companies Act, 2013 and rules made there under pertaining to the constitution of Nomination & Remuneration Committee. The Company has constituted a Nomination & Remuneration Committee under Section 178 of the Companies Act, 2013 consisting following members:-

#### COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

1. Sh. N. L. Kalra, Independent Director
2. Ms. Neena Vivek, Independent Director
3. Dr. Amit Varma, Non-Executive Director

The Committee considers, inter alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director.

- Qualification, expertise and experience in their respective fields such as Information Technology Business, Leadership, Financial Analysis, Risk Management and Strategic Planning etc.
- Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards, etc.
- Diversity of thought, experience, knowledge, perspective and gender in the Board.

#### 4.3 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor, the Corporate Social Responsibility Policy of the Company from time to time.

Annual Report on CSR activities undertaken by the Company and amount spent during the year 2019-2020 is forming part of Board's Report and uploaded on the website of the Company. One Committee was held during the year 19-20.

#### COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. Sh. N. L. Kalra, Independent Director
2. Dr. Amit Varma, Non-Executive Director
3. Sh. Sandeep Jain, Whole Time Director
4. Sh. Sanjeev Jain, Whole Time Director

#### 4. APPOINTMENT OF WOMAN DIRECTOR

The Company has complies with Section 149 of the Companies Act, 2013 and rules made there under pertaining to appointment of woman director at the Board of the Company.

## 5. INDEPENDENT NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate- identified for appointment as a Director is not disqualified for appointment under section 164 of the Companies Act, 2013.

The Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields
- ii. Personal, professional or business standing
- iii. Diversity of the Board

The Non-Executive Directors are entitled to receive remuneration only by way of sitting fees for participation in the Board/ Committee meetings within the overall limited prescribed under the Companies Act, 2013. Independent Directors are not entitled to participate in the stock option schemes of the Company.

The Independent non-executive Directors did not have any material pecuniary relationship or transactions with the Company either commission or otherwise except the payment of sitting fees.

## 6. SECRETARIAL STANDARDS

The Company during the year under review as a Good corporate governance practice, has undertaken the audit for compliance of Secretarial Standards and procedures, in compliance with Secretarial Standards on Board Meeting (SS-1) and General Meeting (SS-2) issued by Institute of Company Secretaries of India.

## 7. INTERNAL CONTROL SYSTEMS

Your Company has both external and internal audit systems in place. Auditors have access to the records and information of the Company. The Audit Committee and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever required. The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations;
- Adequacy of safeguards for assets;
- Reliability of financial controls; and
- Compliance with applicable laws and regulations



The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of the employees and an organization structure that segregates responsibilities.

The Company uses a state-of-the-art SAP System to record data for accounting and management information purposes. During the year, the Company continued to implement their suggestions and recommendations. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

#### **8. WHISTLE BLOWER POLICY**

Your Company has established a mechanism called 'Whistleblower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the employees to report their concerns directly to the Board of the Company. The policy has been communicated to the employees. Suggestions & Complaints boxes have been installed at prominent places. A special email id has been created for suggestions & complaints and only director has access to such boxes & email id.

#### **9. SUCCESSION PLANNING**

The Nomination and Remuneration Committee works with the Board to plan for orderly succession of leadership within the Board and at Departments level of the Company to groom and maintain contingency plans for succession in case of any exigencies. The Board also considers succession planning of promoter family members.

#### **10. HEALTH, SAFETY AND ENVIRONMENTAL REVIEW (HSE)**

The Company has safety policy in place to take care of employees' safety. Company also organized fire safety week every year.

Your Company is committed to achieving its vision of zero harm and zero environmental incidents. The Occupational Health, Safety and Environment Policy are in place for implementing the mission.

With its Health, Safety and Environment management system, the Company aims to effectively control risks and prevent people from being injured or harmed during the course of their work.

The Health, safety and environment strategy prioritizes eliminating workplace illness, injuries and environmental incident through the Integrated Management System. HSE Management System of the Company has been operation well which is evident from the fact that there were no High Potential Accidents during the year. With regard to other environmental focus areas, the Company has greatly improved its waste management and also reduced the scrap to reduce the overall Impact on environment.

To ensure focus and delivery of HSE activity, the Company focus is more on building an engaged safety culture where expectations are clear, people are trained, interventions are welcomed and consequences are understood. One key to build an engaged safety culture is through safety behavior and hazard observation. Beside this, all the manufacturing units have complied with statutory requirements laid by Government in terms of Act and Rules with reference to Health, Safety and Environment.

The environmental agenda of reducing environmental impact of Company's operations was achieved by environment management program through a combination of energy & water conservation, rainwater harvesting and solid waste recycling. To reduce the environmental impact a mass tree plantation being done every year.

#### 11. Akums has taken following steps related to HSE

In pharmaceutical industry there are hardly any machines or manufacturing process that generates Carbon to pollute the environment; however the generators and boilers can cause carbon footprints to impact environmental hazard. We take all the precautions and follow safety standards to reduce and minimize the potential environmental impact. We do periodic preventive maintenance of our boilers and generators.

Internal & external inspections are periodically carried out to ensure the machines & equipments do not emit pollution. Generator sets are judiciously used with best quality oils and diesels to avoid pollutions.

We also take necessary measure for our waste management. We have agreement with Bharat Oil & Waste Management Ltd (BOWL) for Recycling of Wastes & Bio-De-gradable.

Water is purified 100% and used for gardening. Solid waste such as cardboard / paper boxes are scrapped into pieces and sold.

Akums has proper system for disposal of factory waste.

- a) We have established STP/ETP for water recycling.
- b) We have Rain water harvesting system for saving and reserve of water.
- c) 30% of the total area is maintained as green area in factory premises.

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**Annexure-IV**

**ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2020-21**

As a business organization, Akums is well aware about its responsibilities towards society and environment and have a strong commitment to maintain and upkeep these. Akums employs all sections of man and women, train them to get advanced skills to improve their working as well as their lifestyle. We focus especially to enhance skills of our employees in a manner that could help them to live a safe and healthy life through trainings, awareness sessions and different seminars.

Corporate Social Responsibility (CSR) is an integrated part of Akums' business model and policies. The management's efforts are fully focused towards community development through focusing on primary education, basic healthcare service, livelihood generation programs, improving the employability of women and local youth.

Akums towards fulfillment of its CSR commitments undertake various CSR activities and also funds various organizations i.e. Akums Health & Education Society, Akums Foundation & JITO Administrative Training Foundation who undertake various activities for social upliftment.

Akums Health & Education Society is a society formed under Society's Registration Act, 1860 and Akums Foundation is Company registered under Section 8 of the Companies Act, 2013. These organizations are involved in different types of CSR activities like distribution of aids to government schools, coaching classes, and orphanages etc. where deprived section of society gets education. Society is organizing medical camps in nearby village Anganwadis, Kawad Mela and other religious gatherings. Donation of medicines to different government organizations and civic administration for distribution to deprived section of society.

Whereas JITO Administrative Training Foundation is Public Trust which was registered on 2nd June 2008 under the provisions of Bombay Public Trust Act, 1950 and having its Registered Office at 2nd Floor, 7/10, Botawala Building, Horniman Circle, Fort, Mumbai-400023.

The main objectives of JITO Administrative Training Foundation are to maintain or run training centers or institutions to provide education or training to the students of all caste and creed at large to enable them to qualify in civil services exam, personal management, industrial relation management etc.

**1. Brief outline on CSR Policy of the Company:**

The scope of the CSR Policy would include all/any activities specified in Schedule VII of the Companies Act, 2013.



## 2. Composition of CSR Committee:

Sr. no.	Name of Director	Nature of directorship	No. of CSR Committee meeting held during FY 2020-21	No. of CSR Committee meeting attended
1	Shri Sanjeev Jain	Executive Director	One	One
2	Shri Sandeep Jain	Executive Director	One	One
3	Dr. Amit Varma	Non-Executive Director	One	One
4	Shri N.L. Kalra	Independent Director	One	One

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : [www.akums.in](http://www.akums.in)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not Applicable for the year under review**
5. During the financial year 2020-21 your Company has spent an excess amount of INR 143,554/- than its obligation on CSR activities and as per the provisions of Companies (Corporate Social responsibility Policy) Rules, 2014 the excess spent amount will be available for set off from the CSR obligation for a period of next 3 (three) financial years subject to the pass of resolution by the Board.
6. Average net profit of the company as per section 135(5) : **INR 99.33 Crores**
7. (a) Two percent of average net profit of the company as per section 135(5): **INR 1.99 Crores**  
 b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**  
 (c) Amount required to be set off for the financial year, if any: **Nil**  
 (d) Total CSR obligation for the financial year: **INR 1.99 Crores**
8. (a) CSR amount spent or unspent for the financial year:  
 (b) Details of CSR amount spent against ongoing projects for the financial year: **Nil**  
 (c) Details of CSR amount spent against other than ongoing projects for the financial year: **INR 20,010,322/-**  
 (d) Amount spent in Administrative Overheads: **Nil**  
 (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 (f) Total amount spent for the Financial Year: **INR 20,010,322/-**  
 (g) Excess amount for set off, if any: **INR 143,554/-**



9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**  
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : **Not Applicable**

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### CSR ACTIVITIES UNDERTAKEN BY AKUMS

#### **a) Donation of hand sanitizers**

During the year 2020-21 outbreaks of Covid-19 pandemic come out with numerous challenges to the human kind and sanitization was the only effective way protects oneself from this deadly disease. In these difficult times Akums has step out and donated thousands of hand sanitizers to different government organizations/ departments / officials. So, that such department can discharge their duties during the pandemic. Below mentioned are the some of the beneficiaries:

- i. Donation of over 100 no. wisdom hand sanitizer to the office of District Labor Commissioner
- ii. Donation of over 360 no. wisdom hand sanitizer to the office of Asst. Labor Commissioner
- iii. Donation of over 1000 no. wisdom hand sanitizer to the office of Deputy Labor Commissioner
- iv. Donation of over 1000 no. wisdom hand sanitizer to the office of Chief Medical Officer on 24.04.2020
- v. Donation of over 4860 no. wisdom hand sanitizer to the office of District Magistrate, Haridwar
- vi. Donation of over 360 no. wisdom hand sanitizer to the office of Superintendent of Police, Haridwar

#### **b) Health related training:**

Akums believes that healthy human can only create a healthy society. Akums towards keeping its faith organizes training sessions on various health issues to educate its employees Like Yoga, First Aid, HIV, Diabetes, Heart related diseases and prevention.

All trainings are given to all employees irrespective to their cadre to ensure that the knowledge through the training is ultimately streamlined with the day-to-day lives of employees and ultimately reach to society

#### **c) Environmental / greenery Improvement:**

Akums believes that a business could grow and flourish only if it maintains a Healthy, Neat & Clean Environment. Akums has strong commitment towards maintaining the beauty and integrity of environment, cleaning and sanitation. Akums has taken few steps towards achieving its commitment by maintaining the Green Belts, Parks in and around SIDCUL, Haridwar and organising Ganga cleanness Campaign etc.

World Environment day, World water day, Earth Day are celebrated by plantation within industry premises as well as in nearby community. One may spot plantation and green road circles maintained by Akums.

#### **d) World Environment Day Campaign:**

Apart from the development and maintenance of gardens, road side and road divider greenery in and around SIDCUL, Akums every year organizes a World environment day campaign to promote greenery in and around plant premises on the occasion of World Environment Day.

**e) Aid to education institutions & under privileged children:**

Akums has a strong belief that the social upliftment of all sections of society can be achieved through educating a person. Akums under its CSR initiatives provide need based support of schools and have provided aid in the form of Boundary wall construction, RO water facility etc. Akums through its CSR initiatives always concentrates to provide basic need as per requirements to different schools providing education to underprivileged section of society. Matra Anchal Kanya Vidyapeeth is a regular beneficiary of Akums aids.

**f) Promotion of Environment preservation & cleaning events:**

Human society consists of various blessing from nature. The AKUMS Group has recognized working policies related to the conservation of biodiversity like: reduction of destructive effects on the natural environment. AKUMS has taken various initiatives for healthy environment:

**g) Ganga Cleaning Campaign:**

Cleaning of Ganges has always been a priority in the area and now Government has also taking this very seriously. Every year lakhs of pilgrims visit Haridwar and pay respect to Maa Ganga and in turn leave many types of waste into it. Akums every year organized a week long cleaning drive in River Ganges. Employees took part and donate their labour for the cleaning of Maa Ganga. The waste collected is disposed-off in an ecofriendly manner. Under the scheme of Namami Gange Scheme Akums have adopted and maintained Agrasen Ghat at Haridwar.

**h) Plantation Drive during Harela Festival:**

Akums has organized a plantation drive on the occasion of Harela Festival on 16<sup>th</sup> July 2020 at CMO office, Haridwar; on this occasion various species were planted.

**i) HIV AIDS Awareness campaign during 2-5 December 2020**

In collaboration with Uttarakhand State AIDS Control Committee Akums has conducting voluntary HIV Test & Consultation program. Experts of the subject matter from the Committee visited the plant for awareness and consultation of the employees. Interested employees voluntarily consulted with them and had a free test for HIV.

**j) Establishment of Vertical Garden**

On the occasion of Maha Kumbh Akums has established a vertical garden on the wall of Keshav Ashram. The dimension of this garden is 200 ft. long and 12 ft. in length. This vertical garden has more than 10000 plants of various species and this has an automated drip system for plant watering.

This garden was point of attraction of pilgrims during the Maha Kumbh.

**k) Plantation Drive at Rishikul Ground:**

Akums has organized a plantation drive at Rishikul ground Haridwar and during this initiative 757 plants of various species were planted in Haridwar city in the vicinity of the manufacturing facilities of the Company; and 12 tree guards were also installed on the occasion.

**l) Other CSR activities**

- Donation of over 1000 no. Ration Kits to the office of Upper Meladhikari, Haridwar
- Distribution of packaged drinking water to police personnel during Covid-19 duty
- Donation of over 500 packaged drinking water to SHO, SIDCUL Police Station during Covid-19 duty
- Donation of INR 1,00,000/- to CM relief fund, Uttrakhand
- Construction of Boundary wall of Matra Anchal Kanya Vidyapeeth, Jagjeetpur on 03.02.2021
- Donation of RO water filter to Matra Anchal Kanya Vidyapeeth, Jagjeetpur on 23.12.2020
- Organization of National Road Safety Month during 18<sup>th</sup> January to 17<sup>th</sup> February 2021
- Donation of Medicines to Uttrakhand Police on 27<sup>th</sup> March 2021
- Donation of INR 1.25 Lakh to National level Mountaineer
- Construction of shed at Akums Agrasen Ghat on 03.03.2021
- Donation of cash & clothes for the wedding of the daughter of cobbler

Apart from donation of INR 50,00,000/- to 'JITO Administrative Training Foundation' following are the some glimpse of the various other CSR activities undertaken by Akums during 2020-21:

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**Donation of over 4860 Wisdom hand sanitizer to the office of District Magistrate, Haridwar**



**Handing over 4860 Nos. Hand Sanitizer to District Magistrate, Haridwar**

Donation of Wisdom hand sanitizers to the office of Labor Commissioner, Haridwar







Donation of over 1000 Ration Kits to the office of Upper Meladhikari, Haridwar



Donated 1000 Nos. Ration Bags (food for 15 days) to Mr. Harveer Singh Ji, Upper Meladhikari

Donation of INR 1.00 lakh to CM Relief Fund, Uttarakhand

**भारतीय स्टेट बैंक**  
**State Bank Of India**

(00586) - SME BRANCH RANIPUR  
BHARAT HEAVY ELECTRICALS TOWNSHIP HARIDWAR  
UTTRAKHAND 249403  
Tel. 1034-202518 IFS Code: SBIN0002586

29.04.2020 FOR 3 MONTHS ONLY  
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PAY **CM RELIEF FUND**  
रुपये **RUPEES** One Lakh Only  
को या उनके आदेश पर **OR ORDER**

अदा करें ₹ **\*\*1,00,000.00**

22-12-2019  
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CURRENT A/C  
PREFIX: 0523500000  
VALID UPTO ₹ 50 LACS AT NON-HOME BRANCH FOR NON-CASH TRANSACTION ONLY  
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PAYEE'S A/C ONLY  
AKUMS DRUGS & PHARMACEUTICALS LTD.  
Please sign above

MULTI-CITY CHEQUE Payable at Par at All Branches of SBI

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**Plantation drive during Harela Festival at the office of CMO, Haridwar**



Plantation drive at Rishikul Ground 2020



Ganga Cleaning Drive – 2020 on 18<sup>th</sup> October 2020

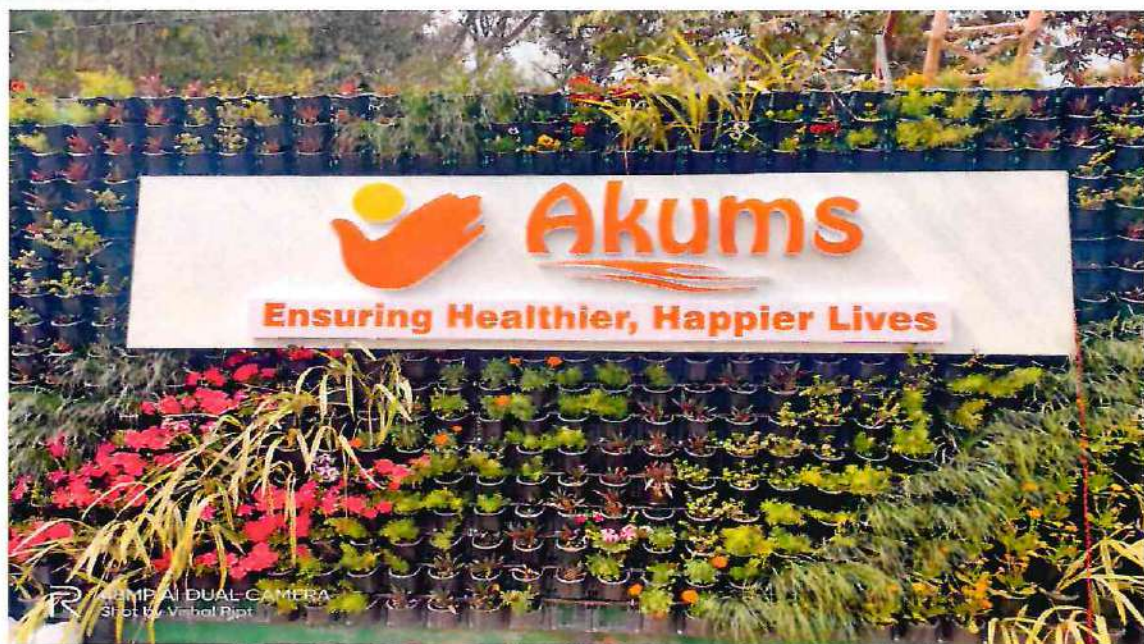




**Organization of National Road Safety Month**




Establishment of Vertical Garden at Keshav Ashram, Haridwar





**Donation of INR 1.25 lakh to Mr. Rajender Singh Nath, a National Level Mountaineer**

 <b>भारतीय स्टेट बैंक</b> <b>State Bank Of India</b>		(09601)-INDUSTRIAL FINANCE BRANCH NEW DELHI 14-15 FLOOR, JAWAHAR VYAPAR BHAWAN, 1, TOLSTOY MARG NEW DELHI 110001 Tel : 11 23374088 Fax : IFS Code : SBIN0009601 SWIFT :	30.03.2021 D D M M Y Y Y Y
<b>PAY RAJENDRA SINGH NATH</b>		को या उनके आदेश पर <b>OR ORDER</b>	
रुपये <b>RUPEES</b> One Lakh Twenty Five Thousand Only		अदा करें ₹ <b>**1,25,000.00</b>	
5214246 / 100 / BLUE ORDER / 03/Mar/2021 SESHASAI (0) / CTS-2010	अ/c No. <b>30071015932</b>	VALID UP TO ₹ 50 LACS AT NON-HOME BRANCH FOR NON-CASH TRANSACTION ONLY	23951017003
CASH CREDIT A/C PREFIX : 0523500018		FOR AKUMS DRUGS AND PHARMACEUTICALS LTD	
MULTI-CITY CHEQUE Payable at Par at All Branches of SBI		PAYEE'S A/C ONLY	
		[Auth. Signatory]	
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**Construction of shed at Akums Agrasen Ghat at Ganga river, Haridwar**



**Akums has bestowed with the following Awards & Recognitions:**

- ✚ "INDIA PHARMA LEADER AWARD" by Ministry of Chemicals & Fertilizers Department of Pharmaceuticals Government of India from 2 years consecutively.
- ✚ 3rd Rank in Pharma sector by Fortune India for 'Next Fortune 500 Companies 2020'
- ✚ 19th overall rank by Fortune India for 'Next Fortune 500 Companies 2020'
- ✚ "Most admired pharma manufacturer of the year" by Asia Today in association with Aaj Tak
- ✚ "The Best Quality Pharma Manufacturer of the Year" by ET Now
- ✚ "Leading Contract Manufacturing Pharmaceutical Company Of The Year" by WBR Corporation
- ✚ "Excellence in Pharmaceutical Formulations and Innovations" by TV9 & Outlook
- ✚ "Most admired & valuable Pharma Company of The Year" by Pharma Business Leadership Awards 2019
- ✚ "Excellence in Nutraceutical & Wellness" by Nutrition & Wellness Conference
- ✚ Featured in The CEO Magazine for being 25 Fastest Growing Healthcare Technology Companies in India.
- ✚ "India's Most Trusted Pharmaceuticals Manufacturer" by IBC INFOMEDIA.
- ✚ Business Sphere award for Largest Contract Manufacturer of Drugs by Business Sphere.
- ✚ "Most Trusted Contract Manufacturer in Pharma Formulations" by My Brand Better
- ✚ "National Award for Excellence in Healthcare 2020" by World Quality Congress
- ✚ "Fastest Growing Healthcare Retail Company of the Year" – Stay Happi by Asia Today in association with Aaj Tak



*SJ*

**Board of Directors**

**Shri Sanjeev Jain**



**Shri Sandeep Jain**



The cornerstone of AKUMS was laid down by its promoters Shri Sanjeev Jain and Shri Sandeep Jain in the year 2004. Today, they are spearheading the largest & fastest growing pharmaceutical contract manufacturing company of the country and have made significant contribution to the growth of Pharma Industry by making available of world class Pharma products at affordable price.

As trendsetters, Shri Sanjeev Jain and Shri Sandeep Jain gave a new concept to Pharma Industry to specialize in Contract Manufacturing. It is their untiring effort and perseverance that Akums today is the top-notch pharmaceutical manufacturing company of India with 15 dedicated manufacturing units. Akums manufactures 12% of India's total medicine consumption and has been featured with 3rd Rank in the list of Fortune Next 500 Companies in Pharma Sector.

Akums' already has highest manufacturing capacities in manufacturing Oral Solid Dosages, Liquid Orals, Injections, Hormones, Beta Penicillin, Beta Cephalosporin, Dermatology, Cosmetics, Ayurvedics, Herbals and Food Supplements and the promoters of the Company are adding more capacities by acquiring more manufacturing units. Over the years, they have been keenly working towards mastering the art of Research & Development of New Formulations and obtaining DCGI approval, Technology Development & Transfer to others, Technical Collaboration & Joint Ventures, Offering tailor made specialized products, Patenting of Innovative Drugs and Sustained Improvement in Product Quality.

Under their able leadership, Akums group has 796 DCGI approvals; 429 FSSAI Approvals, filed 61 Patent Applications, developed 24 Novel Drug Delivery Technologies and over 4000 formulations; all highest as compared to any other company. Akums manufactures for most of the leading MNCs & domestic pharma companies. Their innovative ideas in new product development, patents; creation & retention of customers have brought company to its pinnacle.

The pharmaceutical industry identifies Shri Sanjeev Jain, as a visionary, leader & mentor who has achieved many milestones envisioning a future; while treating each milestone as a ladder to reach for more. He has been instrumental in setting up the Company. He combines in himself dynamism, dedication, diligence, devotion, determination, discipline & direction. Under his dynamic leadership and professional approach, the Company made several collaboration agreements and reached new heights of growth.

Shri Sandeep Jain has been instrumental in setting up the state of the art world class manufacturing facilities and making CRAMS & CROs the requirement of marketing companies of India and abroad. He had been Chairman, Confederation of Indian Industries (CII) state council, Uttarakhand 2013-14 and Chairman of Association of Pharmaceutical Manufacturers, Uttarakhand. An avid learner, Shri Sandeep Jain is actively associated with many trade and commercial organizations. He has been, Chairman of Chamber of Commerce and Industry, Uttarakhand, had been a member of the managing committee of the PHD Chamber of Commerce and Industry and Vice-chairman FOPE.

Combined with dynamism, dedication, diligence and discipline, Shri Sanjeev Jain & Shri Sandeep Jain make their best endeavor in the dynamic pharma industry, leveraging collective strength to bring change and discovering new paths by sharing ideas, communicating, collaborating and bringing overall advancement to the industry.

#### **Shri Nand Lal Kalra**



Shri NandLal Kalra a topper in B.Sc. from Kurukshetra University, a gold medalist and national scholarship holder in M.Sc. from University of Punjab. He is also a bachelor in law from Jodhpur University

Shri N.L. Kalra has been an IRS qualified officer of Direct Tax Department.

He has over 36 years of experience as Assistant Commissioner, Deputy Commissioner, Joint Commissioner and Additional Commissioner of Income Tax.

From 2005 to 2012 he had been a member of Income Tax Appellate Tribunal- Technical Accountant Member.

He has delivered many landmark judgments as an Income TAX appellate Tribunal Member at Bangaluru and Jaipur; and also judged cases in Kochi, Hyderabad, Delhi and Jodhpur. Shri N.L. Kalra has been involved in providing financial assistance to unprivileged children.

Shri N.L. Kalra has passed the requisite qualifications of an Independent Director as prescribed by Ministry of Corporate Affairs; and he is qualified to become an Independent Director.

Shri N.L. Kalra is Chairman of Audit Committee of the Company.



**MS. NEENA VIVEK**



Ms. Neena Vivek serves as Independent & Woman Director at the Board of the Company. She has a Master Degree in Computer Science and has 13 (Thirteen) years of work experience with diversified profiles including pharmaceuticals & logistic sectors; and well versed with the functioning of Board.

She possesses the required vision, ability, drive & enthusiasm needed to manage the things of assigned task. She also possesses strong interpersonal and leadership expertise. She is also a member of Audit, and Nomination & Remuneration Committee of the Company.

Ms. Neena Vivek possesses requisite qualifications of an Independent Director; she is qualified to become an Independent Director.

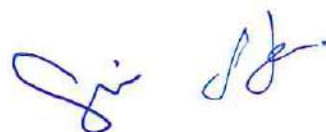
**DR. DEEPAK GURUDAS HALDANKAR**



Dr. Deepak Haldankar is a seasoned professional in manufacturing of pharma formulations & API with proven success of over four decades in managing quality of pharma products and a proactive planner with cross-functional exposure & expertise in technology transfer.

Dr. Deepak Haldankar has worked with various large size pharma companies such as Sun Pharmaceutical Industries Ltd., Cipla Ltd., Mylan Pharma, Dabur India Ltd., Aurobindo Pharma USA Inc., Dr. Reddy Laboratories Ltd. among others; and Dr. Deepak Haldankar has done his doctorate in Analytical Chemistry from USA.

To gain from the rich experience of Dr. Deepak Haldankar, the Company has appointed him as Whole Time Director at the Board of the Company.



Dr. Amit Varma



Dr. Amit Varma is a Managing Partner of Quadria Capital, he has over 20 years of extensive M&A, strategic investment and operational leadership and board level experience in the healthcare organizations and is a renowned physician with healthcare management leadership. He had led international expansion initiatives of Fortis and affiliated companies.

Academically he is Doctor of Medicine from University of Delhi and Fellowship in Critical Care from University of Pittsburgh.

Your Company has appointed him as representative on the Board of the Company on behalf of *RUBY QC INVESTMENT HOLDINGS PTE. LTD.*

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A handwritten signature in blue ink, appearing to be "Dr. Amit Varma".