ANNUAL REPORT
2022-2023

Ensuring Healthier, Happ Lives

Akums

AKUMS DRUGS & PHARMACEUTICALS LTD.

TABLE OF CONTENTS

CORPORATE OVERVIEW

THE AKUMS ADVANTAGE

STATUTORY REPORTS

OUR VISION

To become a globally admired pharmaceutical organisation by providing research-based, affordable quality products to a larger global population.

OUR MISSION

To dedicate ourselves to humanity's quest for longer, healthier and happier lives, through innovative healthcare products.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Shri Sanjeev Jain (Managing Director)
Shri Sandeep Jain (Managing Director)
Shri Basant Kumar Singh (Whole Time Director)
Dr. Amit Varma (Director)
Shri N.L. Kalra (Independent Director)
Shri Kewal Handa (Independent Director)
Ms. Matangi Gowrishankar (Independent Director)

COMMITTEES

AUDIT COMMITTEE
Shri N.L. Kalra
Shri Kewal Handa
Dr. Amit Varma
Ms. Matangi Gowrishankar

NOMINATION & RENUMERATION COMMITTEE
Shri N.L. Kalra
Ms. Matangi Gowrishankar
Dr. Amit Varma
Shri Kewal Handa

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Ms. Matangi Gowrishankar
Dr. Amit Varma
Shri Sanjeev Jain
Shri Sandeep Jain
Shri N.L. Kalra

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Shri Sanjeev Jain
Shri Sandeep Jain
Shri N.L. Kalra
Ms. Matangi Gowrishankar
Shri Kewal Handa

KEY MANAGERIAL PERSONNEL
Shri Sumeet Sood (Chief Financial Officer)
Shri Dharamvir Malik (Company Secretary)

STATUTORY AUDITORS
M/s. Walker Chandiok & LLP
COST AUDITORS
M/s. Jain Sharma & Associates
SECRETARIAL AUDITORS
M/s. A K Nandwani & Associates
INTERNAL AUDITORS
M/s. Vibhor Gupta & Associates

MANAGEMENT AUDITORS
Ernst & Young LLP
Protiviti India Member Private Limited

BANKERS
State Bank of India
Citi Bank N.A
HSBC
Standard Chartered Bank
HDFC Bank Ltd.

REGISTERED OFFICE
304, 3rd Floor, Mohan Place,
L.S.C, C-Block, Saraswati Vihar
Delhi-110034

WEBSITE
www.akums.in
CIN
U24239DL2004PLC125888

CONTACT DETAILS
Phone: 011- 69041000
E-mail: akumsho@akums.net

ABOUT US

Akums was set up by brothers Shri Sanjeev Jain and Shri Sandeep Jain in 2004 under the guidance of their father, Shri D.C. Jain, with the aim of making medicines affordable and accessible to everyone, not just in India but also in other middle and lower-income countries across the world.

Through the past two decades, Akums has stayed true to its vision of dedicating itself to developing innovative healthcare products that help people live longer, happier and healthier lives. It is this dedication that has transformed Akums into India's largest contract manufacturer of generic medicines. In fact, Akums is now one of the largest and fastest-growing vertically integrated pharmaceutical companies in the country. Today, Akums operates 15 state-of-the-art manufacturing facilities across Uttarakhand, Punjab, Haryana and Assam. Of these, 12 make finished formulations and three manufacture active pharmaceutical ingredients, or bulk drugs that are used in making medicines. Additionally, Akums has four R&D centres.

The manufacturing facilities are equipped to produce all forms of dosages—tablets, hard and soft gelatin capsules, powder in sachets, liquid syrups and suspensions, injections, eye and ear drops, ointments, creams, gels, lotions, Ayurveda and herbal preparations, and nutraceutical and cosmetic preparations.

With a total workforce of about 15,000, Akums produces over 12% of the country's total domestically consumed medicines for more than 1,000 clients that comprise not just leading Indian pharmaceutical companies but also some of the biggest multinational corporations.

Over the years, Akums has emerged as an integrated solutions provider for companies seeking specific development and business goals. Along with its core service offering—Contract Research and Manufacturing Services (CRAMS)—Akums also offers a comprehensive suite of services from the development of formulations to their market launch.

In recent years, the company has made several strategic acquisitions like those of Parabolic Drugs (now Akums Lifesciences) and bought the manufacturing facilities of Ankur Drugs & Pharmaceuticals Ltd. and Origin Formulations Pvt. Ltd. in order to scale up and diversify its business. In the wake, it has also been backed by marquee investors including healthcare-focused private equity firm Quadria Capital, which invested in the company in 2019.

Akums' founders, the Jain brothers, have been trendsetters in the Indian pharma industry. Thanks to their vision and efforts there is hardly a retail pharmacy outlet in India today that does not offer an Akums product.

Akums' strong customer relationships, product strength and large contract manufacturing operations ensured that it quickly recovered from the impact of the lockdowns in the wake of the Covid-19 pandemic, which disrupted the global pharmaceutical industry and API supply chains throughout 2020 and 2021. Moreover, the company's strong performance over the years has meant that it has been consistently rated highly by credit ratings agencies.

Even as Akums continues to strengthen its presence in the domestic market, it has been spreading its footprint across all the major emerging markets. Akums established its export

subsidiary, Unosource Pharma, in 2014. The company's product portfolio for emerging markets includes generic and branded formulations. Akums has registered more than 1,250 products in around 53 countries, and the company exports to nations across Africa, South and Southeast Asia, Eastern Europe, the Caribbean and Latin America.

With Akums recently receiving the EU GMP (good manufacturing practice) accreditation for its injectable and oral dosage form facilities, the company will soon venture into European markets. As Akums closes another financial year successfully and enters a new one, the company redoubles its commitment to keep serving the people and communities across the world that benefit from its medicines and other products. Akums rededicates itself to its stated mission of becoming one of the most globally admired pharmaceutical companies, providing research-based, affordable and quality products for people

MANAGEMENT'S MESSAGE

Dear Shareholders,

Fiscal 2022-23 has truly been an exciting year for us at Akums. We progressed across all of our divisions and continued building strong and sustainable business models.

While the growth in business revenues remained nearly flat as compared with the previous year's numbers, the company remained fiscally stable. This gives us confidence that our business fundamentals are strong and can continue to deliver value, both to our customers as well as shareholders, year on year.

Akums has further consolidated its leadership position in the pharmaceutical contract manufacturing space. Today, Akums is more than three times as big as its closest competitor in the Indian market.

Akums commands a more than 12% market share that puts us in a league of our own. We now serve more than 1,100 clients across three main segments—pharmaceuticals, nutraceuticals, and cosmetics. It gives us immense pride to note that 41 out of the top 50 pharmaceutical companies in India did business with Akums during the financial year.

The Active Pharmaceutical Ingredient (API) segment seems to have taken off rather well. While we are still in an investment phase, we are going in the right direction. We have the right mix of infrastructure, quality, products and indeed the talent to develop APIs for the domestic as well as global markets.

In our marketing business as well, we continued to build brands across domestic as well as international markets. Akumentis Healthcare, the domestic brands business, registered a strong double-digit revenue growth. Even our exports arm, Unosource Pharma, saw its topline grow by almost 40%. This led to a significant improvement in the profitability of both Akumentis and Unosource.

The trade generics segment registered muted sales as compared with last year's figure, but we focused on strong credit policy and inventory management to minimize bad debts and build a sustainable business.

The highlight for the year was the EU GMP (the European Union's Good Manufacturing Practices guidelines) approval for two of our plants—one manufactures oral solids and the other makes injectables. Further, we received PIC/S (Pharmaceutical Inspection Convention and the Pharmaceutical Inspection Co-operation Scheme) approval from Indonesia for another plant that makes hormonal formulations. This marks our foray into global regulated markets across mass and niche dosage forms.

We continue to build a robust supply chain to prepare for any future disruptions. Moreover, Akums remains an employer of choice in the industry and continues to implement employee-friendly policies to attract and retain talent.

Akums' future looks bright. We are expanding capacities across multiple dosage forms and introducing new ones in the coming fiscal year. The new dosage forms being introduced include nasal sprays, gummies and lyophilized injectables, to name just a few.

We are also expanding our global reach with new approvals and dossier filings. Driven by strong regulatory and quality culture, we believe that our contract development and manufacturing business will go from strength to strength in the coming years.

Going forward, a niche product range, cost competitiveness and state-of-the-art infrastructure will drive Akums to newer heights.

We are already seeing green shoots of improved profitability. Our marketing business is well-poised to achieve above-average market growth. We are creating large brands in niche segments in domestic as well global markets which will yield long-term value.

As a new financial year begins, we cannot but thank all those who have been a part of our journey and have helped Akums achieve stellar heights. We would like to convey our sincere gratitude to everyone who has been associated with us through this exciting journey. We remain forever grateful to our stakeholders, our board members, our clients, our suppliers, our partners and, most importantly, our employees.

Warm regards,

Shri Sanjeev Jain
Managing Director
Akums Drugs & Pharmaceuticals Ltd.

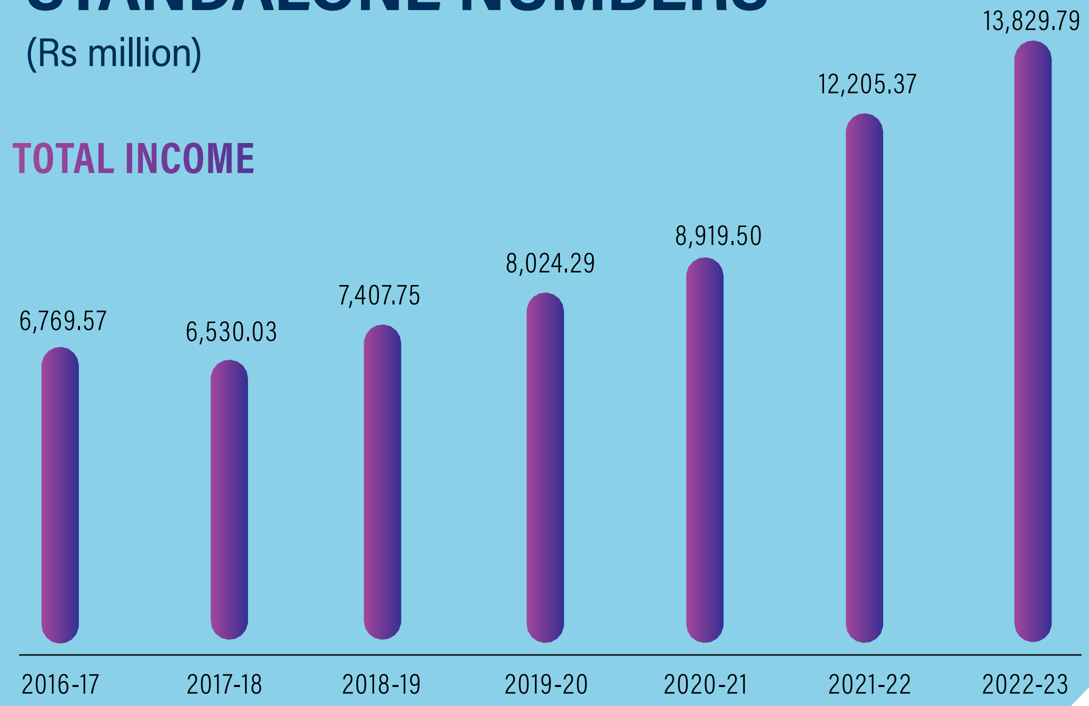
Shri Sandeep Jain
Managing Director
Akums Drugs & Pharmaceuticals Ltd.

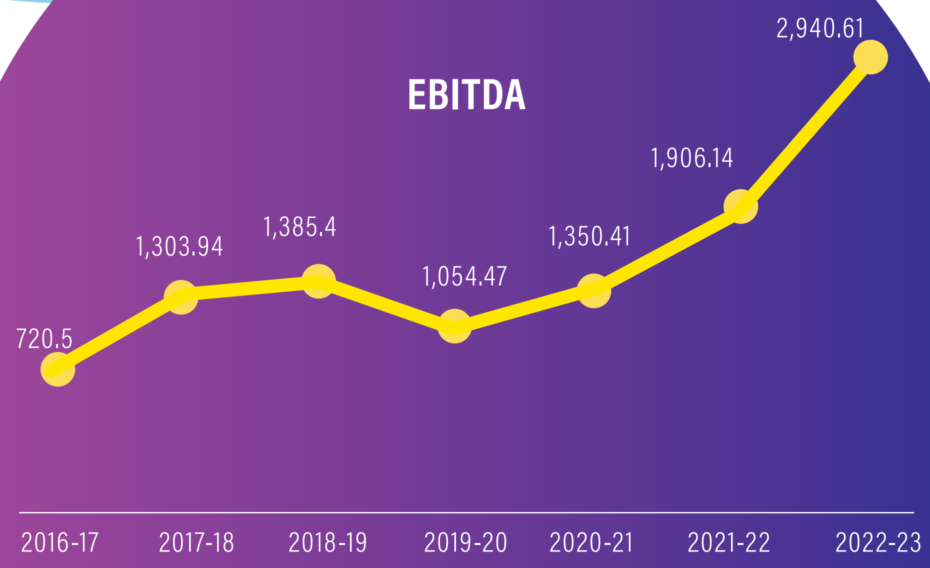
PERFORMANCE HIGHLIGHTS

AKUMS DRUGS AND PHARMACEUTICALS LTD

STANDALONE NUMBERS

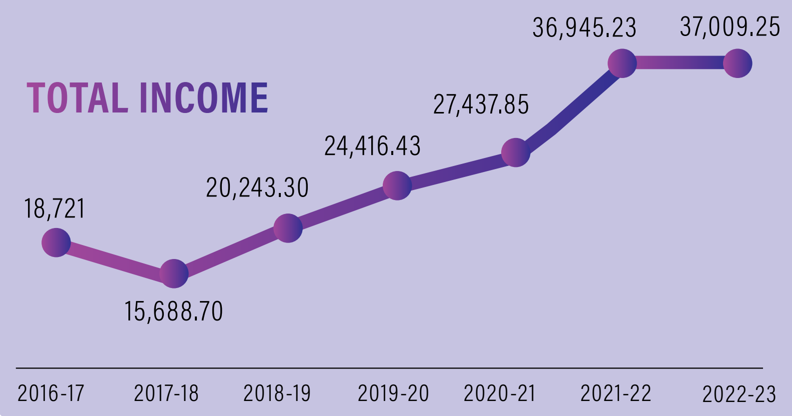
(Rs million)

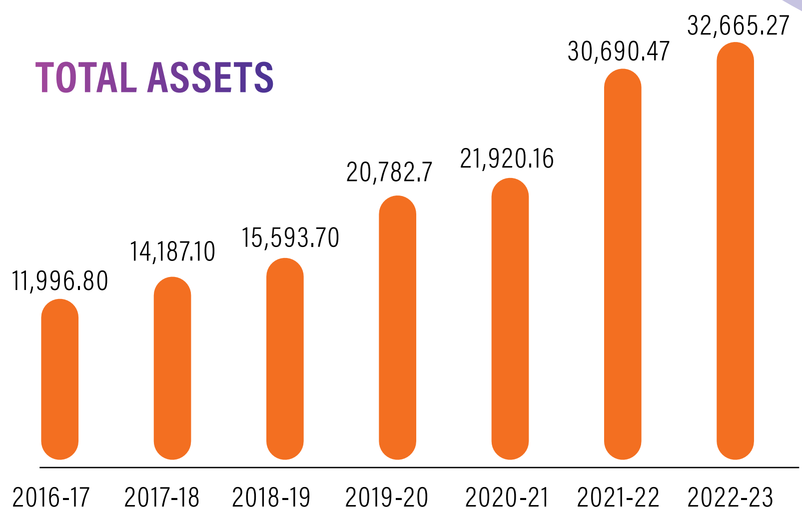




CONSOLIDATED NUMBERS

(Rs million)





EBITDA

2016-17	2,029.20
2017-18	2,134.50
2018-19	2,032.20
2019-20	2,015.97
2020-21	3,123.22
2021-22	4,250.85
2022-23	3,400.86

(Rs million)

THE JOURNEY SO FAR

2004

Akums Drugs is formed and first plant for oral solid dosages is started

2005-2008

Established dedicated plants for liquid dosage and sterile products

Developed over 230 products, some for the first time in India and some for the first time globally

2009-2013

Set up new plants dedicated to hormones, topicals and neutraceuticals;

Purchased two new units, Pure & Cure and Malik Lifesciences, to expand capacity

2014-2018

Diversified from CDMO into formulation marketing and started both retail and institutional sales

Reached the milestone of more than 500 DCGI approvals

2019-2023

Raised private equity funding from Quadria Capital;

Launched API business with two manufacturing plants and one R&D facility

Increased total number of plants to 16

BOARD OF DIRECTORS

Mr. Sanjeev Jain and Mr. Sandeep Jain have travelled a long distance since they first entered the pharmaceutical trading business in 1984, starting their entrepreneurial journey with a 55 sq ft shop in Delhi.

The two young men (Sanjeev was 18 and Sandeep was 16) set up the foundations of their business, along with their father, Mr. D.C. Jain. A decade later, in 1994, they set up their first manufacturing unit, at Bhiwadi in Rajasthan.

The business began with its own line of products but later ventured into contract manufacturing. The turning point was in 2004, when, thanks to some investor-friendly government policies, the Jain brothers set up a contract manufacturing plant in Haridwar, Uttarakhand.

That is when Akums was established, and since then there has been no looking back. The Jain brothers have set a new trend in the Indian pharmaceutical industry as the pioneers of the contract manufacturing model, making critical life-saving drugs accessible to millions of people across dozens of low-income and middle-income countries in Asia, Africa, Latin America and even Europe. But for these affordable medicines, millions of people in these regions would have no recourse to curative or palliative healthcare.

Even as other companies followed and sought to adopt a similar strategy, Akums has been ahead of the curve, becoming one of the largest and fastest-growing pharmaceutical contract manufacturers in India.

SANJEEV JAIN
Managing Director, Akums Group

Mr. Sanjeev Jain was the principal force behind founding Akums, and ranks among the pioneers of the Indian pharma sector. Mr. Jain is known as a visionary leader and mentor. He has been guiding not just Akums but the industry as a whole to greater heights over the last decade and a half.

A people person, he has more than three decades of experience in the field of pharmaceuticals sales and marketing. He has received multiple industry awards, including the prestigious Dynamic Entrepreneur Award at the 6th Annual Pharmaceutical Leadership Summit & Business Leadership Awards in 2014.

Under his leadership, Akums has made several national and foreign collaborations. His innovative ideas in product development, patents, and customer retention have helped the company chart new growth paths over the year.

SANDEEP JAIN
Managing Director, Akums Group

Mr. Sandeep Jain has been the force behind setting up Akums' state-of-the-art world-class facilities. He has had a key role in making contract manufacturing the most viable industry model.

He has been associated with several leading trade and industry bodies and has advocated the cause of the Indian pharmaceutical sector. In 2013-14, he was the president of the Uttarakhand state council of the Confederation of Indian Industry (CII). The same year, he also headed the state's Association of Pharmaceutical Manufacturers.

He has also served as the chairman of the Chamber of Commerce and Industry, Uttarakhand and has been a member of the managing committee of the PHD Chamber of Commerce and Industry and the vice-chairman of the Foundation of Pharma Entrepreneurs (FOPE).

NAND LAL KALRA
Independent Director

A former career bureaucrat, Mr. Kalra spent 36 years in the elite Indian Revenue Service (IRS), and held various important positions. He now heads the audit committee of the company, as its chairman.

From 2005-12, Mr. Kalra was a member of the Income Tax Appellate Tribunal, where he delivered several landmark judgements. Before that, Mr. Kalra served as the assistant commissioner, deputy commissioner, joint commissioner and additional commissioner in the income tax department and has served across the country.

Mr. Kalra, who has worked actively to extend financial help to underprivileged children, has an excellent academic record. He earned a Bachelor of Science degree from Kurukshetra University with a gold medal. He holds a masters in science from Panjab University and a law degree from Jodhpur University.

BOARD OF DIRECTORS

DR. AMIT VARMA
Non-Executive Director

Dr. Varma is a managing partner at Quadria Capital, one of the leading healthcare-focused private equity firms. He serves on the Akums board as a representative of Quadria, which invested in Akums in 2019.

Dr. Varma has more than two decades of extensive experience in mergers and acquisitions, strategic investments and operational leadership. He has significant board-level experience in the healthcare industry and is himself a renowned physician. He has, in the past, led international expansion initiatives of Fortis Healthcare and its affiliated companies.

Dr. Varma is a Doctor of Medicine from Delhi University and also holds a fellowship in critical care from the University of Pittsburgh.

KEWAL HANDA
Independent Director

Mr. Handa is a veteran of the pharmaceutical industry in India. He headed Pfizer India as managing director and country manager from 2005 to 2012. Before Pfizer, he was also the managing director at Wyeth Ltd.

After leaving Pfizer, Mr Handa joined Samarth Life Sciences as President. He went on to serve as the non-executive chairman on the board of Union Bank of India, one of the most prominent government-owned lenders. Mr. Handa recently also joined the board of merchant payments firm BharatPe as an independent director.

Mr. Handa has diverse experience in finance, commercial, strategy, business development, M&A, banking, corporate affairs. He is also experienced across sectors like engineering and consumer in companies like Schrader Scovill, Hindustan Unilever Limited, and State Industrial Investment Corporation of Maharashtra. Mr. Handa has wide experience in markets like the US, Southeast Asia, Africa, Bangladesh, and Sri Lanka.

One of Mr. Handa's key focus areas is building a diverse organisation. He has driven various teams to hire and retain women colleagues in management and most importantly in sales positions – an initiative unheard of in the Indian pharmaceutical industry. He has managed this by sensitization and by developing women-friendly policies. These initiatives are now case studies and were showcased at a ministerial roundtable held in Turkey.

Mr. Handa is a qualified management accountant and company secretary, and has a master's degree in commerce.

MATANGI GOWRISHANKAR
Independent Director

Ms. Gowrishankar comes with a wide range of experience across different domains.

Besides Akums, she is currently an independent director on the boards of several prominent companies including Cyient, Gabriel India, Greenlam Industries, Arohan Financial Services, Ashv Finance, Intellecap Advisory Services, Altum Credo Home Finance and Premium Transmission.

In the past, Ms. Gowrishankar has served on the boards of BP India Services, the holding company of oil and gas major BP in India, and subsidiaries of Cummins India.

Not only has she led teams both in India and outside, she has also been an executive coach to the top leadership at BP plc and other companies.
Ms. Gowrishankar has been a strategic human resources advisor to companies like Safari Industries, FlyNava Technologies, Quantum Consumer Solutions, BP Global Solutions India and Cornerstone India, to name a few. She was also heading the group HR council for the Aavishkaar Group.
She holds a postgraduate degree in personnel management and industrial relations from the prestigious XLRI, Jamshedpur, and a bachelor of arts in sociology from Stella Maris College, Chennai.

BASANT KUMAR SINGH RATHORE
Whole-Time Director

Mr. Rathore is a three-decade old veteran of the pharmaceutical industry. He is an accomplished, outcome-driven executive with a proven track record in leading challenging initiatives, with emphasis on strategic planning, manufacturing, engineering, quality assurance, project development, budget management and human resources.

Mr. Rathore has, over the years, shown tremendous leadership ability and has extensive experience in managing pharmaceutical plants as per international standards.

Mr. Rathore holds a master's degree in pharmacy and a postgraduate diploma in management from Rajasthan University.

Before Akums, Mr. Rathore worked with companies like Bal Pharma, Tirupati Zion Medicare, Micro Labs, Scott-Edil Pharmacia, Nicholas Piramal, Lupin and Torrent Pharma.

A CONVERSATION WITH THE FOUNDERS

SANJEEV JAIN AND SANDEEP JAIN
MANAGING DIRECTORS, AKUMS GROUP

"WE WILL ENHANCE API CAPACITY, BOLSTER COMPETITIVENESS IN EXPORT MARKET"

What differentiates Akums from other pharmaceutical companies in India?

Akums distinguishes itself as the largest pharmaceutical contract development and manufacturing organization (CDMO) in India with a market share of 12-13%.

The nature of Akums' business operations sets it apart from its peers. As a CDMO, the company specializes in providing end-to-end services from pharmaceutical development, manufacturing, including formulation development, stability, regulatory approvals, packaging, designing to market launch, all en-suite. This comprehensive approach enables Akums to offer integrated solutions to its clients, streamlining the entire process from drug development to commercialization.

The company caters to a wide range of clients, including small-scale businesses and large multinational corporations. Moreover, it has a notable track record with regulatory authorities such as the Drug Controller General of India (DCGI) and the Food Safety and Standards Authority of India (FSSAI). Approvals and certifications from these authorities demonstrate the firm's adherence to strict quality and safety standards.

What inspires you both to take the company to newer heights in the coming years?

Akums is driven by several compelling factors that inspire us. Our foremost inspiration arises from the noble profession of healthcare. As a pharmaceutical industry participant, we have a unique opportunity to make a positive impact on people's lives by providing them with high-quality medicines and healthcare solutions. We also find motivation in the significant white spaces that still exist within the healthcare industry. We embrace those opportunities as catalysts for developing innovative products and solutions.

Further India's strong emphasis on quality consciousness provides us with a solid foundation to expand our presence domestically. Simultaneously, we recognize the immense potential for global growth. With the advancements in technology and the increasing interconnectedness of the world, we see numerous avenues to tap into international markets and serve a broader customer base. We firmly believe that employee engagement and continuous learning are pivotal to our company's success. In this endeavour, our dedicated team is our greatest asset.

"WE FIRMLY BELIEVE THAT EMPLOYEE ENGAGEMENT AND CONTINUOUS LEARNING ARE PIVOTAL TO OUR COMPANY'S SUCCESS. IN THIS ENDEAVOUR, OUR DEDICATED TEAM IS OUR GREATEST ASSET."

A CONVERSATION WITH THE FOUNDERS

How does Akums contribute to the healthcare sector and the well-being of patients?

With its robust manufacturing capacities, Akums ensures a steady supply of quality medicines, making them readily available to healthcare providers and patients.

The company also prioritizes affordability. By implementing cost-efficient manufacturing practices, the company strives to offer medicines at reasonable prices. This factor enables patients to access the treatments they require without undue financial burden.

Akums is dedicated to promoting patient well-being by actively developing dosage forms that are convenient and easy for patients to use.

Where do you see the company in terms of growth in the domestic market and global markets after four to five years? Which are the new destinations for overseas shipments?

We envision Akums experiencing substantial growth in both the domestic and global markets. In the fast-growing Indian pharma market, the goal is to increase our market share to 20%. We will achieve this by leveraging our strong capabilities such as expanding product portfolio, and capitalizing on emerging opportunities.

In terms of overseas shipments, we anticipate that exports will play a significant role in our growth. We aim to contribute more to the global markets than the domestic one. It would help in establishing Akums as a prominent player in the international pharmaceutical trade segment.

Active Pharmaceutical Ingredients (APIs) will serve as one of the key pillars for our growth. We will focus on enhancing our API manufacturing capabilities to ensure a reliable supply chain and bolster our competitiveness in the global market.

Further, we have an ambitious plan to achieve leadership positions in the newest technologies and biotechnology products. By investing in research and development, forging strategic partnerships, and embracing innovation, we will position ourselves as pioneers in these emerging fields.

Prime Minister Narendra Modi has set an ambitious target of making India a developed nation by 2047. What role can the Indian pharma industry play in achieving this target?

The CDMO sector plays a crucial role in the Indian pharma industry and can significantly contribute in achieving this target. The Indian pharma industry has already demonstrated its capabilities and competence on the global stage. With a strong foundation in manufacturing, research, and development, the industry is well-positioned to continue its dominance in the healthcare sector. The domestic industry can leverage its expertise to meet the increasing demand for quality medicines and healthcare solutions.

Moreover, the industry has the potential to significantly contribute to the country's exports and GDP (Gross Domestic Product).

The government is targeting to increase merchandise exports to $1 trillion by 2030 from $450.43 billion in 2022-23. Pharma sector exports rose by about 4% in 2022-23 to over $25 billion. How do you see this $1 trillion target and how can the sector enhance its participation?

The target of $1 trillion is an ambitious one but certainly achievable. The pharma sector can enhance its participation and contribution. By complying with international standards and working towards becoming a PIC/S (Pharmaceutical Inspection Co-operation Scheme) compliant nation, the sector can instil confidence in global markets and attract more export opportunities. The sector should focus on increasing capacities to serve the global market and cost optimization to enhance competitiveness.

Free Trade Agreements (FTAs) with countries like the UAE and Australia can facilitate market access, reduce trade barriers, and promote collaboration, leading to increased export opportunities.

Innovation is now talk of the town in every sector. The private sector has to get into innovation to increase its share in the global markets or participate in global value chains. Is our industry focusing on this side of the story?

Innovation has indeed become a crucial aspect for every sector, and the pharmaceutical industry is no exception. The industry is actively focusing on enhancing its innovation capabilities to increase its share in global markets and participate in global value chains.

The PLI scheme introduced by the government has played a significant role in fostering innovation in the sector. This initiative provides financial incentives to encourage domestic manufacturing and R&D activities, which in turn promotes innovation and technology upgradation.

Also, pharmaceutical companies are increasingly forming partnerships with research institutions, academic organizations, and startups to leverage their expertise and access cutting-edge technologies. Is our IPR policy and laws helpful in promoting innovation in the sector? What more can be done to promote registrations of patents, trademarks, and designs?

India's Intellectual Property Rights (IPR) policy and laws have made significant progress in promoting innovation in the sector. India is compliant with the World Trade Organization (WTO) regulations, which provide a strong foundation for protecting IPRs.

However, there is still a room for improvement to strengthen the IPR framework in India. Timelines for patent registration can be streamlined. Enhanced awareness and education about the benefits and procedures of IP protection is also needed. This can be achieved through targeted campaigns, workshops, and capacity-building programs that highlight the value of IPR and guide innovators through the registration process.

India has recently implemented free trade agreements with the UAE and Australia. How do you see the impact of these pacts on the company in particular and the Indian pharma sector in general?

FTAs with the UAE and Australia open up new avenues for trade and collaboration. These agreements facilitate the removal of trade barriers, such as tariffs and quotas, and promote a more favourable business environment. As a result, we anticipate increased access to these markets, enabling us to expand our customer base and export our products more easily.

These agreements promote exchange of knowledge and technology. Our company can leverage these partnerships to access advanced technologies, manufacturing processes, and research capabilities from the UAE and Australia.

Indian pharma companies still face issues related to registration in developed markets such as Japan, Switzerland and Europe. What can the Indian government do to increase market access for our pharma products?

To increase access for Indian pharma products in these developed markets, the Indian government can take several measures. These actions should focus on strengthening regulatory frameworks, improving quality standards, and enhancing industry competitiveness.

The government should work towards aligning the regulatory and quality standards with international best practices. It can also introduce PLI schemes specifically tailored for the pharma industry and can collaborate with associations and academic institutions to develop specialized education and training programs for the sector.

A CONVERSATION WITH THE GENNEXT

ARUSHI JAIN AND KANISHK JAIN
DIRECTORS, AKUMS GROUP

LEARNING THE ROPES:THE NEXT GENERATION

Ms. Arushi Jain and Mr. Kanishk Jain are part of the third generation of the Akums' founding family to work for the company. Both joined the business as management trainees in 2016 and have grown within the organization.

Arushi is a qualified chartered accountant and is pursuing her Company Secretaryship examination. She was previously looking after operations of Sarvagunaushdhi Pvt. Ltd, a subsidiary of Akums, until October 2021. Now, she is looking after the company's finance and business strategy as Director - Corporate Growth and Excellence.

Kanishk completed his MBA in 2017 from SP Jain School of Global Management. He is looking after operations and business affairs of Akumentis Healthcare Ltd, a subsidiary of Akums, as Director - Operation Marketing.

In this conversation, the two young members of the Akums family talk about their vision for the group.

What strategies or initiatives do you plan to implement to boost the growth and innovation within Akums?

We have planned several strategies and initiatives aimed at maximizing our potential and fostering a culture of continuous improvement.First, we will focus on identifying pockets of growth within the industry. By identifying niche markets, unmet medical needs, and emerging therapeutic areas, we can strategically expand our product portfolio and capture new segments.

LEARNING THE ROPES: THE NEXT GENERATION

Process improvements will be another key focus area. We have a plan to implement lean management practices and invest in technology to streamline our operations, enhance efficiency, and reduce time-to-market for our products.

Cost optimization initiatives will play a vital role in our growth strategy. This involves identifying areas of cost inefficiencies, exploring alternate sourcing options, and optimizing our procurement processes.

In addition, fostering a culture of innovation will be a top priority. We also plan to establish cross-functional teams dedicated to research and development, encouraging collaboration and the exchange of ideas.

Furthermore, we will focus on strengthening our partnerships and collaborations with academia, research institutions, and startups.

What steps will you take to enhance Akums' presence in the global market?

We will undertake several strategic steps aimed at expanding our reach, building strong alliances, and seizing growth opportunities.

First, building global alliances with the right stakeholders will be a priority. We will actively seek partnerships with international pharmaceutical companies, distributors, and regulatory bodies. This will provide us with access to new markets, distribution networks, and regulatory expertise, enabling us to navigate the complexities of global markets more effectively.

Second, we will ensure that we have the right team in place to seek and capitalize on growth opportunities. This involves assembling a team with diverse expertise, international market knowledge, and strong business acumen.

Furthermore, we plan to double our investments in research and development, manufacturing capabilities, and quality assurance processes. We will also prioritize market intelligence and competitive analysis to stay informed about emerging markets, changing regulatory landscapes, and customer preferences.

What is your long-term vision for Akums and how do you plan to achieve it? Where do you see your company in the next five years, and what steps are you taking to achieve those goals?

Our long-term vision is to position the company as a global leader in the pharmaceutical industry, known for its high-quality products, strong partnerships, and sustainable growth. To achieve this vision, we have set forth a strategic roadmap that focuses on increasing market share, fostering better and stronger relationships with our partners, and expanding our exports and active pharmaceutical ingredients (API) vertical.

We aim to increase our market share by implementing a market-centric approach. To foster better and stronger relationships with our partners, we would emphasize on an open communication, collaboration, and mutual trust. We plan to engage in regular dialogue with our partners, understand their requirements, and align our strategies to create win-win scenarios.

Expanding our exports and API vertical is another key aspect of our growth strategy. We aim to tap into new geographies, forge strategic alliances with distributors and regulatory authorities, and ensure compliance with international quality standards. Additionally, we plan to invest in research and development of APIs to cater to the growing demand for these crucial components in the global pharmaceutical industry.

In the next five years, we envision Akums as a globally recognized brand with a significant market presence.

How do you differentiate your company from other established players in the Indian pharma market? What unique strategies or approaches you want to implement to gain a competitive edge?

In a highly competitive Indian pharma market, Akums aims to differentiate itself from other established players through a combination of unique strategies and approaches. We recognize the need to stand out and offer distinct value propositions to our customers.

We have focus on quality, customer-centric approach, innovative research and development, vertical integration, technological advancements and strategic partnerships that will differentiate us in the Indian pharma market.

What opportunities do you see in the pharma industry? How do you plan to capitalize on those opportunities?

The domestic pharma industry presents several opportunities for growth and expansion. As a leading player, Akums aims to capitalize on these opportunities to further grow its business.

Here are the key opportunities which we plan to tap:

Quality medicines: Demand for quality medicines is still largely untapped. Akums aims to address this opportunity by focusing on providing high-quality, affordable medications to meet the healthcare needs of our population.

APIs and exports: Akums plans to expand its API manufacturing capabilities, enhance quality standards, and comply with international regulatory requirements.

To capitalize on these opportunities, we will focus on continuous improvement, innovation, and strategic collaborations. We will expand our product portfolio, and enhance manufacturing capabilities. We will also strengthen our distribution network, both domestically and internationally, to reach a wider customer base.

THE PHARMA INDUSTRY IS CONSTANTLY EVOLVING, DRIVEN BY ADVANCEMENTS IN SCIENCE, TECHNOLOGY, AND HEALTHCARE PRACTICES.

What advice would you give to aspiring young entrepreneurs looking to enter the Indian pharma industry?

We would offer the following advice:

Recognize the potential: The industry consistently shown significant growth rates, driven by factors such as rising healthcare awareness, increasing disposable income, and an increasing population. Understand the opportunities and potential in this sector, and be prepared to leverage them to your advantage.

Embrace innovation: Focus on developing unique and innovative solutions that address unmet medical needs.

Cater to Indian masses: India has a diverse population with varying healthcare needs. Tailor your products to cater to the specific requirements of the masses.

Build strong networks: Collaborate with research institutions, academic organizations, and industry experts to access resources, knowledge, and expertise.

Stay abreast of the regulatory landscape: The industry is highly regulated. One must stay updated on the evolving regulatory landscape and ensure compliance with relevant laws and regulations.

Foster a culture of learning: The pharma industry is constantly evolving, driven by advancements in science, technology, and healthcare practices. Foster a culture of continuous learning and development within your organization.

Review of Business Divisions 2022-2023

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

OUR BUSINESS CONSISTS OF THE FOLLOWING DEDICATED DIVISIONS

- Pharmaceutical formulation contract manufacturing
- Nutraceuticals and cosmeceuticals contract manufacturing
- Branded formulation marketing
- Generic formulation Marketing
- Formulation exports
- Institutional sales
- API Manufacturing
- Contract Research & Development

BUSINESS DIVISIONS

PHARMACEUTICAL FORMULATION CONTRACT MANUFACTURING

Contract manufacturing of pharmaceutical formulations is the flagship business of Akums. It contributes to around 2/3rd of the group revenue. Akums caters to over 1,100 pharmaceutical companies as their trusted partners for formulations. R&D forms the core of product offerings and Akums has over 4,000+ pharmaceutical formulations to offer to its partners. Manufacturing of pharmaceutical formulations is spread over 10 plants. The global growth witnessed by pharmaceutical industry and the continued trend towards outsourcing by pharmaceutical marketers, this vertical is expected to remain the primary division for the group.

NUTRACEUTICALS AND COSMECEUTICALS CONTRACT MANUFACTURING

Nutraceuticals and cosmeceuticals are fast growing categories in India. Driven by demand for quality nutritional products, focus on prevention, growing health awareness, e-commerce and rising middle class, need for innovative and quality products is fast growing.

Akums has a dedicated wholly owned subsidiary i.e. Maxcure Nutravedics Ltd. which deals exclusively in the development and manufacture nutraceutical as well AYUSH products. Further Akums has a dedicated block at Plant 5 for cosmeceutical products catering to multiple delivery formats. Akums caters to over 100+ clients for nutraceutical and cosmeceutical range of products.

BRANDED FORMULATION MARKETING

The prescription pharma market in India is $20 Billion and is expected to grow in double digits in the medium term.

Akums has a dedicated branded marketing company in the form of Akumentis Healthcare Ltd. It operates via nine dedicated divisions catering to multiple physician specialties as well as hospitals. It has a strong focus in gynecology, cardiology and orthopedic products. As per AIOCD-AWACS data, as of January 2023, it ranks 64th in Indian pharma market by revenue.

BUSINESS DIVISIONS

GENERIC FORMULATION MARKETING

Generics is a fast-growing category in India. Driven by channel dynamics, generic products are widely available at retail stores, mostly across acute portfolio. As an estimate, over 15% of pharma market is generic and growing in strong double digits.

Akums has multiple wholly owned subsidiaries i.e. Amazing Research & Laboratories Ltd., Plenteous Pharmaceuticals Ltd. and May & Baker Pharmaceuticals Ltd. etc. which operates in of quality generic products.

FORMULATION EXPORTS

India's pharmaceuticals exports stood at US$ 25.3 billion in FY23. This was higher than FY22 exports of US$ 24.6 billion which also had significant exports of COVID care products, representing India's strong and growing exports of pharmaceuticals across the globe.

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. Akums, via its dedicated export marketing company, Unosource Pharma Ltd., markets products in 50+ countries across range of dosage forms as well as therapeutic areas.

INSTITUTIONAL SALES

Akums actively participates in Govt as well as private tenders for supply in the institutions. For Govt. supply, Akums directly participates via the manufacturing company for supply in state hospitals, central hospitals, defence supply, BPPI etc. For private hospitals, Akums supplies via its subsidiary Nicholas Healthcare Ltd.

API MANUFACTURING

FY22-23 marked the first full financial year of operations for Akums Lifesciences, Akums subsidiary into manufacturing of APIs. Akums, post-acquisition of Parabolic Drugs Ltd. via NCLT, invested into upgradation of manufacturing facilities to meet the global regulatory standards. Driven by extensive R&D and carefully curated portfolio, Akums API division is looking to serve domestic as well as global clients across regulated and semi-regulated countries.

The growth of pharmaceutical markets, robust supply chain as well as risk-mitigation strategy, PLI scheme by Indian Govt. and growth of Indian formulation market will drive the API business.

CONTRACT RESEARCH & DEVELOPMENT

Akums has a strong R&D team comprising of 250+ R&D scientists across API, formulation and analytical development. The group has 4 R&D centers with capabilities across multiple therapeutic areas, dosage forms and product chemistry. Akums is actively working with leading innovator as well as branded formulation players for global contract research projects.

MANUFACTURING CAPACITY

At Akums, manufacturing lies at the core of our expertise. As India's leading Contract Research and Manufacturing (CRAMS) organization, we take pride in producing approximately 12% of all medicines consumed in the country. With a focus on organic growth as well as strategic acquisitions, we currently operate 16 state-of-the-art facilities that are equipped to manufacture a diverse range of dosage forms.

Our manufacturing capabilities cover a comprehensive spectrum, including tablets, hard and soft gelatin capsules, powdered sachets, liquid syrups and suspensions, injections, eye and ear drops, ointments, creams, gels, lotions, Ayurveda and herbal preparations, nutraceutical and cosmetic formulations, and numerous other ground breaking products. Additionally, we have made successful forays into the Active Pharmaceutical Ingredients (API) business.

We have ventured into the API segment through our subsidiary Akums Lifesciences Ltd, which caters to both our own manufacturing needs and external sales. This strategic move has facilitated backward integration and allowed us to meet the soaring demand for APIs in the market. Our API manufacturing units are equipped with cutting-edge technologies and adhere to the highest quality standards.

Two of our plants, which were in process of installation, became operational after the end of the last financial year. The unit at Baddi (Himachal Pradesh) and the other one at Plot no. 37, Sector-8A, I.I.E, SIDCUL, Haridwar, have commenced their production on 3rd May 2023 and 5th May 2023, respectively.

At Akums, the safety and well-being of our employees are of paramount importance. That's why our manufacturing units are equipped with robust security systems, ensuring round-the-clock safety. We prioritize the health of our workforce by providing an in-house dispensary with comprehensive medical assistance, ensuring their well-being at all times.

To foster a culture of continuous improvement, we understand the importance of keeping our staff up-to-date with the latest knowledge and industry dynamics. To achieve this, our plants conduct regular reskilling sessions through a dedicated training department. These sessions empower our employees with updated skills, ensuring their expertise aligns with the evolving demands of the pharmaceutical landscape. Akums' manufacturing plants are spread across three states and nine locations—Haridwar, Ranipur and Kotdwar (Uttarakhand), Baddi (Himachal Pradesh), and Mohali (Punjab). Four of these locations are in Haridwar and two are in Mohali, besides one each in Baddi, Ranipur and Kotdwar. Haridwar is the main base for our manufacturing operations in the country.

PLANT 1: The first plant was designed and constructed in 2004 and is spread across 12,200 sq. metres area to manufacture tablets, hard gelatin capsules, soft gelatin capsules, dry syrups and sachet. It specialises in solid orals.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, NSF International, TFDA Tanzania, NDA Uganda, FDB Ghana, NMRA – Sri Lanka, ISO 9001:2015, ISO 17025:2005, R&D Certification from DSIR, NAFDAC Nigeria, FDA Philippines, DPML Ivory Coast, MOH Vietnam, ISO 14001:2015, HACCP, PMPB Malawi, PPB Kenya, MOH Kazakhstan, MOH Yemen, NPRA – Malaysia.

MANUFACTURING CAPACITY

PLANT 2: Akums Plant – II was designed and constructed in 2007 over 3,200 square metres to manufacture liquid orals and medicine jelly. It has three fully automatic Linear Flow (LF) filling lines, hot loop system in purified water, fitted with AHU with HEPA at Plenum; 31,000 litres water storage capacity; 24,000 litres per day manufacturing capacity; one lakh bottles filling and packing capacity in one line in one shift; BMS-air handling, online colloidal mail, bottom sterner tank and online homogenizer in manufacturing area.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, NSF International, TFDA Tanzania, NDA Uganda, FDB Ghana, NMRA – Sri Lanka, ISO 9001:2015, ISO 17025:2005, R&D Certification from DSIR, NAFDAC Nigeria, FDA Philippines, DPML Ivory Coast, MOH Vietnam, ISO 14001:2015, HACCP, PMPB Malawi, PPB Kenya, MOH Kazakhstan, MOH Yemen, NPRA – Malaysia.

PLANT 3: This plant was also constructed in 2007 covering an area of 16,000 square metres. It manufactures injectables (penicillin and cephalosporin), Large Volume Parenteral (LVP) and Small Volume Parenteral (SVP), pre-filled syringes and ophthalmic preparations.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, TFDA Tanzania, NDA Uganda, ISO 9001:2015, ISO 17025:2005, NAFDAC Nigeria, FDA Philippines, ISO 14001:2015, PMPB Malawi, PPB Kenya, MOH Kazakhstan, ANVISA – Brazil, MOH Yemen, MOH Cambodia, FMHAC Ethiopia, MCA Zimbabwe.

PLANT 4: It was constructed in 2009 over 4,100 square metres. It manufactures female hormonal preparations in tablets, HG capsules, SG capsules, liquid orals, injectables (PFS, vials and ampoules) and ointments. This plant has a special certificate for supplying products in the UK. Akums is looking to apply for the USFDA and the UKMHRA approvals for this unit very soon.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, ISO 9001:2015, ISO 14001:2015, NAFDAC Nigeria, PPB Kenya, NDA Uganda, TFDA Tanzania, MOH Cambodia, FMHAC Ethiopia, DPML Ivory Coast, FDA Philippines, PMPB Malawi, MOH Yemen, MOH UAE.

PLANT 5: This unit was built in 2010 covering 1,950 square metres to manufacture a wide range of topical preparations in dermatology and cosmetics as well as ayurvedic preparations. It has two blocks. Block A is dedicated to dermatology ointments, creams, gels and medicated toothpaste. Block B is for manufacturing cosmetics like creams, gels, scrubs, lotions, face packs (liquid/dry), shampoos, styling gels, oils, and ayurvedic ointments. Akums is expanding the capacity at this plant.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, ISO 9001:2015, ISO 14001:2015, MOH Yemen, MOH Afghanistan, PPB Kenya, DPML Ivory Coast, FDB Ghana, NDA Uganda.
PLANT 6: This is part of our 100% subsidiary Maxcure Nutravedics Ltd. The unit was constructed in 2010 and covers an area of 3,635.53 square metres. It specialises in manufacturing of nutraceuticals, food supplements, herbal and ayurvedic formulations, and veterinary feed supplements.

REGULATORY APPROVALS/ACCREDITATIONS:
FSSAI, ISO 22000:2015, HACCP, GLP, NSF I nternational, GMP Ayush, PPB Kenya, DPML Ivory Coast, TFDA Tanzania, NAFDAC Nigeria, FDB Ghana.

PLANT 6: This is part of our 100% subsidiary Maxcure Nutravedics Ltd. The unit was constructed in 2010 and covers an area of 3,635.53 square metres. It specialises in manufacturing of nutraceuticals, food supplements, herbal and ayurvedic formulations, and veterinary feed supplements.

REGULATORY APPROVALS/ACCREDITATIONS:
FSSAI, ISO 22000:2015, HACCP, GLP, NSF International, GMP Ayush, PPB Kenya, DPML Ivory Coast, TFDA Tanzania, NAFDAC Nigeria, FDB Ghana.

PLANT 7: Part of Akums' subsidiary Pure & Cure Healthcare Pvt. Ltd, this plant is spread over an area of 36,084 square metres. It manufactures oral solids, injections, ointment & cosmetic, eye drops, creams, lotions. Part of this plant became operational on 5th May 2023.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, ISO 9001:2015, ISO 14001:2015, DPML Ivory Coast, DPML Nepal.

PLANT 8: Part of another subsidiary, Malik Lifesciences Pvt. Ltd., this unit covers an area of 27,350 sq. metres and is a dedicated unit that caters to the production of oral solid dosages. It is dedicated to Betalactum and operates as Cephalosporin Unit – LowRH preparations. It is located at Roorkee.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, ISO 9001:2015, PMPB Malawi, FDB Ghana, ISO 14001:2015, MOH Cambodia, DPML Ivory Coast, NDA Uganda.

PLANT 9: This is also part of Malik Lifesciences Pvt Ltd and dedicated towards Betalactum and operates as Penicillin Unit – Clavulanac, Readymix. It is also based at Roorkee.

REGULATORY APPROVALS/ACCREDITATIONS:
WHO GMP, GLP, ISO 9001:2015, PMPB Malawi, FDB Ghana, ISO 14001:2015, MOH Cambodia, DPML Ivory Coast, NDA Uganda.

MANUFACTURING CAPACITY

PLANT 10-11: These two plants are also under Malik Lifesciences Pvt Ltd and manufactures various dosage forms in general, Beta-Lactam injectables and penam. These two units square off the remaining plants at Roorkee.

PLANT 12: This plant is the second unit under Pure & Cure Healthcare Pvt. Ltd., and is located at Baddi in Solan district of Himachal Pradesh. This unit caters to the production of oral solid dosages, tablets and capsules. In March 2022, Akums acquired one plant of Ankur Drugs and Pharma Ltd located at Baddi, India's biggest pharmaceutical manufacturing hub. The facility was put for auction by Edelweiss Asset Reconstruction Co. Ltd.

The facility was previously used to manufacture oral solid dosages including general tablets and penicillin as well as injectables and liquid dosages. Since this is our first facility in Himachal Pradesh, the acquisition helps our formulation operations diversify geographically. The facility has boosted Akums' production capacities for general oral tablets and oral liquids significantly.

The unit, which became fully operational on 3rd May this year, has a planned capacity of 6 billion units of tablets and 90 million units of oral liquids per annum. For perspective, Akums produced 16 billion units of tablets in 2021 and 150 million units of oral liquids. Tablets comprise approximately 52% of the Indian market by units while oral liquids comprise almost 10% of the market.

PLANTS 13-14: Akums acquired a set of facilities as part of its acquisition of Parabolic Drugs (now renamed Akums Lifesciences Ltd), a vertically integrated, research-based company specialized in the development, manufacturing and sale of Active Pharmaceutical Ingredients (APIs) and API intermediates. This business houses two dedicated facilities for latest generation cephalosporin APIs & intermediates besides niche penicillin APIs & non-antibiotic APIs.

These two units are located in Mohali and specialize in custom research and synthesis. These units are leading API supplier to partners spread over 51 countries. They handle a variety of chemistries such as beta-lactams, heterocyclic chemistry, carbohydrates chemistry, steroids and stereochemistry. In addition, they also manage enzyme conversions for some of our products.

REGULATORY APPROVALS/ACCREDITATIONS:
European GMP, Korean FDA WHO-GMP, PMDA
Our antibiotic range of APIs has approval from: European GMP, WHO GMP, ISO 14001-2004 and OHSAS 18001-2007.

PLANT 15: This is part of Akums Healthcare Ltd and was brought under the network as Akums acquired a plant at Sigaddi Growth Centre (SIDCUL), Kotdwar in Pauri district of Uttarakhand from Origin Formulations Pvt. Ltd. This plant is 60 km from our existing facilities at Haridwar and is well connected by road. This facility commenced production in March 2022. The facility has distinct blocks to manufacture penicillin products (dry powder injection, tablets), beta-lactam antibiotics (hard gelatin capsules and dry syrup) as well as general products (tablets, capsules, topicals).

Keeping in view patient safety, this facility has dedicated blocks to manufacture oral penem tablets. This is the first time in the country that a pharmaceutical facility has dedicated blocks to make such products. In fact, Akums in 2008 was the first to install a separate plant for female hormonal products for the Indian market. These efforts are in line with our vision of going the extra mile for patient safety and upholding to global standards.

PLANT 16: This unit is engaged in making packaging material and is housed under Upadhrish Reserchem LLP. This feeds several of our production units and provides backward integration for our business. It is located at Ranipur in Uttarakhand.

MANUFACTURING CAPACITY

PLANT OPERATING CAPACITY

PLANT	DOSAGE CATEGORY	ANNUAL INSTALLED CAPACITY (IN MILLION)
P-01 General	Tablet	6,920.40
	SG Capsule	756.00
	HG Capsule	1,272.00
	Kit	NA
	Oral Liquid	NA
	Powder & Sachet	62.40
	Low RH Tablet	120.00
	Tablet In Caps	108.00
TOTAL		**9,238.80**
Beta	Tablet	129.60
	HG Capsule	187.20
	DS	8.40
TOTAL		**325.20**
P-02	Liquid Orals	180.00
	Jelly	6.00
TOTAL		**186.00**
P-03	Three Piece	40.00
	Ampoule	180.00
	DPI (Cepha)	95.50
	DPI (Penicillin)	95.50
	LVP	21.60
	SVP	72.00
	Vial	159.00
	PFS	14.40
TOTAL		**677.99**
P-04	Tablets	480.00
	SG Capsules	378.00
	Kit	6.00
	Ampoule & Vial	36.00
	Gel	30.00
TOTAL		**930.00**

PLANT	DOSAGE CATEGORY	ANNUAL INSTALLED CAPACITY (IN MILLION)
P-05	Alu.Tubes (Lac)	3.60
	Bottle(HDPE/LDPE) (Lac)	36.00
	Lami/Seam/PE Tube (Lac)	43.20
TOTAL		**82.80**
Maxcure	Tablet	1,200.00
	S G Capsule	960.00
	Powder	120.00
	Liquid Orals	24.00
	Kit	60.00
	H G Capsule	240.00
	ENO	504.00
TOTAL		**3,108.00**
PCA	Tablet	859.20
	HG Capsule	217.20
TOTAL		**1,076.40**
P-P&C (G-Block)	Tablet	28,530.00
	Kit	NA
	LRH	360.00
	Powder/Sachet	61.20
	HG Capsule	2,160.00
	Tablet in Capsule	1,200.00
	SG Capsule	840.00
	Dry Syrup	18.00
TOTAL		**33,169.20**
P-P&C (I-Block)	Ampoule	122.40
	Three Piece	54.00
	DPI	18.00
	DPI-II (L Block)	57.60
	FFS	54.00
	LVP	21.60
TOTAL		**327.60**
P-P&C (Q-Block)	Liniment	18.00
	Lemi/ Seam/PE Tube	44.40
	Liquid	22.80
TOTAL		**85.20**

PLANT	DOSAGE CATEGORY	ANNUAL INSTALLED CAPACITY (IN MILLION)
Malik Unit-I Pen	Tablet	2,287.20
	Low RH Tablet	960.00
	HG Capsule	1,440.00
	Powder/ Dry Syrup	72.00
	Kit	15.60
TOTAL		**4,774.80**
Malik Unit-II Cepha	Tablet	1,512.00
	Low RH Tablet	180.00
	HG Capsule	180.00
	Powder/ Dry Syrup	24.00
	Ready Mix	10.20
	DPI	30.00
TOTAL		**1,936.20**
Malik Unit-III Steriod	Tablet	840.00
	Ointment	24.00
	HG Capsule	240.00
TOTAL		**1,104.00**
Malik Unit-IV	Ointment	6.00
	Solution	6.00
TOTAL		**12.00**
AHL Kotdwar General	Tablet	291.10
	HG Capsule	156.00
	Liquid Orals	14.98
	Ointment	18.72
TOTAL		**480.79**
Beta	Tablet	124.80
	HG Capsule	19.20
	Dry Syrup	15.60
	DPI	31.20
TOTAL		**190.80**

GLOBAL FOOTPRINT

India's drugs and pharmaceutical exports rose 3.25% to

$25.4 Billion

India is known as the pharmacy of the world, and for good reason. Indian pharmaceutical products have established a foothold in the global export market with a market share of over 5%, and the country has emerged as one of the top 10 drug exporters in the world. In generics, India is the largest exporter with its products selling in most of the countries abroad due to the high standards being followed by domestic drugmakers and their focus on affordability.

This transformation has been led by the private sector and companies such as Akums. Today, India's pharmaceutical companies are rated amongst the best in the world.

The Indian pharmaceutical sector's prowess was evident after the outbreak of the COVID-19 pandemic. Within months of the outbreak, India was able to ramp up production of essential medicines and, subsequently, vaccines to contain the spread of the deadly virus. These products were exported not only to developed nations such as the US but also to emerging market economies across Africa, Asia and Latin America. Under the humanitarian initiative Vaccine Maitri (or Vaccine Friendship), the Indian government provided COVID-19 vaccines to about 100 nations.

India's drugs and pharmaceutical exports rose 3.25% to $25.4 billion in 2022-23 from $24.6 billion in 2021-22, according to the data of the Union commerce ministry. In rupee terms, the shipments jumped 11.33% to Rs 2.04 trillion from Rs 1.83 trillion, driven by COVID-19 induced demand for critical drugs and other supplies to over 150 countries.

Exports are critical for the growth of the pharmaceutical industry in India, which has positioned itself at the third rank in terms of production by volume and 14th by value worldwide.

India's pharmaceutical industry, which includes about 3,000 drug companies and over 10,500 manufacturing units, is estimated to grow to $130 billion in value by the end of 2030 from $41 billion in 2021, according to an EY-FICCI report. To further power pharmaceutical manufacturing, the Union government launched the Production-Linked Incentive (PLI) scheme for the sector in 2021 with an outlay of Rs 15,000 crore over a period of six years.

Akums' export journey

Akums is not only developing world-class products but is also ensuring that these drugs reach every part of the globe. Via its dedicated export marketing company Unosource Pharma Ltd, Akums ships products to more than 50 countries. These products cover a range of dosage forms, as well as therapeutics.

Rs 95.47 crore - Total export sales of Akums and Unosource in 2022-23

Unosource Pharma was established in 2014. The company's product portfolio includes generic and branded formulations for emerging markets, with more than 1,250 products registered in around 53 countries, including a range of about 95 CTD (Common Technical Document) dossiers. Around 1,500 dossiers have been filled as per CTD, ACTD and guidelines of the health ministries or drug regulators of various countries.

There are plans in the pipeline to create joint ventures in various countries to set up manufacturing units and/or packaging units for semi-finished products exported from the company.
The company has presence in regions such as South Asia, Southeast Asia, Commonwealth of Independent States, Africa, Middle East and Latin America.

In addition, the company has recently received the prestigious EU GMP (good manufacturing practices) accreditation for its injectable and oral dosage from facilities. This will allow Akums to soon venture into European markets.

Apart from the EU GMP, Akums has multiple other quality accreditations from national and international organisations including the World Health Organization and National Accreditation Board for Testing and Calibration Laboratories (NABL).

GLOBAL FOOTPRINT

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

Further, the company's facilities have also been accredited by a number of global drug regulatory authorities, from the European Union to countries in South and Southeast Asia as well as Africa.

EU-GMP	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	Indonasian FDA

Sales Performance

Akums and Unosource have recorded remarkable growth in export revenue and regulatory approvals in recent years. Total export revenue of Akums and Unosource rebounded in 2022-23 after slowing the previous year.

The two companies recorded total sales of approximately Rs 109.12 crore during the year ended March 31, 2023. This shows a growth of 51% from Rs 72.3 crore in 2021-22. This compares with a decline of about 16.8% in 2021-22 from Rs 86.85 crore in 2020-21.

	2022-23	2021-22	2020-21
Unosource	895.05	637.65	691.21
Akums	59.60	51.54	49.06
TOTAL	954.65	689.19	740.27

Figures in Rs Millions

Dossier Approvals

Regulatory approvals are crucial for the pharmaceutical industry, ensuring compliance and market access. Over the past three years, Unosource and Akums have successfully obtained approvals for their dossiers. In 2020-21, they received approvals for 35 dossiers, demonstrating their commitment to meeting regulatory standards. The following year, the number of approved dossiers increased to 69, reflecting their dedication to expanding their product portfolio. And in 2022-23, they secured approvals for 65 dossiers, indicating their continued focus on regulatory compliance and product innovation.

New Submissions

Innovation and diversification are key drivers of growth for Unosource and Akums. In 2020-21, they submitted 66 new dossiers, showcasing their proactive approach to product development and market expansion. The subsequent year, 2021-22, saw 63 new submissions, reflecting their ongoing efforts to explore emerging markets and broaden their product offerings. In 2022-23, they intensified their innovative pursuits, submitting 88 new dossiers. These numbers exemplify the companies' commitment to staying at the forefront of industry trends and catering to evolving customer needs.

Expansion into New Countries

Global expansion is a strategic priority for Akums and Unosource, to tap into new markets and diversify the customer base. While they did not add any new countries to their portfolio in 2020-21, they entered the Maldives in 2021-22, strategically targeting the growing market in the Indian Ocean region. Building upon this momentum, the companies further expanded their presence in 2022-23, by entering Madagascar, Indonesia, Venezuela, Thailand, Canada, Germany, the UAE, Iraq and Libya. The companies also ventured into the highly competitive US market, focusing on supplying OTC and nutraceutical products. This expansion demonstrates their ability to adapt to diverse market dynamics and capitalize on emerging opportunities worldwide.

Fast Forward

Apart from their impressive sales growth, dossier approvals, submissions, and market expansion, Unosource and Akums have undertaken a number of strategic initiatives. They are actively engaged in tech transfer projects for Europe, leveraging their expertise and capabilities to forge partnerships and drive technological advancements. Furthermore, their supply of nutraceuticals and over-the-counter products to the US exemplifies their commitment to meeting the evolving demands of the global market and catering to specialized customer needs.

Unosource and Akums have achieved remarkable growth and success over the past three years. Their revenue reflects their expanding market presence and strong customer demand. The consistent approvals and submissions of dossiers illustrate their adherence to regulatory compliance and their commitment to innovation. Their entry into new countries showcases their global ambitions and proactive approach to seizing market opportunities.

With strategic initiatives like tech transfer projects and specialized product supply, Unosource and Akums are well-positioned for continued growth and prominence in the pharmaceutical industry.

STRENGTHS AND OPPORTUNITIES

Akums is the largest manufacturer of generic pharmaceutical products in India. Over the last two decades, the company has scaled great heights in the pharma sector. From humble beginnings, the Akums group has come a long way, thanks to the strong work ethic instilled by the founders that has landed the group in good stead.

Today, Akums and its subsidiaries operate 16 state-of-the-art manufacturing facilities. These plants have the capacities to produce 167 million tablets, 27.4 million hard gelatin capsules, 9.4 million soft gelatin capsules, 2 million liquid orals and 2.6 million sachets a day. The plants can also make 2 million vials, 2.1 million ampoules, 0.75 million Form Fill & Seal (FFS), 0.6 million topicals, 0.4 million eye drops, and 0.5 million each of dry powder inhalers and gummies every day. Moreover, Akums is significantly ahead of its competition when it comes to adoption and development of innovative technologies, structural drug design, innovative business plans, manufacturing facilities, product range, a large client base and strong research and development. All these factors provide competitive advantages to the company over small and unorganized contract manufacturers. Some of the major factors that provide strength to Akums are as follows:

Core competence in crucial segments

- Contract Research and Manufacturing Services (CRAMS)
- Development of innovative Novel Drug Delivery System (NDDS)
- Development of tailor-made specialized products
- Development of new formulations
- Patenting of innovative drugs and IPR protection
- Arranging clinical trials and bioequivalence studies
- Technology transfer (purchase and sale)
- Arranging product registrations of imported drugs
- Technical collaboration and joint ventures
- Continuous improvement in product quality

Unique characteristics of business operations

Highest manufacturing capacity across all pharma sections and fastest product delivery.
Capability to make specialized products like low-Rh and clavulanic acid preparations.
R&D centres are approved by the Department of Scientific and Industrial Research; labs are NABL-certified.
Akums manufactures the highest number of pharma products.
Financially strong and well supported by banks.
Large client base of top multinationals and local pharma companies.

STRENGTHS AND OPPORTUNITIES

Technology-driven innovative products

Akums develops and makes several innovative products such as ready-to-use antibiotics, low-RH sachets and tablets, and medicinal jellies in palatable taste. The company has been expanding its research capabilities to develop breakthrough technologies. Akums has also developed many specialized products that include several introduced in India or even the world for the first time.

Therapeutic segments and wide product range

The company operates in a wide range of therapeutic segments, making everything from over-the-counter antacids and cold medicines to products for cardiovascular and central nervous system diseases.

Strong manufacturing capability

The company has 16 state-of-the-art manufacturing facilities as well as R&D centres and central warehousing facilities. The manufacturing plants adhere to international standards. They also have in-house testing facilities including instrumentation and microbiology laboratories.
Akums has ultra-modern machinery with around 200 packaging lines, 14 Alu-Alus, 2 AF 150s, 2 AF 120 Ts, 1 AF 60 T and 49 granulation sections consisting of 25 RMGs, 23 Fluid Bed Processors, 26 Auto-coaters, 11 FFs, 8 tunnels, 325 HPLC's, 15 FTIRs, 2 Atomic Absorption Spectro-Photometers, 15 GC-HS-Auto samplers 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.

Global accreditations

Akums has been accredited by the World Health Organization's Good Manufacturing Practices (WHO-GMP), Organization for Economic Co-operation and Development's (OECD) Principles of Good Laboratory Practice (GLP), ISO-9001, ISO 14001, Hazard Analysis Critical Control Point (HACCP) of the US Food and Drug Administration (FDA), and National Accreditation Board for Testing and Calibration Laboratories (NABL) and several other international agencies. It has also been accredited with GMP-Ayush certificates after thorough and stringent inspection of quality norms and systems adopted by the company.

Akums' manufacturing facilities have also 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, and DPM-Ivory Coast.

Akums observes global standards as per ICH guidelines, as well as UKMHRA and USFDA norms. The company follows health, safety and environment norms, as well as good industrial hygiene practices. Akums has a strong product quality review system and conducts stability studies to ensure quality till shelf life. Akums' R&D activities have been approved by the government of India's Department of Scientific Industrial Research (DSIR).

Akums has a dedicated stability study centre as per ICH guidelines for regular monitoring. he quality control department is well equipped with highly sophisticated equipment, instruments, microbiology laboratory and fulfills the requirements of the Code for Federal Regulations (CFR) of the USFDA. International guidelines are followed for documentation and practices. Quality assurance teams monitor all processes and compliances of the quality control department.

Vast client base

Akums has been delivering high-quality pharmaceutical formulations, nutraceuticals and cosmetics products to dozens of clients. These include Sandoz, Dr. Reddy's Labs, Bayer, GSK, Merck, Abbott, P&G, Sun Pharma, Torrent, Allergan, Sanofi Aventis, Wockhardt, Emcure, Intas, FDC, Dabur, Lupin, Cipla, Cadila, Ipca, Akumentis, Glenmark, Alkem, Mankind, Ajanta, Piramal and Novartis.
Strong R&D, DCGI approvals, patents and IPR

The research and development facilities at Akums are DSIR-approved and have dedicated scientists with a proven record. The R&D department has been developing unique and innovative products. The department is capable of developing tailor-made products as per customer requirements, from pilot to commercial-scale batches.

Akums' R&D facility houses the most modern and sophisticated equipment and has obtained approvals from the Drug Controller General of India (DCGI) for new fixed-dose combinations and patenting of new formulations. Akums' formulation development department has obtained more than 796 "New Drug Approvals" from DCGI. It has also obtained 429 FSSAI approvals and has filed 61 patents.

Strong systems of product planning

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

Strong product development

Akums has the best formulation development in the industry. It has adopted a unique process and method of development and packaging, conducts stability studies—both accelerated and real—and develops tailor made specialized products.

Akums has filed nearly 60 applications for patenting its innovative drugs. It has good liaising for arranging bioequivalence studies, clinical trials and obtaining DCGI approvals. Akums' commercial batches are in consonance with trial batches.

At Akums, product development is divided into following two parts—Internal and external source ideas. While some product ideas are generated from within the company itself, sometimes ideas are also received from customers. In such cases, products are developed as per the customer's requirement. The procedure, standards, framework and methodology remain the same in both cases.

Product development process: The company follows a systematic and elaborate framework and methodology:

PMT: The product management team studies the most innovative and the newest molecules developed or available in the world. The team identifies its usage, indications and usefulness for India.

MDT: The medical doctors' team studies how the product will work on the human body and its advantages for humans.

IMT: The internal marketing team makes an overall survey as to whether the product will be acceptable in the market from the point of view of both the cost and the demand.

Test licence: After the product is cleared by PMT, MDT and IMT, a test licence is obtained from the Drugs Control Office.

R&D: The raw material purchase department buys the inputs and the formulation development team develops the product. The product is then analyzed by the quality control department and the product is kept for stability.

Regulatory department: This department works in close coordination with the formulation development department and the quality control department to prepare a dossier for filing with the DCGI.

DCGI approval: Application is filed with the DCGI for approval. The DCGI orders for clinical trials and/or bioequivalence studies. Clinical trials and/or bioequivalence studies are conducted.

Commercial batches: After the DCGI approval is received, the product is offered to customers. The products are manufactured under the brand names of customers.

Patents: Patents are filed for new innovations, wherever required.

Systems, audits, and communication

Akums has deployed excellent information technology systems. The company's finance, accounts, taxation, costing, material management, sales distribution etc. are controlled through the international SAP system.

There is complete automation in manufacturing processes, raw material stores, raw material testing, color weight variations, coating, finished goods stores etc. Akums has automated the management information system like batch wise production yield and wastage, costing of products, rate or price revisions, and product wise profitability.

Dedicated Management

Akums is managed by the board of directors and assisted by a team of qualified and experienced professionals. The intelligence, knowledge, education and experience of the promoters create a vision for the organization and the wisdom and effectiveness of the corporate executives translates their vision into reality and converts resources into results.

The dynamic management team comprises professionals who are experts in their fields. These include management graduates, chartered accountants, company secretaries, cost accountants, and postgraduates and graduates in pharmacy, law and marketing and highly qualified and experienced technical professionals with proven caliber and capacity of research and development, quality assurance and manufacturing.

Dedicated export subsidiary

In 2014, Akums set up Unosource Pharma as a subsidiary with an aim to expand across the world. Unosource's product portfolio includes generics and branded formulations for emerging markets. It has more than 1,250 products registered in around 53 countries including a wide range of dossiers.

The company has a presence in 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.

Human Resources

Akums provides good remuneration, good facilities, reward for work, and job satisfaction to its employees. The attrition rate in the company is minimal. Akums takes care of employees' every requirement, from residential accommodation to on-the-job training. The company is planning to start educational activities through its CSR project. Akums has also started an employee stock option plan (ESOPs) for its employees.

Strong competitive advantage

The Akums Group has received 796 approvals from the DCGI for new fixed-dose combinations and molecules and several other approvals are in the pipeline. The group companies have also obtained 429 approvals from the FSSAI. Apart from these, more than 61 applications for patents have been filed by Akums and many more are in the pipeline.

The DSIR and the NABL have both approved Akums' R&D facilities. We are proud to say that we have no competitors in our league because our nearest rivals are not manufacturing even 20% of what we produce.

Strong rating

ICRA Ltd. has reaffirmed the group's long-term credit rating of AA- and has a 'Stable' outlook. ICRA has also reaffirmed the short-term rating of A1+. The ratings firm has cited the "strong operational performance" of the Akums Group, aided by its "established relationships" with pharmaceutical majors along with "leading market share" in the contract manufacturing space in the country.

PREPARING FOR THE FUTURE

Akums realizes that growth in business will come not only from the domestic market but also from export markets. With this in mind, Akums has been expanding its international business through its subsidiary Unosource Pharma Ltd.

Unosource focuses on not just regulated markets such as the US, Canada and Europe but also on semi-regulated ones across Southeast Asia and Africa. It has established its own research and development centre in Mumbai for developing products only for exports. It is also registering more and more products in various countries and seeking accreditation and certification from regulatory agencies across a large number of countries.

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.

Brand building and marketing

In today's scenario, if you are not a brand, you are a commodity. Today, customers can immediately associate products or services with brands. A company can build customer loyalty by promoting its own brands.

In our case, 'Akums' itself is a brand and a pillar of the Indian pharma industry. There are hardly any retail shops in the country where products manufactured by Akums are not available.

After making a mark in contract manufacturing, the company visualizes a huge potential for growth in marketing and distribution of its own branded formulations. The company has purchased or otherwise owns the brand names of several products. The company's subsidiaries act as the marketing arms and market products under these brands.

Rise in outsourcing activities: India is a preferred outsourcing hub for pharmaceutical products due to the low cost of skilled labor. A large number of pharma companies—multinational as well as domestic, large and medium-sized—are outsourcing their manufacturing activities. This helps them focus on their core activities.

Akums is perfectly placed to take advantage of the growth in outsourcing. The company has good infrastructure facilities and have all systems in place. As a result, it stands to benefit more than the small and unorganized players who face a whole lot of challenges.

Rising global demand for generic drugs: A rise in the geriatric population the world over is forcing countries to move to better quality formulations, which is the company's forte. The company is looking to tap significant export opportunities. Drugs with a market value of $40 billion in the US and $25 billion in Europe are going off patent. This would translate into an opportunity of an additional export of $20 billion that Indian companies like Akums can tap into.

Other opportunities: Some other factors which could boost demand for pharmaceutical formulations include rapid growth of over-the-counter products, expansion of health insurance and increase in per capita income. These factors are boosting demand for healthcare products, and Akums is at the forefront of benefiting from these trends.

RESEARCH & DEVELOPMENT

In the pharmaceutical industry, innovation plays a crucial role in both product development and manufacturing processes. At Akums, we have integrated extensive research and development (R&D) and formulation development (F&D) as fundamental elements of our operations. Our dedicated research staff, along with our state-of-the-art laboratories, drive this initiative.

We place significant emphasis on enhancing process technology, cost reduction, pilot plant research, quality improvement, new product development, and efficient resource utilization. Our F&D unit specifically focuses on elevating the quality of formulations and exploring innovative dosage forms.

Akums' laboratories are fully equipped to conduct various tests, including physical and metallurgical testing, microbiological testing, process controls, chemical testing, pharmacological testing, and stability studies.

Our R&D units are responsible for developing cutting-edge technologies and processes, which are then implemented at our manufacturing facilities. We continuously monitor and evaluate the outcomes of these efforts, refining them further to reduce production costs, ensure consistent quality, and remain competitive in the global market.

Akums Drugs and Pharmaceuticals Ltd. prioritizes the quality of its products, with strong support from its R&D centres, which consist of approximately 300 scientists. These centres, led by a team of experts, oversee various functions such as Formulation Development, Analytical Development and Method Validation, Packaging Development, Project Management, Quality Assurance, and Regulatory Affairs.

The R&D practices and Standard Operating Procedures (SOPs) have been designed to meet regulatory expectations, with key personnel well-versed in the regulatory guidance applicable to product development for regulated markets. In our product development activities, we employ a Risk Assessment/Quality by Design (QbD) based/ Design of Experiments (DOE) approach, aligning with recent regulatory expectations.

After successful QbD-based product development and satisfactory ICH-stability studies, our R&D team possesses the expertise to effectively transfer the technology at a large scale, with batch sizes of 100,000 units or larger, in compliance with regulatory requirements.

Our Analytical Team specializes in analytical method development and validation at the tech-transfer site, adhering to regulatory requirements. They also address challenges related to bioequivalence (BE) and have the capability to develop various in vitro studies to establish a correlation with in vivo performance, thereby instilling confidence for BE studies.

Drawing upon the technical capabilities and prior experience of our R&D team, we are able to develop cost-effective, reproducible, robust, and bioequivalent formulations within specified timelines, according to regulatory submission priorities.

Our R&D department possesses specialized technical expertise in the development of Pellets Drug Products and Lyophilized Injectable drug products. This capability is supported by a skilled workforce and access to advanced equipment and technology.

Our main R&D facility is located in Haridwar, Uttarakhand, where we conduct formulation development and research across all dosage forms. Additionally, we have a state-of-the-art R&D centre in Taloja, MIDC, Navi Mumbai, dedicated to product development for regulated markets such as the US, European Union, Canada, and Australia.

These centres focus on product development for regulated markets, emerging markets, as well as the Indian market, covering various dosage forms including solid oral, liquid oral, external preparations, cosmetics, pharmaceutical, nutraceutical, and herbal products.

Given the available resources, R&D team can develop the following dosage forms for regulated markets:

GENERAL SOLID ORAL DOSAGE FORMS (OSD)/ORAL LIQUID FORMULATIONS

- Immediate release (IR)/Chewable/ orally dispersible tablets (ODT)
- Delayed release (DR) Pellets/Tablets/ Capsules/sachets.
- Sustained release/Controlled release (SR/CR) Pellets/Tablets/Capsules.
- Variety of oral liquid formulations
- Innovative oral Drug Delivery system.

PARENTERAL DOSAGE FORMS

- General Injections (SVPs) (vials, Ampules, Pre-filled syringes)
- Ophthalmic preparations (solution/ suspension/gel/ointment)
- Lyophilized Injectable drug product development

SEMISOLID TOPICAL FORMULATIONS

- Topical Creams/Gels

HORMONES DP DEVELOPMENTS

- Oral contraceptive pills
- Gels and Creams
- Injections

NUTRACEUTICAL/DIETARY SUPPLEMENT

- Tablets/Hard gelatin and Soft Gelatin Capsules
- Gummies & Shorts
- Effervescent Tablets and Sachets
- Mouth Dissolving Tablets and Flash Tablets

HERBAL FORMULATION

Tablets/Hard gelatin Capsules
Effervescent Tablets and Sachet
Toothpaste and Hair oil

R&D completed the following product development activities during 2022-23.

- DCGI Approvals received: 78 drug products.
- Product feasibility evaluation for the regulated and emerging markets (including strength): 50 drug products

PRODUCT DEVELOPMENT (OSD INCLUDING STRENGTHS) ACTIVITY COMPLETED AT R&D FOR EXPORT MARKETS (IN-HOUSE REGULATORY DP): 21 drug products

- **Scale up activity completed:** 15 drug products
- **EB Batches manufacturing activity completed:** 16 drug products
- **Pivotal BE Study passes:** 5 drug products (Including 1 BCS-based Biowaiver)

PRODUCT DEVELOPMENT TRIAL ACTIVITY COMPLETED AT R&D FOR INDIAN MARKET:
24 drug products

- 48 nutraceutical products
- 19 cosmetic products
- 4 Ayurveda product

PRODUCT DEVELOPMENT (OSD INCLUDING STRENGTHS) ACTIVITY COMPLETED AT R&D FOR EXPORT MARKETS (CLIENT DP):
19 drug products

- Pilot GMP Batch completed: 8 drug products
- Samples send for pilot BE studies: 7 drug products
- Pilot BE study done: 7 drug products

PELLETS DRUG PRODUCT DEVELOPMENT:
6 drug products
PATENT FILLING: Provisional patent applied for innovative single pellet technology for IR + EC pellet.

GENERAL PARENTERAL DRUG PRODUCT DEVELOPMENT ACTIVITY:

- Product feasibility evaluation: 10 drug products
- Product development Liquid injection: 3 drug products

LYOPHILIZED INJECTION DRUG PRODUCT DEVELOPMENT ACTIVITY

- Product feasibility evaluation: 50 drug products
- Prototype Product development activity completed: 2 drug products
- Drug Product under development: 10 drug products

As a result, we now have more than 936 permissions from the Drugs Controller General of India (DCGI).

We aim to make a significant impact on patient compliance, bioavailability, patient comfort, and doctor confidence. Our initiatives involve developing new excipients to reduce the size and cost of tablets and capsules, utilizing nano-drug delivery systems (NDDS) to enhance drug absorption, creating painless injections, and exploring numerous other ideas.

In our R&D units, we are driven by the desire to leverage advanced technologies and novel drug delivery systems. Our ultimate goal is to offer innovative products that ensure optimal patient compliance and product potency.

TECHNOLOGIES AND PRODUCT INNOVATION

At Akums, we are dedicated to pushing the boundaries of pharmaceutical research and development. Our relentless pursuit of innovation has led us to expand our research capabilities, enabling us to create breakthrough technologies that are shaping the future of medicine.

We understand the importance of optimizing drug release profiles to maximize the therapeutic benefits of our formulations. That's why we continuously strive to enhance and modify these profiles, ensuring that patients receive the most effective and efficient treatments available.

NEW TECHNOLOGIES

We added four new technologies during 2022-23 to take our portfolio of in-house developed know-hows to 29. We are proud to present a selection of our latest breakthrough technologies: Smartdose, Photoguard, Difflayer and SMPR.

29 BREAKTHROUGH IN-HOUSE DEVELOPED TECHNOLOGIES OF AKUMS

SMARTDOSE
The Smartdose formulations are manufactured with reduced weight, reduced excipient load and better physical attributes.

PHOTOGUARD
Protects the light sensitive drug, in addition improves the ability of a drug to penetrate into the skin.

DIFFLAYER
Ensures differential release pattern (from different layers) in a single dosage form.

SINGLE MATRIX
Prolonged Release technology provides prolonged release profile of the active drug for longer duration of action.

PRIBSYS
Pribsys Technology enables the ophthalmic formulations to remain preserved from microbial growth without adding any conventional preservation.

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 skin by temporarily diminishing the impermeability of the skin and provides more absorption to topical formulations.

FAST ABSOL
In this technology, unique excipients are added to an oral dosage form for rapid disintegration.

DO-WELL
This technology makes injections less viscous, less painful and more efficacious. The patient compliance and doctor comfort in highly increased.

UHVM
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
Provides protective coating to the probiotics to enhance their viability.

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

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

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

SPORNAM
Provides polysaccharide coating to spores for stability at varying pH.

KURAFAST
Helps in reduction of the disintegration time of dispersible tablets.

TECHNOLOGIES

BIOPHILIC
Enhanced absorption of herbs and bioactive extracts.

MIZET
Enhanced absorption of lipophilic drugs by conversion into micelles.

AQUAJECT
Provides pain-free oil based injections.

NOVEL TABLET
In tablet technology especially developed for PPI's.

NANO
Offer drug particles in NANO ranger for greater absorption.

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

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

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

XANLONG
Provides extended retention time to the drug on the corneal surface.

AQUADERM
Converts alcohol based topical formulation to aqueous base.

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

NEW INNOVATIVE PRODUCTS-2023

SELECTION OF SPECIALIZED PROUCTS DEVELOPED BY AKUMS

At Akums, we understand the evolving needs of our clients and the importance of staying ahead of the curve. Our commitment to innovation ensures that we consistently deliver products that not only meet but exceed expectations. By leveraging our strong infrastructural base and technical prowess, we foster an environment that nurtures creativity and encourages bold thinking.

Through extensive research and development efforts, we strive to bring novel and disruptive solutions to the market. Our dedicated team of experts continuously explore emerging technologies, seeking opportunities to revolutionize the pharmaceutical landscape. By embracing innovation, we can tackle complex challenges and address unmet needs, ultimately enhancing patient care and outcomes.

With a customer-centric approach, we actively engage with our clients to understand their unique requirements. This collaboration allows us to develop tailored solutions that cater to their specific demands, ensuring maximum satisfaction. We believe in going beyond the conventional to provide innovative products that create a positive impact in the industry.

NEW INNOVATIVE PRODUCTS-2023

- HIGH ABSORPTION OMEGA Krill Oil Capsules
- MOUTHMELT ANTACID SACHET
- FEBUXOSTAT EXTENDED RELEASE TABLETS
- ORAL BIOAVAILABLE KERATIN for Hair/Nail/Skin
- HIGH STRENGTH AMOXICILLIN + Clarithromycin + Esomeprazole Combikit
- MOST POTENT MIGRAINE TREATMENT- Lasmiditan Tablets
- NOVEL ANTIMICROBIAL FORMULATIONS - Topical Octenidine Range.
- HIGH-STRENGTH AMOXICILLIN POTASSIUM CLAVULANATE SUSPENSION
- ANTI-INFECTIVE READY-MIX SUSPENSION
- READY-TO-USE IBUPROFEN INFUSION
- CARBETOCIN INJECTION stable at Room Temperature
- PRO-BIOTIC TOOTHPASTE
- TOPICAL NEUROPATHIC TREATMENT- Gabapentin + Lidocaine Gel
- PPIS DUAL RELEASE TABLET in Tablet
- DARKENYL Anti Grey Hair Serum
- ALCOHOL FREE TOPICAL MINOXIDIL RANGE
- PHOTOSTABLE MINOCYCLINE GEL
- LIPOSOMAL TOFACITINIB GEL
- SUPER BIOAVAILABLE ITRACONAZOLE CAPSULES
- PAINLESS PROGESTERONE INJECTION
- BILASTINE + MONTELUKAST ORODISPERSIBLE TABLETS
- ALPHACYCLODEXTRIN WEIGHT LOSS SOUP
- SODIUM ALGINATE BASED ANTACID RANGE
- CHEWABLE ISABGHOL GRANULES
- PRESERVATIVE FREE OPHTHALMIC RANGE
- HIGH STRENGTH PARACETAMOL INJECTION
- TASTE MASKED HIGHLY PALATABLE OMEGA SYRUP
- EXTENDED RELEASE COUGH SYRUPS
- EAST INDIAN SANDALWOOD OIL ACNE CONTROL RANGE
- AQUEOUS VITAMIN D3 Injection

WIDE THERAPEUTIC SEGMENTS

- ANTIEPILEPTICS
- ANTIASTHMATIC
- ANALGESICS
- ANTIBIOTICS
- ANTI-HYPERTENSIVES
- ANTI-DIABETICS
- ANTIPYRETICS
- ANTIEMETICS
- ANTACIDS
- CENTRAL NERVOUS SYSTEM
- CARDIOVASCULAR
- COSMETICS
- COUGH & COLD PREPARATIONS
- CORTICOSTEROIDS
- DERMATOLOGICALS
- DYSLIPIDEMIA
- FEED SUPPLEMENT
- GERIATRIC CARE
- GENITOURINARY
- GASTROINTESTINAL TRACT
- GYNECOLOGY
- HORMONES
- HAEMATINICS
- HERBAL PREPARATIONS
- NUTRACEUTICALS
- PAIN MANAGEMENT
- PROBIOTICS
- PEDIATRICS
- RESPIRATORY
- UROLOGICAL
- VETERINARY PREPARATIONS

HUMAN RESOURCE

WE FIRMLY BELIEVE THAT OUR EMPLOYEES ARE NOT JUST A HEADCOUNT BUT THE BIGGEST STAKEHOLDERS IN SETTING THE SAIL FOR THE COMPANY'S SUCCESS AND POWERING OUR GROWTH.

At Akums, we believe that our more than 15,000 employees are our key differentiators and the main resource that motivates us to fly farther and higher. We firmly believe that our employees are not just a headcount but the biggest stakeholders in setting the sail for the company's success and powering our growth. Our continued success is primarily due to the commitment, engagement, and performance of our employees.

As part of the human capital strategy, it is important to not just attract the right and diverse talent but also ensure they remain engaged. As an employer, Akums provides the right climate for them to grow, succeed and contribute collectively to help achieve our targets and objectives.

Our organisation has played a significant role in providing welfare facilities to the stakeholders, not just monetarily but also non-monetary. Our top management believes that a satisfied employee is the key ingredient for progress of our organisation. As a result, the concept of employee welfare was and will always be a part of Akums' priority.

Our employee policies follow a compensation module in sync with our commitment to bring pay equity for all colleagues to build a diverse and inclusive workforce. We are committed to equitable remuneration practices at Akums for employees based on role, education, experience, performance, and location.

Our employee learning and development scheme also includes non-linear career growth paths for the entire workforce to identify and nurture their best fit to the organisation and beyond.

We also conduct a mix of programmes including mentoring, job rotations, experiential project roles, skill-based volunteering, and learning resources on multiple topics.

These areas include leadership and management skills, industry- and job-specific learning, as well as general business, manufacturing, finance, and technology skills. Akums fully understands how critical is the practice of continuously listening and responding to an employee's feedback, and the company also strives to provide regular feedback for a dynamic assessment process through the year.

We are also committed to helping our colleagues achieve their full potential by rewarding them for their performance and leadership skills and by providing adequate opportunities for growth and development.

We are proud of our culture of respect, trust, organisational agility, transparency, and collaborative team efforts. At Akums, we have a 'people agenda' as part of which we strive hard to create a harmonious environment that fosters a culture of innovation, consistency, and pride.

OUR PEOPLE AGENDA

- Creating a talent pool
- Building a digital learning culture
- E-Learning
- Succession planning
- Talent calibration exercise
- People connect
- Rewards and recognition programme

CREATING A TALENT POOL

Akums has emerged as one of the largest Contract Development and Management Organisation (CDMO) players in the pharma sector. The company has created a dynamic talent pool which, we are confident, will ensure that it will continue to cope with future requirements of diversified and trained resources. We believe in the dictum "Playing to Win" and carry that spirit across all our developmental programmes.

BUILDING A DIGITAL LEARNING CULTURE

We understand the importance of learning and, therefore, seek to create a culture which fosters that. We do this by letting every employee plan their developmental journey with Akums to achieve higher levels of functional proficiency. We are now incorporating some digital initiatives at the company to enable everyone working with us to keep learning constantly as long as they are with us.

E-LEARNING

E-learning has now become an essential component of modern workplace learning and development. We are in the process of building a digital learning platform so that our employees

hone their knowledge and skills at any time and from anywhere.

Moreover, the effectiveness of such training is being measured constantly, with real time monitoring. We believe this is helping us optimize training costs.

SUCCESSION PLANNING

Succession planning is a critical strategic process that ensures the long-term success and continuity of the organization by identifying and developing internal talent to fill key leadership positions.

At Akums, we have put in place a robust system of succession planning to mitigate risks, maintain stability and foster a culture of growth and advancement. Potential successors get groomed under the aegis of the "Akums Development Centre" under the mentorship of our leadership team.

TALENT CALIBRATION EXERCISE

We are thoroughly assessing and calibrating the true potential and critical skill sets of our employees at all levels. We are sure this will help us identify talent for succession planning and frame our employee retention strategy.

The company has also created several employee engagement initiatives, besides implementing training programmes and improvement of general wellbeing of our employees during the year.

PEOPLE CONNECT

In today's dynamic and fast-paced business environment, organizations are increasingly recognizing the importance of creating a culture of collaboration and engagement. "People connect" is a big buzzword in the industry to build strong connections for achieving enhanced productivity, innovation, and overall success.

At Akums, we care for the physical, mental, emotional, and social wellbeing of our employees. To achieve this, we have set up a listening and speaking platform which actively engages employees. This leads to a healthy culture of employee engagement and well-being as well as a collaborative and creative working atmosphere.

REWARDS AND RECOGNITION PROGRAMME FOR EMPLOYEE CONTRIBUTION

In the pursuit of organizational success, recognizing and rewarding employee contributions is vital. At Akums, we have a well-designed rewards and recognition program that serves as a powerful tool for motivating employees, reinforcing positive behaviours, and fostering a culture of appreciation. Such a system creates a sense of pride and motivates people to aim higher and achieve better.

OTHER INITIATIVES

Akums' growth is backed by the relentless collaboration of our talented and dedicated workforce, and so we have institutionalised a progressive and inclusive stock ownership plan among several initiatives elaborated below. As a company, Akums also played its part in nurturing human capital by providing a safe working environment and strives to foster a gender-balanced workforce.

Commitment to ESG and Sustainable Growth

At Akums, we recognize our responsibility towards the environment and the imperative of creating a sustainable future. As a leading player in the healthcare industry, we understand the significant impact of our operations on society and the environment. Our focus on Environmental, Social, and Governance (ESG) practices is a fundamental aspect of our corporate strategy, enabling us to uphold our commitment to a sustainable future.

Healthcare plays a significant role in global economic development, accounting for approximately 10% of the world's gross domestic product (GDP). However, this influence extends beyond economic considerations and profoundly impacts our lives, societies, and the environment. It is essential to acknowledge that the consumption of medicines worldwide results in the generation of thousands of tons of carbon emissions, presenting a complex challenge.

Given this scenario, it becomes imperative for all stakeholders in the global healthcare ecosystem to acknowledge and appreciate the need for implementing and institutionalizing robust sustainability practices. Recognizing the interconnectedness of healthcare, environmental well-being, and social responsibility, it is crucial to address this multifaceted issue through sustainable strategies and actions.

By embracing sustainable practices, the healthcare sector can minimize its environmental footprint and contribute to a healthier planet. This entails adopting resource-efficient processes, reducing carbon emissions, and optimizing waste management. Through the integration of sustainability principles into healthcare operations, we can foster a positive impact on both the environment and society at large.

It is the responsibility of healthcare organizations, policymakers, healthcare providers, manufacturers, and consumers to collaborate and drive sustainable initiatives forward. Together, we can work towards achieving a more sustainable future by promoting eco-friendly practices, investing in renewable energy, and adopting environmentally conscious approaches to healthcare delivery.

At Akums, we understand the importance of sustainability in healthcare and are committed to actively pursuing initiatives that align with this vision. We strive to reduce our environmental impact, promote responsible manufacturing practices, and continuously innovate to develop greener solutions. By embracing sustainability, we aim to enhance the overall well-being of individuals, communities, and the planet.

ESG FRAMEWORK AND GOALS

We have established a robust and holistic ESG mechanism within our organization, aligning it with our long-term vision. ESG guidelines serve as a framework for evaluating companies and their performance against set parameters and metrics. At Akums, we diligently monitor our water usage, waste production, and other related environmental factors. Our goal is to achieve water and carbon neutrality while developing a zero waste-to-landfill mechanism.

ENVIRONMENTAL STEWARDSHIP

We are dedicated to minimizing our environmental impact and ensuring the responsible management of our manufacturing units and offices. By implementing efficient waste management practices, conserving resources, and investing in sustainable technologies, we strive to protect the environment around our facilities.

SOCIAL RESPONSIBILITY

Our commitment to social responsibility extends to all stakeholders, including clients and employees. We value diversity and gender neutrality, aiming to create an inclusive work environment where every individual is treated with respect. Our employees receive regular training to enhance their knowledge and skills, enabling them to adapt to industry dynamics and contribute to our collective success.

GOVERNANCE EXCELLENCE

At Akums, we uphold the highest standards of corporate governance. We ensure compliance with all relevant regulations and guidelines, promoting transparency, accountability, and ethical practices. Our governance practices are designed to protect the interests of our shareholders, board members, and the overall management of the company.

IMPACT ON SOCIETY

We believe that a truly successful company positively impacts society. Akums is committed to providing quality pharmaceutical and healthcare products to millions of customers across India, Africa, Latin America, and parts of Europe. Our ESG goals align with our broader vision of being a force for social good.

THE CONNECTION BETWEEN HEALTH AND THE ENVIRONMENT

As a pharmaceutical company, we understand the intimate connection between human health and the health of the planet. Climate change has had a significant impact on our sector, and we are at the forefront of the fight against carbon emissions and climate change. We are proactive in addressing these challenges and mitigating their effects.

ESG COMMITMENT

COVID-19 ACCELERATING ESG INITIATIVES

The global pandemic has accelerated the importance of ESG considerations. The COVID-19 crisis has highlighted the significance of human health as a valuable resource. Sustainability is no longer a discretionary program but an integral part of our business strategy at Akums.

OUTLOOK

Moving forward, ESG will be an essential element of our business strategy, ensuring our future growth and resilience. We aim to become an impact generator aligned with the United Nations' Sustainable Development Goals (SDGs). To achieve this, we are setting clear targets, establishing infrastructure to monitor ESG performance rigorously, and remaining steadfast in our commitment to sustainability.

ENVIRONMENTAL COMMITMENT

At Akums, we recognize the importance of preserving the environment and promoting cleanliness and sanitation. We have taken significant steps to uphold this commitment, including maintaining green belts and parks in and around SIDCUL, Haridwar. Additionally, we actively participate in river rejuvenation programs, such as the Ganga cleanliness campaign.

The Ganga River holds immense cultural and ecological significance, serving as a lifeline for north and east India. However, the increasing pollution caused by the influx of pilgrims visiting Haridwar necessitates urgent action. Therefore, every year, Akums organizes a week-long cleaning drive along the Ganga River.

Our dedicated employees actively participate in this campaign, ensuring the collected waste is disposed of in an eco-friendly manner. As part of the Namami Gange Scheme, Akums has adopted and maintains the Agrasen Ghat in Haridwar, contributing to the river's preservation.

Akums also adopted and developed the greenbelt at Superintendent of Police office, Haridwar.

SOCIAL RESPONSIBILITY

Taking care of our employees and their families is a top priority at Akums. Throughout the year 2022-23, we implemented measures to reduce accidents and injuries within our plant premises. Our commitment to complete safety is evident through well-maintained emergency equipment and ongoing efforts to ensure a safe working environment.

We observed several awareness weeks, including road safety week, national safety week, fire service week, and environment day, promoting safety and environmental consciousness among our workforce.

The health and well-being of society are integral components of social capital, and Akums is dedicated to making a positive impact. We actively engage in community development by supporting initiatives related to primary education, basic healthcare, and livelihood generation programs.

Akums has a policy in place to take care of employees' safety. The company has also been organizing fire safety weeks every year. Your company is committed to achieving its vision of zero harm and zero environmental incidents. An occupational Health, Safety and Environment (HSE) policy is in place for implementing the mission.

Collaborating with district and state-level officials, we strive to enhance the employability of women and local youth. Our Corporate Social Responsibility (CSR) initiative, the Akums Health and Education Society, distributes blankets to the honourable mayor of the Municipal Corporation in Haridwar.

Additionally, we support religious gatherings and donate medicines to government organizations and civic administration for distribution among marginalized sections of society. Furthermore, we organized a blood donation camp in June 2022, collecting and donating 1523 units of blood to different hospital agencies in Haridwar.

Our CSR efforts extend to providing need-based support to schools, ensuring the safety of students during winter by providing sweaters. Akums has also extended aid to Matra Anchal Kanya Vidyapeeth, an orphanage-cum-residential school for girls in Haridwar.

Moreover, we have donated food items to the victims of the Joshimath disaster under the CM relief fund. Additionally, Akums has adopted 100 TB patients, providing monthly food items for a year.

The company has also helped the community in more ways than one. It has provided financial assistance to a local mountaineer, donated money to Shri Gayatri Anathalaya and Gaushala Prabandhan Nayas, and given away blankets and installed sheds and fans at public places, among other initiatives.

GOVERNANCE EXCELLENCE

At Akums, we uphold rigorous governance policies and procedures that set the standard for our engagement with stakeholders. Our focus is on sustainable growth and creating long-lasting value by prioritizing the long-term over short-term gains. With empowerment and accountability as our pillars, our governance code guides all our actions, fostering transparency and responsible corporate citizenship.

We believe that adhering to the minimum framework is essential, but superior governance practices are vital for sustainable and successful business growth. Our board of directors is fully committed to maintaining the highest standards of governance. Akums diligently complies with all applicable laws, rules, and regulations governing the pharmaceutical industry and corporate practices.

To ensure compliance, we have implemented the 'Complinity' tool. Additionally, we strictly follow secretarial standards mandated by the Institute of Company Secretaries of India, conducting annual secretarial audits.

Internal audits, headed by independent professionals, are conducted annually. Furthermore, all board committees are led by independent directors, and separate meetings of independent directors are held under the guidance of a lead independent director.
We have established a code of conduct for directors and implemented robust mechanisms to address cases related to sexual harassment, supported by a comprehensive whistle blower policy.

More details of the company's corporate governance standards, initiatives and practices are listed in a separate chapter.

AWARDS & ACCOLADES

S. NO.	DESCRIPTION	PRESENTED BY	PRESENTED TO	DATE OF AWARD	
1	**Best Manufacturer for Innovation in Cosmetics and Wellness**	My Brand Better	Akums	20th May 2023	
2	**Most Admired Quality Pharmaceutical Manufacturer in India**	Super30 Healthcare	Akums	29th April 2023	
3	**Shining Star of India**	Economic Growth Foundation	Shri Sanjeev Jain	13th April 2023	
4	**Excellence in Formulations**	The Economic Times	Akums	18th March 2023	
5	**Dream Employer of the Year**	Times Ascent	Akums	25th Februry 2023	
6	**Excellence in nutraceutical category**	IHW Council	Akums	20th January 2023	
7	**Best brands based in North India**	Exchange 4Media	Akums	19th January 2023	
8	**Excellence in operations for manufacturing quality formulations**	Informa Markets	Akums	5th December 2022	
9	**Times Leading Entrepreneurs 2022 for outstanding contribution in drugs and pharmaceutical industry**	Times Group	Sanjeev Jain & Sandeep Jain	10th October 2022	
10	**CIMS Business Excellence Awards 2022: Best Manufacturer in Pharmaceutical Formulations and Product Innovations**	CIMS Medica*	Akums	30th September 2022	
11	**Excellence in Manufacturing Quality Formulations in Pharma**	Zee Health Awards 2022	Akums	25th September 2022	
12	**India's Most Promising and Dynamic Enterprise in CRAMS and CDMO 2022**	Pharma Leaders Power Brand	Akums	10th September 2022	
13	**National Awards for Excellence in Pharma in the category R&D and Innovation**	World Health Congress	Akums	20th September 2022	
14	**Asia's Pharma Excellence Award in the category of Innovation in Nutraceutical, Cosmetics & Wellness**	CMO ASIA	Akums	17th August 2022	
15	**The Economics Times - Best Healthcare Brands Award 2022**	Times Strategic Solution	Akums	29th June 2022	
16	**Pharma Company of the Year 2021-22 in Contract Manufacturing**	Times Cyber Media	Akums	4th June 2022	
17	**Inspirational Leaders of Asia**	White Page International	Sanjeev Jain	27th May 2022	

*Powered by Akums; sponsored by Lupin and GSK.

COMPANY OVERVIEW

Founded in 2004, Akums Drugs and Pharmaceuticals Ltd started its journey as a contract manufacturer of pharmaceutical formulations. Akums is now a vertically integrated company with presence across the pharmaceutical value chain including manufacturing of active pharmaceutical ingredients (APIs), manufacturing of pharmaceutical formulations, branded marketing, and generics and institutional sales.

Akums is now the largest contract manufacturer of pharmaceutical drugs catering to the Indian market. Apart from the pharma sector, the company has also developed significant expertise in manufacturing nutraceuticals and cosmetic products.

In fact, Akums prides itself as a one-stop provider for commercial supply of pharmaceuticals and nutraceuticals. Over 1,200 marketing companies have partnered with Akums to procure finished formulations across multiple dosage forms and therapeutic areas.

INDIAN PHARMACEUTICAL MARKET

In 2023 India officially became the world's most populous nation surpassing China. Needless to say, the country needs—and has—a fast-growing healthcare sector.

Driven by an ever-expanding middle class, improved accessibility of good medical treatment, penetration of healthcare services beyond Tier-1 cities, better diagnostics services and a rise in exports of healthcare goods, the healthcare sector is expected to continue growing over the next many years. And the pharmaceutical industry is expected to be one of the key drivers of this growth.

The current market size of the Indian pharmaceuticals industry is estimated to be around US$50 billion, more than half of which is driven by exports. The Indian pharma market is expected to reach a size of US$130 billion by 2030, growing at 12-15% annually.

The Indian pharma market is now the third-largest in terms of volume and the 13th biggest by value. India is the largest supplier of generic drugs globally with Indian generics accounting for 20% of global exports in volume terms.

The overall penetration of modern medicines, however, remains quite low in India. In fact, the per capita spending on pharmaceuticals in India is one of the lowest even among emerging markets. Compared to the emerging market average per capita spend of about $117 per year, the spending in India is approximately only $15-25 per year, according to industry estimates.

The Indian pharma market is dominated by branded generic drugs, which has a 90% market share in revenue terms, followed by over-the-counter (OTC), patented products and vaccines. Uptake of non-branded generic drugs is slow but is expected to gradually pick-up.

Apart from other advantages, India enjoys an inherent advantage of having a lower cost of production when compared to developed markets.

Moreover, India has a skilled workforce as well as high managerial and technical competence as compared to its peers in Asia.

In the coming years, public expenditure on health is expected to increase to 3.5-4% of India's gross domestic product from the current 2.1%. This would result in an increase in consumption of pharma products.
Spending on medicine in India is projected to grow by 9-12% over the next five years. This is set to catapult India to among the top 10 countries in terms of spending on medicines.
The rising instance of lifestyle diseases, growing population and increasing healthcare awareness are positively contributing to growth and domestic consumption in the sector.
The Indian government has also taken active steps to make healthcare accessible and affordable.

The Department of Pharmaceuticals has launched several schemes including Assistance to Bulk Drug Industry for Common Facilitation Centres, Assistance to Medical Device Industry for Common Facilitation Centres, Assistance to Pharmaceutical Industry (CDP-PS), Pharmaceutical Promotion and Development Scheme (PPDS) and Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS).

To achieve self-reliance and minimize import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a Production-Linked Incentives (PLI) scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four 'Target Segments' with a cumulative outlay of Rs 6,940 crore (US$951.27 million) from FY21 to FY30. A similar PLI scheme for research and development (R&D) is also expected soon.
Going forward, India's contribution in the global pharmaceutical market is expected to further strengthen, driven by both rise in domestic demand and global exports of APIs as well as pharmaceutical formulations.

CONTRACT MANUFACTURING IN THE PHARMA INDUSTRY

Contract Development and Manufacturing Organization (CDMO) has emerged as a viable model for the global pharmaceutical industry. According to a report by credit ratings agency CRISIL, increasing globalization and large players focussing on cutting costs and optimizing operations, CDMOs have seen significant acceptance in the industry worldwide over the past few years.

With the growing demand for medicines, a focus on reducing time to market, the capital-intensive nature of the business, and the complex manufacturing requirements, many pharmaceutical companies have identified the potential benefits of contract manufacturing and outsourcing manufacturing activities.

In India, CDMO as a business model is expected to further strengthen over the coming years. This will be driven by the following factors:

- Growth in the pharmaceutical market, led by increased penetration of healthcare

services and affordability.
- Preference to remain asset-light by marketing companies and hence reliance on research and manufacturing partners.
- Availability of larger product basket offered by CDMOs.
- A cost-effective approach as compared to in-house operations.
- Reduction in time to market.

As per CRISIL, the Indian CDMO market is estimated to be worth around US$15 billion and is expected to grow 14-16% till FY26.

Approximately 33% of the Indian pharmaceutical production is catered to by local CDMOs. This market share is expected to rise approximately to 38% by FY26.

AKUMS' POSITION IN CONTRACT MANUFACTURING INDUSTRY

Akums is India's largest Contract Development and Manufacturing Organization (CDMO) of pharmaceuticals, nutraceuticals, cosmeceuticals, ayurvedic and herbal preparations.

Over 12% of pharmaceutical formulations consumed in India are manufactured at Akums. With 10 state-of-the-art formulation manufacturing facilities, the company has capabilities across dosage forms and therapeutic areas. Akums' Plant 1 and Plant 3 are EU-GMP (The European Union certified Good Manufacturing Practice) approved while the nutraceutical facility (Maxcure) is certified by US-NSF (US National Science Foundation). Akums caters to more than 1,200 pharma and nutraceutical marketing companies, amongst the largest by a pharma CDMO globally. The company manufactures over 4,500 formulations, among the highest in India, and more than 17,000 brand stock keeping units (SKUs). Akums is among the top pharmaceutical employers in the country, with a workforce of approximately 15,000 employees.

Akums was awarded the "India Pharma Leader Award" by the Department of Pharmaceuticals, Government of India for two consecutive years in 2018 and 2019 and the National Award on "Quality products in Pharmaceutical formulation & Outstanding Entrepreneurship" also by the Indian government, among other awards and accolades.

Quality, innovation and customer satisfaction are virtues at Akums. The approach is technology driven to serve the emerging needs in the ever-expanding pharma and healthcare market.

Akums carries out various processes for its customers including formulation research and development, scale up and pilot, regulatory approval, manufacturing, packaging and logistics support amongst other value-added services. This makes Akums a "one stop shop" for all pharma manufacturing needs. The company has state-of-the-art technology, equipment and automation to provide the best-quality medicines to the customers.
Our business model includes:

- Contract manufacturing of pharmaceuticals, nutraceuticals, cosmetics and wellness products;
- Research and development of new formulations;
- Obtaining regulatory approvals, including the Drugs Controller General of India (DCGI) and Food Safety and Standards Authority of India (FSSAI) approvals;
- Technology development and transfer;
- Offering tailor-made specialized products;
- Arranging clinical trials and bioequivalence studies;
- Research and development of formulations based on NDDS;
- Assistance in patenting of innovative drugs and technology;
- Developing new techniques of processing and packaging;
- Sustained improvement in product quality;
- Loan license of manufacturing facilities.

FUTURE PROSPECTS AND WAY FORWARD FOR AKUMS

At Akums, we aspire to become a leading, quality focused, global pharmaceutical organization with diverse capabilities.
Akums has established itself as a reliable contract manufacturer of pharmaceuticals. CDMO is the company's flagship business vertical and will continue to be so in the near future.

The API segment is an emerging opportunity for Akums and the company will keenly invest in this vertical. Marketing business across domestic and global markets is fast-growing and is also expected to drive above industry growth.

Going forward, all the three verticals are expected to contribute to Akums' growth. Each business is led by an independent team of qualified professionals.

Within CDMO, Akums aspires to grow capacities across multiple dosage forms. Akums is actively investing into expanding capacities for oral solids, liquids, injectables as well as nutraceutical products. We are also evaluating an expansion into new dosage forms including lyophilized injectables, nasal sprays, new age protein supplements etc.

Injectable leadership is a key area of focus for us. Driven by growth in hospital infrastructure as well as affordability, demand for quality injectables is fast growing in India. Akums is one of the leading manufacturers of sterile dosage forms in India with five out of its ten formulation facilities having sterile capabilities. Sterile dosage forms contribute significantly to Akums revenue.

Akums is further investing into a new injectable unit, which will be operational in the last quarter of 2023. The unit will also enable Akums to enter niche injectable capabilities and will drive significant business volume for the company in the future.

FINANCIAL REVIEW OF LAST THREE YEARS

Consolidated abridged profit and loss statement (in Rs million)

PARTICULARS	2020-21	2021-22	2022-23
Total income	27,437.85	36,945.23	37,009.25
EBITDA	3,123.22	4,250.85	3,400.86
PBT	1,722.61	-1,931.97	1502.97
PAT	1,234.35	-2,508.74	978.17

Another area of interest for Akums is nutraceutical and wellness products. The nutraceuticals market in India is fast evolving with varied dosage forms, customer preferences and distribution channels.

Akums is setting up another nutraceutical facility to tap the growing market of sports nutrition, medical nutrition and daily well-being. Globally, the nutraceuticals market is worth over US$350 billion and India is witnessing a steep growth.

Several domestic as well as global nutraceutical and wellness brands are already associated with Akums and the growth looks promising.

Exports of pharmaceutical formulation is another exciting opportunity. Currently the business has a limited share in the overall operations of the company but has a high growth potential.

Akums is actively investing in global plant approvals, dossier developments and global collaboration. Akums facilities are approved by global regulatory authorities for supply in more than 50 countries, across Europe, the Commonwealth of Independent States (CIS), Southeast Asia and Africa. With a dedicated team handling international markets, Akums is fully committed to expanding in this vertical.

The API segment is a focused growth vertical for Akums. With this fiscal year (FY22-23) as the first full year of operations for API manufacturing, the growth prospects look promising.

The infrastructure to meet global requirements, state-of-art infrastructure from pilot to large scale quantities and qualified R&D and operations team are the pillars of success of this vertical.

KEY FINANCIAL RATIOS

Return on Net Worth (RoNW): In 2022-23, Akums had a healthy positive RoNW of 13.6%. This was a turnaround from the previous financial year when the company had a negative RoNW of 40%. The RoNW for 2021-22 was negative because the company recorded a loss after tax. The loss was on account of fair value changes in the financial instrument (put option liability). In case the impact is removed, there has been a decline in the overall profits. The decline has been on account of an increase in losses of the API division (which is presently in investment and growth stage) and an exceptional loss of Rs 745 million.

Inventory turnover ratio: The company had an inventory turnover ratio of 3.13% in 2022-23, which was lower than the 4.07% clocked during the year before. This effectively means that, on a year-on–year basis, the inventory turnover ratio showed a variance of 23.1%. The inventory turnover remained relatively stable, which is a testament to the fact that the company has managed to plan its inventory efficiently.

Current ratio: Akums' current ratio remained was at 1.48% in 2022-23, little changed from 1.46% the previous year.

Debt-to-equity ratio: The net debt-to-total-equity ratio went up in 2022-23 to 0.75 from 0.58 in the previous year. This effectively translates to a variance of about 30%. The group's debt has increased on account of capex (maintenance and growth) and funding towards the API business.

Interest coverage ratio: Akums' interest coverage ratio during 2022-23 was 4.91% as against 19.84% in 2021-22. In 2022-23, Akums expanded its operations. This increased the working capital requirements, which were mitigated through borrowings. However, due to a tough market scenario, overall margins have been impacted particularly in the API segment (which is in the investment stage). This has resulted in the change in ratios as compared to the previous year.

Net profit margin: In 2022-23, Akums had a net profit margin of 2.7% as against -6.8% in the previous financial year. There has been a change in the ratio on account of fair value changes in the financial instrument (put option liability) and losses in API division.

CONSOLIDATED FINANCIAL STATEMENT FOR 2022-23

Ratio	2022-23	2021-22
Return on Net Worth	**13.6%**	-40%
Debtors Turnover	**4.23**	5.19
Inventory Turnover	**3.13**	4.07
Interest Coverage Ratio	**4.91**	19.84
Current Ratio	**1.48**	1.46
Debt-Equity Ratio	**0.75**	0.58
Operating Profit Margin (%)	**9.3%**	11.6%
Net Profit Margin (%)	**2.7%**	-6.8%

**Consolidated financial statement for 2022-23; According to prescribed accounting standards.*

Akums

AKUMS DRUGS & PHARMACEUTICALS LTD.

BOARD REPORT 2022-2023

BOARD'S REPORT 2022-23

To

The Members,
Your directors have immense pleasure in presenting their 19th (Nineteenth) Annual Report on the business and operations of the company together with the Standalone and Consolidated Audited Statements of Accounts for the Financial Year ended on March 31, 2023.

FINANCIAL RESULTS
(In Rs million)

PARTICULARS	STANDALONE		CONSOLIDATED	
	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
Revenue from operations	12,868.26	11,620.61	36,548.20	36,772.93
Other Income	961.53	584.76	461.13	172.30
Total Income	**13,829.79**	**12,205.37**	**37,009.33**	**36,945.23**
Less: Expenses	10,889.18	10,299.23	33,517.52	32,694.38
EBITDA	**2,940.61**	**1,906.14**	**3,491.81**	**4,250.85**
Fair value changes on financial instruments	(439.70)	4,941.74	(439.69)	4,941.74
Less: -Finance Cost	131.76	36.53	462.46	166.55
Depreciation/Amortization	300.03	277.63	1,128.09	946.79
Profit/ (loss) before exceptional item & tax	2,948.52	(3,349.76)	2,340.95	(1,804.23)
Exceptional item	(1,445.33)	--	745.00	129.77
Profit/ (loss) before share of profit of an associate	**1,503.19**	**(3,349.76)**	**1,595.95**	**(1,934.00)**
Share of profit (loss) of associate	--	--	(2.03)	2.03
Profit/ (loss) before tax	**1,503.19**	**(3,349.76)**	**1,593.92**	**(1,931.97)**
Less: Tax expenses	248.89	467.99	544.09	576.77
Profit/ (loss) after Tax (PAT)	**1,254.30**	**(3,817.75)**	**1,049.83**	**(2,508.74)**
Other Comprehensive Income	5.36	2.66	20.06	(0.88)
Total Comprehensive Income	**1,259.66**	**(3,815.09)**	**1,069.89**	**(2,509.62)**

KEY HIGHLIGHTS OF THE COMPANY'S STANDALONE FINANCIAL PERFORMANCE DURING FY 2022-23 ARE AS FOLLOWS:

- Revenue from operations increased by 10.74%.
- Total Income increased by 13.31%
- Earnings before interest, taxes and depreciation (EBITDA) increased by 54.27%

COMPANY'S AFFAIRS

During the year under review, your company has shown good growth performance across all the business areas.

- The Contract Development and Manufacturing Organization (CRDMO) division has achieved a turnover of Rs 36159.27 million as against Rs 35,166.22 million last year.
- The Active Pharmaceuticals Ingredient (API) division has achieved a turnover of Rs 2,222.74 million as against Rs 1,360.88 million last year.
- The marketing division has contributed a turnover of Rs 7,675.20 million in comparison with Rs 9487.28 million during the previous year.

DIVIDEND

Your company has continuously been on 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 2022-23.

RESERVES

Total comprehensive income of Rs 1,319.13 million for the financial year 2022-23 had been transferred to previous year's other equity of Rs 1,712.31 million to arrive at the current year's other equity of Rs 3,031.44 million, which was retained in the Balance Sheet.

EXTRACT OF ANNUAL RETURNS

Pursuant to section 92(3) of the Companies Act, 2013 a copy of the annual return, for the financial year 2021-22 has been placed on the website of the company.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2022-23, the capital structure of the company changed as the Company issued bonus shares in the ratio of 1:1.

Currently, the authorized share capital of the company is Rs 300,000,000/- (Rupees three hundred) divided into 150,000,000 (one hundred and fifty million) equity shares. The issued, subscribed and paid-up share capital of the company is Rs 286,128,700/- (Rupees twenty eight crore sixty one lakhs twenty eight thousand & seven hundred only) divided into 143,064,350 (fourteen crore thirty lakh sixty four thousand three hundred & fifty) equity shares.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2022-23, Ms. Neena Vivek (DIN: 07118115) has resigned with effect from 15.04.2022.

Further, as per the provisions of the Companies Act, 2013, Shri Sanjeev Jain, director, will retire at the ensuing annual general meeting and, being eligible, seek reappointment. The board of directors recommended his re-appointment.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2022-23, the board of directors duly met four times on 17.06.2022, 19.08.2022, 22.11.2022 and 17.03.2023 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 cases of urgent business needs, approval is usually taken by passing resolutions through circulation.

NAME OF DIRECTOR	CATEGORY	NO. OF BOARD MEETINGS		%
		ELIGIBLE TO ATTEND	ATTENDED	
Mr. Sanjeev Jain	Executive	4	4	100
Mr. Sandeep Jain	Executive	4	4	100
Mr. Basant Kumar Singh	Whole Time	4	4	100
Mr. N.L Kalra	Independent	4	4	100
Mr. Kewal Handa	Independent	4	4	100
Dr. Amit Varma	Non-Executive	4	3	75
Ms. Matangi Gowrishankar	Independent	4	3	75

MEETING OF BOARD COMMITTEES AND GENERAL MEETING(S) DURING THE FINANCIAL YEAR 2022-23

During the period under review, meetings of audit committee of the Company were held on 17.06.2022, 19.08.2022, 22.11.2022 and 17.03.2023. Whereas, meetings of nomination & remuneration committee of the Company were held on 17.06.2022, 01.09.2022, 22.11.2022 and 17.03.2023.

The details of attendance of members of the audit committee of the company are given as under:

NAME OF DIRECTOR	CATEGORY	AUDIT COMMITTEE MEETINGS		NRC COMMITTEE MEETINGS	
		ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
Mr. Kewal Handa	Independent	4	4	3	3
Mr. N.L Kalra	Independent	4	4	4	4
Ms. Matangi Gowrishankar	Independent	3	3	4	4
Dr. Amit Varma	Non-Executive	4	4	4	3

The Annual General Meeting (AGM) of the company for the previous financial year i.e. 2021-22 was held on 29.07.2022. It was attended by all Directors & shareholders of the company along with the company secretary, chief financial officer, representative of the statutory auditor and the secretarial auditor of the company.

During the financial year 2022-23 an Extraordinary General Meeting was also held on 17th March 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The directors have 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 air 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.
- The directors have 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.
- The directors have prepared the annual accounts on a going concern basis.
- The company is not listed, yet the directors have 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 an adherence to the company's policies, the safeguarding of its assets, prevention and detention of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- 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.

DECLARATIONS BY INDEPENDENT DIRECTORS

The company has received declarations from all the independent directors 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 directors of the company fulfill the conditions specified under the Act.

Audit Committee

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which forms a part of this report.

CSR Committee

The details pertaining to the composition of the Corporate Social Responsibility (CSR) committee are included in the Corporate Governance Report, which forms part of this report.

Nomination and Remuneration Committee

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

Stakeholders' Relationship Committee

The details pertaining to the composition of the stakeholders' relationship committee are included in the Corporate Governance Report, which forms part of this report.

Risk Management Committee

The details pertaining to the composition of the risk management committee are included in the Corporate Governance Report, which forms part of this report.

AUDITOR(S)

Statutory Auditor

Walker Chandiok & Co LLP, are the statutory auditors of the company pursuant to member's approval obtained at the 15th Annual General Meeting held on 29th September, 2019. Their term of appointment is of 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 the conclusion of the 20th Annual General Meeting of the company.

The auditors' report for the financial year ended 31st March, 2023 on the financial statements of the company forms a part of this Annual Report.

The Auditors Report has no qualification or adverse remark or adverse comment or a disclaimer in their report. However, in CARO report the auditors have mentioned the following:

In para 14 of the consolidated auditor report, the auditors have stated that another subsidiary i.e. Pure & Cure Healthcare Pvt. Ltd. (Pure & Cure) has not deposited undisputed advance tax for the quarter ended on June and September 2022.

Details in respect of frauds reported by the 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.

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 had appointed M/s. Jain Sharma & Associates, cost accountants, as the cost auditors of the company for the financial year 2022-23.

Now that their tenure has expired, the board has re-appointed M/s Jain Sharma & Associates as the cost auditors to audit the cost accounts of the company for the financial year 2023-24.
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.

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 2022-23. 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.

The board has re-appointed M/s Vibhor Gupta & Associates, practicing chartered accountant as internal auditor for the financial year 2023-24.

Secretarial Auditor

Section 204 (1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, mandates a secretarial audit for the prescribed class of companies.

In terms of Section 204 of the Act and Rules made thereunder, M/s. A.K. Nandwani & Associates, practicing company secretary, were appointed as secretarial auditors of the company for the financial year 2022-23. The board has re-appointed A.K. Nandwani & Associates, practicing company secretary as secretarial auditor for the financial year 2023-24.

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 2022-23 is annexed with the board's report.
The report is self-explanatory and does not call for any further comments.

Management Auditors

Your company has appointed Ernst & Young LLP (E&Y) and Protiviti India Member Private Limited (Protiviti) as management auditors. These management auditors have conducted audits of certain processes and functions of the company; and have submitted their reports to the management for its perusal.

Material Changes and Commitments

During the period under review the Company had decided to dispose off some of its subsidiaries which either was having no business or very nominal one. Below mentioned is the list of such entities:

Akum Impex LLP,
Dhanwantri Vedaresearch LLP,
Delcure Lifesciences Ltd., and
AVHA Lifesciences Pvt. Ltd.

The application(s) for merger of Akums Lifesciences Ltd. with Pure & Cure Healthcare Pvt. Ltd. are sub-judice before National Company Law Tribunal, Chandigarh & Delhi.

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.

Implementation of ESOP Scheme

The company has observed from market experience that an equity-based compensation plan is an effective tool to motivate and reward the existing key talent based on the performance and criticality of the profile. For the company, this will also help attract new talent and retain them for ensuring sustained corporate growth.

In view of this, Akums has implemented an Employee Stock Option Plan (ESOP) called Akums Employee Stock Option Scheme 2022 (ESOP Scheme 2022) which will cover eligible employees of the company and its subsidiary companies.

Change in the nature of business, if any

The company & its subsidiaries are 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 and dietary supplements, derma and cosmetics, healthcare and hospital products, 'over the counter' (OTC) products, active pharmaceutical ingredients, excipients and compounds.

During the period under review there has been no change in the nature of the business of the company.

Companies Which Became/Ceased To Be Company's Subsidiaries, Joint Ventures And Associate Companies

Your company has 13 subsidiaries, one step-down subsidiary; and one limited liability partnership (LLP).

S.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	91.50%	Subsidiary
6	Unosource Pharma Ltd.	Export Marketing	100%	WOS
7	Sarvagunaushdhi Pvt. Ltd.	Retail Sales	100%	WOS
8	Amazing Research & Laboratories Ltd.	Generic Branded Marketing	100%	WOS
9	May & Baker Pharmaceuticals Ltd.	Generic Branded Marketing	100%	WOS
10	Plenteous Pharmaceuticals Ltd.	Generic Branded Marketing	100%	WOS
11	Nicholas Healthcare Ltd.	Institutional Sales	100%	WOS
12	Akums Healthcare Ltd.	Manufacturing of formulations	100%	WOS
13	Burroughs Welcome Pharmacia Pvt. Ltd.	Generic Branded Marketing	100%	WOS
14	Upadhrish Reserchem LLP	Manufacturing of formulations	100%	WOS
15	Medibox Pharma Ltd.	Generic Branded Marketing	100%	WOS

*WOS means Wholly Owned Subsidiary

During the period under review Akum Impex LLP, Dhanwantri Vedaresearch LLP, Delcure Lifesciences Ltd., and AVHA Lifesciences Pvt. Ltd. have ceased to be subsidiaries of the Company.

The statement containing the salient features of the financial statements of the company's subsidiaries is given in Form AOC-1 which is a part of the report.

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 31.03.2023, are enclosed to this report.

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 the 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 nature, in all other cases the approval of board or the 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.

Fixed Deposits Under Chapter V of the Companies Act, 2013

During the year under review, the company has not accepted any deposit from the 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.

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.

Directors' Appointment and 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 the basis for fixation of remuneration of directors and key managerial personnel of the company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Energy conservation measures taken are as under:

- Optimum energy conservation steps are being taken to reduce per unit cost. Power load factor is being monitored continuously as an 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.
- An ON/OFF-based controller was installed in the cooling tower and the switching-based controller was monitored 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.
- No other alternate source of energy is feasible.
- Adequate additional investment is being made on energy conservation.

The average performance in terms of production units is under control. However, electricity tariffs are beyond the control of the company.

PARTICULARS	2022-23	2021-22
Units of Electricity Purchased (Lakh Kvah)	369.78	327.87
Total Amount of Electricity Purchased (Lakh ₹)	2643.49	2199.03
Rate of Electricity Per Unit (₹)	7.15	6.71
Units (Lakh Kwh) Own Generation (DG. Set)	11.21	10.41
Consumption of Diesel Oil in DG (Lakh Lts.)	3.12	2.92
Units generated Per Litre of Diesel Oil	3.59	3.56
Total amount of Diesel consumed (Lakh ₹)	290.70	223.92
Cost Per Unit (₹)	25.92	21.52

Technology absorption

Efforts are continuously being made for technology absorption.

1. The company has implemented a compliance tool called 'Complinity' for management of compliances applicable on the Company.
2. The Company has also adopted software/ tools for business development team.
3. For the purpose of accounting records, the company has adopted the SAP system.
4. The company has been engaged in product development, product improvement and cost reduction.
5. The company has its own research and development center approved by the Department of Scientific and Industrial Research (DSIR).
6. During the financial year 2022-23, expenditure on research and development was ₹247.08 million, as against ₹223.64 million during the previous year.

Foreign exchange earnings and outgo:

During the financial year 2022-23, trade receivables and trade & other payables in foreign currencies amounted to ₹35.34 million and ₹2.03 million respectively.

Risk Management Policy

The company has constituted a Risk Management Committee and has an adequate risk management process to identify and notify the board of directors about the risk or opportunities that could have an adverse impact on its 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 committee and the board of directors. The Company has also adopted a Risk Management Policy.

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. Environment and Social Policy

The Company has adopted the Environment and Social Policy and the Company is in compliance with such a policy.

Executive Committee

The company has constituted an executive committee to expedite the strategic decisions. The committee consists the following members:

1. Mr. Sanjeev Jain - Managing Director
2. Mr. Sandeep Jain - Managing Director
3. Mr. Sunil Thakur - Partner, Quadria Capital Advisors Pvt. Ltd.

The functions of executive committee are as under:

- Before the start of each financial year, the executive committee reviews and approves the annual budget prepared by the management of the company for that financial year
- The executive committee oversees the evaluation of the 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 approves the capital expenditure items which are not included in the annual budget for any financial year.
- Any other business or strategic matters.

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. 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 CSR culture, society will benefit; and when society benefits, corporations also benefit.

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

The company has 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 immediately preceding financial years, i.e. it was required to make such spending during financial year 2022-23 related to the financial years 2019-20, 2020-21 and 2021-22.

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

Financial Year(s)	Profit Before Tax (PBT) (Rupees) Figures in Million
2019-20	758.51
2020-21	-1952.00
2021-22	-3349.73
TOTAL	**-4543.21**

Average profits of the financial year 2019-20, 2020-21 and 2021-22 had been Rs -151,4.40 which was negative. Therefore, the company was not required to spend any amount during the financial year 2022-23.

However, if the company has spent some amount on CSR activities during financial year 2022-23, such spent amount will be carried forward and will be set off from the CSR obligation of financial year 2023-24. The CSR activities undertaken during the year by the Company have been mentioned in this report separately.

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 below mentioned are the employees who are in receipt of remuneration for the financial year 2022-23 which in the aggregate, was Rupees one crore and two lakh or more per annum or proportionally, except in case of Mr. Sanjeev Jain and Mr. Sandeep Jain, whose remuneration is disclosed under note no. 42 (II) of notes to the accounts:
Mr. Sumeet Sood - Chief Financial Officer
Mr. Sanjay Sinha – President

Evaluation of Board Performance

Provisions of section 134(3)(p) and rules 8(4) of the Companies (Accounts) Rules, 2014 are related to formal evaluation of the board of directors and its committees. These provisions are applicable to the company, as it has paid-up capital more than Rs. 25.00 Cr.

The Company has implemented the procedure for evaluation of Board performance, Committees' performance, and Directors' performance.

BOARD'S REPORT 2022-23

Opinion of the Board about Independent Directors

The company has appointed the following three persons as independent directors:
Mr. Kewal Handa,
Ms. Matangi Gowrishankar; and
Mr. N.L Kalra

As per the opinion of the board all such independent directors are of integrity and have rich experience of their domain and the board is of the view that under their able guidance and suggestions the company will achieve new milestones of success in the coming years.

Material Courts Orders

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

Internal Control Systems and Their Adequacy

The company has an adequate system of internal controls to safeguard and protect itself 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. The company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

Maintenance of Cost Records

In terms of provisions of section 148 (1) of the Companies Act, 2013 and rules made thereunder, the company is required to maintain cost records. The company has maintained such accounts and records in a 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 an audit of cost records of the company during the financial year 2022-23.

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 and key managerial personnel and the employees, 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 its business interests.

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 and 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.

Disclosure Under the Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Rederssal) Act 2013

Your company believes in providing a safe and harassment free workplace for each and every individual working for it 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. An 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, one complaint was received in this regard, which was dealt & closed properly.

Consolidated Accounts

The consolidated financial statements for the year ended on March 31st, 2023 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Credit Rating

The company has a rating agreement with ICRA Limited, ICRA is required to review the rating on an annual basis and when the circumstances so warrant. The rating committee of ICRA Ltd. has reaffirmed 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 reaffirmed the short-term rating as [ICRA] A1+.

Secretarial Standards

During the year under review, your company has complied with all applicable secretarial standards issued by the Institute of Companies Secretaries of India (ICSI).

Other Reports Forming Part of Board Report

The following reports forming part of board Report are enclosed:
Management Discussion and Analysis Report
CSR Activities undertaken
Corporate Governance Report

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.

For and on behalf of the Board of Directors Akums Drugs & Pharmaceuticals Limited
Place: Delhi
Date: 30.06.2023

SANJEEV JAIN	**SANDEEP JAIN**
Managing Director	Managing Director
DIN: 00323476	DIN: 00323433

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As India's leading generics pharmaceuticals manufacturer, Akums strives to improve the general health and wellbeing of people at large, not just in India but also across the world. The company produces medicines and active pharmaceutical ingredients (APIs) with the best quality standards, on a par with those being maintained by the global pharma industry.

At Akums, our corporate governance policies and processes define how we engage with our stakeholders. We prioritize long-term goals over those that we may want to achieve in the short-term, in a bid to drive sustainable growth and create lasting value.

'Empowerment' and 'Accountability' are the two pillars of our corporate governance code that governs all our actions. We strive for complete transparency in our day-to-day working and meet our societal commitments by being a responsible corporate citizen.

Akums is of the firm belief that while implementing the minimum set of requirements is a given, superior governance practices nonetheless remain key to 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.

At Akums, we strongly believe that good corporate governance is about internalizing and manifesting our 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 wholeheartedly embraces good governance practices. Corporate governance of the company is predicated upon an ethos of transparency, accountability, and fairness. The company's board is committed to achieving and maintaining the highest standards of corporate governance on a going basis.

BEST GOVERNANCE PRACTICES

Akums constantly looks to raise 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 and spirit.**
- **To follow the secretarial standards set by the Institute of Company Secretaries of India.**
- **To conduct a secretarial audit by a practicing company secretary.**
- **To frame policies and procedures for disclosure and dissemination of information by the company.**
- **To hire independent professionals to conduct internal audits.**
- **To make sure all board committees are headed by independent directors.**
- **To appoint a lead independent director and to conduct separate meetings of independent directors.**
- **To devise a code of conduct for the board of directors and senior management.**
- **To strictly implement a policy on the prevention of sexual harassment.**
- **To devise and implement a whistleblower policy and frame its guidelines.**
- **To put in place a safety policy intended to take care of employee safety.**

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors at Akums provides leadership and strategic guidance to the company. The board also exercises control over the company and is accountable at all times to its shareholders.

The present board comprises seven directors, who possess the requisite qualifications and experience which enable them to contribute effectively in their capacity as directors of the company.

INDEPENDENT DIRECTORS

As a good governance practice, the company facilitates and enables the conduct of separate meetings of the independent directors to update them on all business-related issues and new initiatives.

Akums has three independent directors on the board. They are Mr. Kewal Handa, Ms. Matangi Gowrishankar and Mr. N.L. Kalra.

COMMITTEES OF THE BOARD

The Akums board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the committees.

Each committee of the board is guided by its charter, which defines its scope, powers, and composition. All decisions and recommendations of the committees are placed before the board for information or approval.

AUDIT COMMITTEE

Akums complies with Section 177 of the Companies Act, 2013 and the rules made thereunder, pertaining to the constitution of the audit committee.

The audit committee has been reconstituted by the appointment of Ms. Matangi Gowrishankar as a member. The committee now consists of four members, of whom three are independent non-executive directors and one nominee non-executive director. All members of the committee are financially literate and have the requisite financial management expertise.

COMPOSITION OF THE AUDIT COMMITTEE

Mr. Kewal Handa, Independent Director
Mr. N.L. Kalra, Independent Director
Ms. Matangi Gowrishankar, Independent Director
Dr. Amit Varma, Non-Executive Director

The audit committee of the board, reviews, acts on and reports to the 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.
- To comply with legal and statutory requirements.
- To maintain the integrity of the company's financial statements, discussions with independent auditors regarding the scope of the annual audits and fees to be paid to the independent auditors.
- To monitor the performance of the company's internal audit function, independent auditors, and accounting practices.
- To carry out a review of related-party transactions and whistleblower mechanism, and
- To evaluate internal financial controls and risk management systems and policies.

NOMINATION & REMUNERATION COMMITTEE

This committee shall identify the persons who are qualified to become directors of the company with the criteria laid down, and recommend to the board, their appointment and removal.

The committee determines and communicates to the board the criteria of qualification, positive attributes, and independence of a director, determining remuneration for directors, key managerial personnel, and other employees.

Akums complies with Section 178 of the Companies Act, 2013 and rules made thereunder, pertaining to the constitution of the Nomination and Remuneration Committee, which consists of the following members:

COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

1. **Mr. N.L. Kalra,** Independent Director
2. **Ms. Matangi Gowrishankar,** Independent Director
3. **Dr. Amit Varma**, Nominee Director
4. **Mr. Kewal Handa,** Independent Director

The committee considers, inter alia, the following attributes and criteria while recommending to the board the candidature for appointment as an independent director.

- Qualification, expertise, and experience in their respective fields such as information technology, leadership, financial analysis, risk management and strategic planning.
- 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 on the Board.

EVALUATION FACTORS FOR INDEPENDENT DIRECTORS

- The Independent Director meets the requirements of independence under the Companies Act 2013 and Listing Regulations and has no conflict of interest.
- The Independent Director exercises own judgement and voices opinion freely.
- The Independent Director demonstrates commitment to protecting and enhancing interests of all stakeholders.
- Independent Director helps in bringing independent judgement during Board deliberations on strategy, performance, risk assessment etc.
- The Independent Director has effectively assited the Company in implementating best corproate governance practice and monitor the same.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was formed voluntarily to formulate and recommend to the board a Risk Management Policy for the company, and to evaluate on regular intervals the risks associated with the business of the company.

COMPOSITION OF RISK MANAGEMENT COMMITTEE

1. **Mr. Sanjeev Jain**, Managing Director
2. **Mr. Sandeep Jain**, Managing Director
3. **Mr. Kewal Handa**, Independent Director
4. **Ms. Matangi Gowrishankar**, Independent Director
5. **Mr. N.L. Kalra**, Independent Director
6. **Mr. Sumeet Sood**, Chief Financial Officer

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee was formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The job of the committee was 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 CSR policy of the company from time to time.

The Annual Report on CSR activities undertaken by the company and amount spent during the year 2022-2023 forms a part of the board's report and has been uploaded on the website of the company.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. **Mr. Sanjeev Jain**, Managing Director
2. **Mr. Sandeep Jain**, Managing Director
3. **Dr. Amit Varma**, Nominee Director
4. **Ms. Matangi Gowrishankar**, Independent Director
5. **Mr. N.L. Kalra**, Independent Director

INCREASE IN THE STRENGTH OF INDEPENDENT DIRECTORS

In order to further strengthen the corporate governance practices of the company, the board has appointed two more independent directors.

Both these independent directors– Mr. Kewal Handa and Ms. Matangi Gowrishankar – are highly qualified and have considerable experience in the pharmaceutical industry and human resources, respectively.

Both these independent directors also serve on the boards of several other well-established companies.

IMPLEMENTATION OF COMPLIANCE SOFTWARE

Akums has implemented a comprehensive cloud-based Compliance Management System called "Complinity", https://akums.complinity.com/, in order to monitor its compliance status and that of its subsidiaries. This system tracks and monitors all the statutory, regulatory, central and state government regulations.

The company is of the view that implementation of the system will help it in ensuring it meets the applicable compliances.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was formed voluntarily by the company as a matter of good corporate governance.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

1. **Mr. Sanjeev Jain**, Managing Director
Mr. Sandeep Jain, Managing Director
Mr. Kewal Handa, Independent Director
Mr. N.L. Kalra, Independent Director
Ms. Matangi Gowrishankar, Independent Director

ADOPTION OF VARIOUS CORPORATE POLICIES

In order to bring standardization and to further improve the level of corporate governance, the company has adopted the following corporate policies during the year:

i)	Policy on Related Party Transactions
ii)	Policy on Nomination & Remuneration
iii	Policy on Determination of Material Subsidiaries
iv)	Policy on Whistleblower Mechanism
v)	Policy on Corporate Social Responsibility
vi)	Policy on Enterprise Risk Management
vii)	Policy on Foreign Exchange Risk Management Policy
viii)	Policy on Succession Planning for Board Members and Senior Management
ix)	Policy on Prevention of Sexual Harassment at workplace
x)	Policy on Board Diversity
xi)	Policy on determination of materiality for disclosure of event or information
xii)	Policy on Preservation and Archival of documents
xiii)	Policy on Disclosure of Unpublished Price Sensitive Information
xiv)	Policy on dividend distribution
xv)	Policy on debtors provisioning and write-offs
xvi)	Policy on inventory provisioning and write-offs

APPOINTMENT OF MANAGEMENT AUDITORS

During the year Akums appointed Ernst & Young LLP and Protiviti India Member Private Limited as management auditors to conduct an audit of different business processes and functions of the company and its subsidiaries.

RE-CONSTITUTION OF THE BOARD COMMITTEES

In order to utilize the experience of the newly appointed independent directors of the company, the board has re-constituted all the board committees and has made these directors a part of these panels. This has helped the company make appropriate decisions at various functional levels.

APPOINTMENT OF WOMAN DIRECTOR

Akums has complied with Section 149 of the Companies Act, 2013 and rules made thereunder, pertaining to the appointment of a woman director on the board.

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 and criteria whilst recommending to the board the candidature for appointment as director.

Qualification, expertise, and experience of the directors in their respective fields;
Personal, professional, or business standing;
Diversity of the board.

The non-executive directors are entitled to receive remuneration by way of sitting fees for participation in the board and committee meetings within the overall limit prescribed under the Companies Act, 2013 and professional fee for the professional services being rendered by them. 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 other than payment of sitting fees and professional fee for the professional services being rendered by them.

SECRETARIAL STANDARDS

During the year under review, as a good corporate governance practice, Akums undertook an audit for compliance of secretarial standards and procedures.
This was in compliance with the Secretarial Standards on Board Meeting (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

INTERNAL CONTROL SYSTEMS

Your company has put in place both external and internal audit systems. 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

During the year, the company continued to implement the suggestions and recommendations of both the internal and management auditors.

Their scope of work includes a review of processes for safeguarding the assets of the company, a review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

The findings of the internal auditors are discussed and suitable corrective actions taken as per the directions of the audit committee on an ongoing basis, to improve efficiency in operations.

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, proper delegation of authority, 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.

WHISTLEBLOWER POLICY

Akums 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. It also provides safeguards against victimization of employees who avail of 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 and complaints boxes have been installed at prominent places. A special email ID has also been created, to which only the directors have access.

SUCCESSION PLANNING

The nomination and remuneration committee works with the board to plan for an orderly succession of leadership within the board and at the departmental levels of the company. This is done to groom the future generations as well as to maintain contingency plans for succession in case of any exigencies.

The board also considers succession planning of promoter family members and encourages the involvement of their third generation in the business operations of the company.

HEALTH, SAFETY AND ENVIRONMENTAL REVIEW (HSE)

Akums has a safety policy in place to take care of the safety and wellbeing of its employees. The company has also been organizing a fire safety week every year along with other mock drills throughout the year.

Akums is committed to achieving its vision of zero harm and zero environmental incidents. The company's Occupational Health, Safety and Environment Policy has been put in place for implementing the mission.

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

The company's HSE strategy prioritizes eliminating workplace illness, injuries, and environmental incidents through the Integrated Management System. That the HSE Management System of the company has been operating well is evident from the fact that there were no 'high-potential accidents' during the year.

Moreover, the company has greatly improved its waste management and reduced the scrap to reduce the overall impact of its operations on the environment.

The company is focussing on building an engaged safety culture where expectations are clear, people are trained, interventions are welcomed and consequences are understood.

All the manufacturing units at Akums have complied with the statutory requirements laid down by the government pertaining to health, safety and environment.

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

STEPS TAKEN RELATED TO HSE

In the pharmaceutical industry, there are hardly any machines or manufacturing processes that generate carbon to pollute the environment.

Having said that, generators and boilers can leave a carbon footprint. We take all the precautions and follow safety standards to reduce and minimize the potential environmental impact. We carry out periodic preventive maintenance of our boilers and generators.

Internal and external inspections are periodically carried out to ensure the machines and equipment do not emit pollution. Moreover, generator sets are judiciously used with best-quality oils and diesels to avoid pollution.

We also take necessary measures when it comes to waste management. We have an agreement with Bharat Oil & Waste Management Ltd for recycling of biodegradable waste.

Akums Lifesciences Ltd., a wholly owned subsidiary of the company having an API business, has taken equity stakes in two companies—Mohali Green Environment Pvt. Ltd. and Nimbua Greenfield (Punjab) Ltd., for the treatment of efflux of its production process.

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

Akums has a proper system for disposal of factory waste.

- We have established a sewage treatment plant (STP) and an effluent treatment plant (ETP) for water recycling;
- We have set up a rainwater harvesting system to save water;
- We maintain 30% of the total area in the factory premises as green area.

CORPORATE SOCIAL RESPONSIBILITY

Building a sustainable business goes beyond the immediate stakeholders such as customers, employees, and shareholders. At Akums, we recognize our expansive responsibilities. We understand that the health and well-being of society are crucial aspects of social capital, and we are committed to contributing to a better future. Corporate Social Responsibility (CSR) is an integral part of our business model and policies. Our management is dedicated to surpassing financial goals and statutory requirements to meet the ethical, social, and environmental needs and expectations of our stakeholders.

We actively engage in community development by supporting primary education, basic healthcare, and livelihood generation programs. Our initiatives also aim to enhance the employability of women and local youth. We collaborate with district and state-level officials to provide assistance for our projects. To fulfil our CSR commitments, we collaborate with both external agencies as well as organizations associated with the Akums Group, including Akums Health & Education Society and Akums Foundation, a society formed under Society's Registration Act, 1860 and a non-profit organization registered under Section 8 of the Companies Act, 2013, respectively.

These entities are involved in a range of CSR activities. These include distributing aid to government schools, conducting coaching classes for students, supporting orphanages, organizing medical camps in villages, and donating medicines to government organizations and civic administration for the benefit of the underprivileged sections of society.

For detailed information on our CSR committee, CSR policy, and approved CSR projects, you can visit our website at *www.akums.in.*

As per Section 135(5), the company was required to spend at least 2% of its average net profits from the preceding three financial years, i.e., during the financial year 2022-23, related to the financial years 2019-20, 2020-21, and 2021-22.

However, please note that during the financial year 2021-22, our company did not have any CSR obligations, and therefore, an impact assessment report in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable for that period.

This is because the average profits for the financial years 2019-20, 2020-21, and 2021-22 were negative. Net profits before tax during the three preceding financial years had been as under:

Financial Year(s)	Profit Before Tax (PBT) (Rupees) Figures in million
2019-20	758.51
2020-21	-1952.00
2021-22	-3349.73
TOTAL	**-454.32**

The total loss before tax for the preceding three financial years has been Rs 454.32 crore while the annual average loss was Rs 151.44 crore. As a result, the company was not required to allocate any amount towards CSR activities during the financial year 2022-23.

However, the company has voluntarily spent some amount on CSR activities during the financial year 2022-23, as in the previous year. The amount spent will be carried forward and offset against the CSR obligation for the financial year 2023-24.

Corporate Social Responsibility Committee
The Corporate Social Responsibility (CSR) Committee was established in accordance with Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The committee's responsibilities included formulating and recommending a CSR policy to the board, identifying activities to be undertaken as per Schedule VII of the Act,

CORPORATE SOCIAL RESPONSIBILITY

recommending the expenditure on such activities, and monitoring the company's CSR policy periodically.

The details of the CSR activities carried out by the company and the amount spent during the year 2022-2023 are also included in the board's report and can be accessed on the company's website.

Composition of the CSR Committee:
We brought on board independent director NL Kalra as an additional member of the CSR Committee during 2022-23. Members:
Mr. Sanjeev Jain - Managing Director
Mr. Sandeep Jain - Managing Director
Dr. Amit Varma - Nominee Director
Ms. Matangi Gowrishankar - Independent Director
Mr. N.L. Kalra - Independent Director

The company has formulated its CSR Policy and CSR Annual Action Plan, which have been approved by the CSR committee and the board of directors, in accordance with the provisions of the Companies Act, 2013. The CSR Policy guides the company's CSR activities. The company recognizes the importance of a dynamic CSR culture and believes that when society benefits, corporations also benefit. It acknowledges its responsibilities towards the community and is committed to fulfilling its social obligations. The company has complied with the legal provisions in the true spirit.

CSR ACTIVITIES UNDERTAKEN BY AKUMS

Organization of Blood Donation Camp: During the year 2022-23, the Company organized a blood donation camp in June 2022. During the camp a total of 1,523 units of blood was collected and donated to Haridwar Blood Bank. This was over three times the number of units we had channelled to the blood bank in the previous year.

Distribution of food kits: Last year, we distributed food items to TB patients under "Pradhan Mantri TB Mukt Abhiyaan". Under this as many as 100 TB patients in the state of Uttarakhand were covered under the food kit donation in March 2023.

Food items for Joshimath disaster:
The company also pitched in with donation and distribution of food items to those affected by the Joshimath landmass disaster in early 2023. This was under the aegis of Chief Minister Relief efforts in Uttarakhand.

Donation of medical kits: The group also donated medical kits worth Rs 3,854.77 to Vidyanand Kusht Aashram in Haridwar in June 2022.

Medical camp: The group organised a medical camp near Chandipul in Haridwar during the Kawar Mela in 2022.

Civic infrastructure: We donated for the creation of sun shades at Sati Kund in Haridwar; installed a water cooler outside SIDCUL office for public use; installed 16 fans at Akums Ghat.

Schoolchildren: The group donated sweaters to schoolchildren in the vicinity of our operations in Uttarakhand to help them cope with harsh winters.

Environmental/Greenery Improvement: Akums firmly believes that a business can thrive and prosper only when it upholds a healthy, tidy, and sanitary environment. The company is deeply committed to preserving the beauty and integrity of the environment through cleanliness and sanitation practices. To fulfil this commitment, Akums has undertaken various measures in the past, such as preserving green belts and parks in and around SIDCUL, Haridwar, and organizing programs for the rejuvenation of rivers, including the Ganga Cleaning Campaign.

The Ganga Cleaning Campaign holds immense significance as the Ganga River serves as a lifeline for the regions of north and east India. Recognizing the importance of this cause, both Akums and the Indian government have devoted considerable attention to it.

Each year, Haridwar attracts a large number of pilgrims who come to pay their respects to the sacred river Ganga, but unfortunately, they unintentionally contribute to its pollution. To counterbalance, Akums arranges a week-long cleaning drive in the Ganga River annually, in which our employees actively participate.
The waste collected during this process is disposed of in an environmentally friendly manner. We conducted the exercise during 2022-23 as per our commitment.

NOTICE OF 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth (19th) Annual General Meeting of the members of Akums Drugs & Pharmaceuticals Ltd. will be held on **Friday, June 30, 2023, at 04.00 P.M.**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended on March 31, 2023 and the report of the Board of Directors and auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended on March 31, 2023 and the report of auditors thereon and in this regard, to consider and if thought fit, to pass, the following resolutions as Ordinary Resolutions:

> **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended on March 31, 2023 and the reports of the Board of Directors and auditors thereon, as circulated to the members, be and are hereby considered and adopted".
>
> **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended on March 31, 2023 and the report of auditors thereon, as circulated to the members, be and are hereby considered and adopted".

2. To appoint Shri Sanjeev Jain (DIN: 00323433), who retires by rotation, as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

> **"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Sanjeev Jain (DIN: 00323433), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

3. FIXATION OF REMUNERATION OF COST AUDITOR FOR F.Y. 2023-24

To fix the remuneration of the Cost Auditor for the financial year ending on March 31, 2024 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

> **"RESOLVED THAT** in accordance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors and / or a committee thereof including the Audit Committee of the Company be and are hereby authorized to fix the remuneration of the cost auditor for the financial year 2023-24 and to do all such things and acts as may be necessary in this regard."

Place : Delhi
Date : 30.06.2023
By Order of the Board of Directors

Dharamvir Malik
Company Secretary

NOTES:

Explanatory statement(s) pursuant to Section 102(1) of the Companies Act, 2013, which set out details relating to Special Business at the meeting, is annexed hereto.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested and maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

EXPLANATORY STATEMENT(S)
(Statement to be annexed to notice pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 3:
FIXATION OF REMUNERATION OF COST AUDITOR FOR F.Y. 2023-24

The Board of Directors at its meeting held on 30.06.2023 has appointed M/s. Jain Sharma & Associates to conduct the Audit of Cost Records of the Company for the F.Y. 2023-24.

In accordance with the provisions of Section 148 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be fixed by the members of the Company. Accordingly, approval of the members is sought for authorizing the Board of Directors to fix the remuneration of the Cost Auditors for the financial year ending on March 31, 2024.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.
The Board recommends the Resolution to be passed as an ordinary resolution.

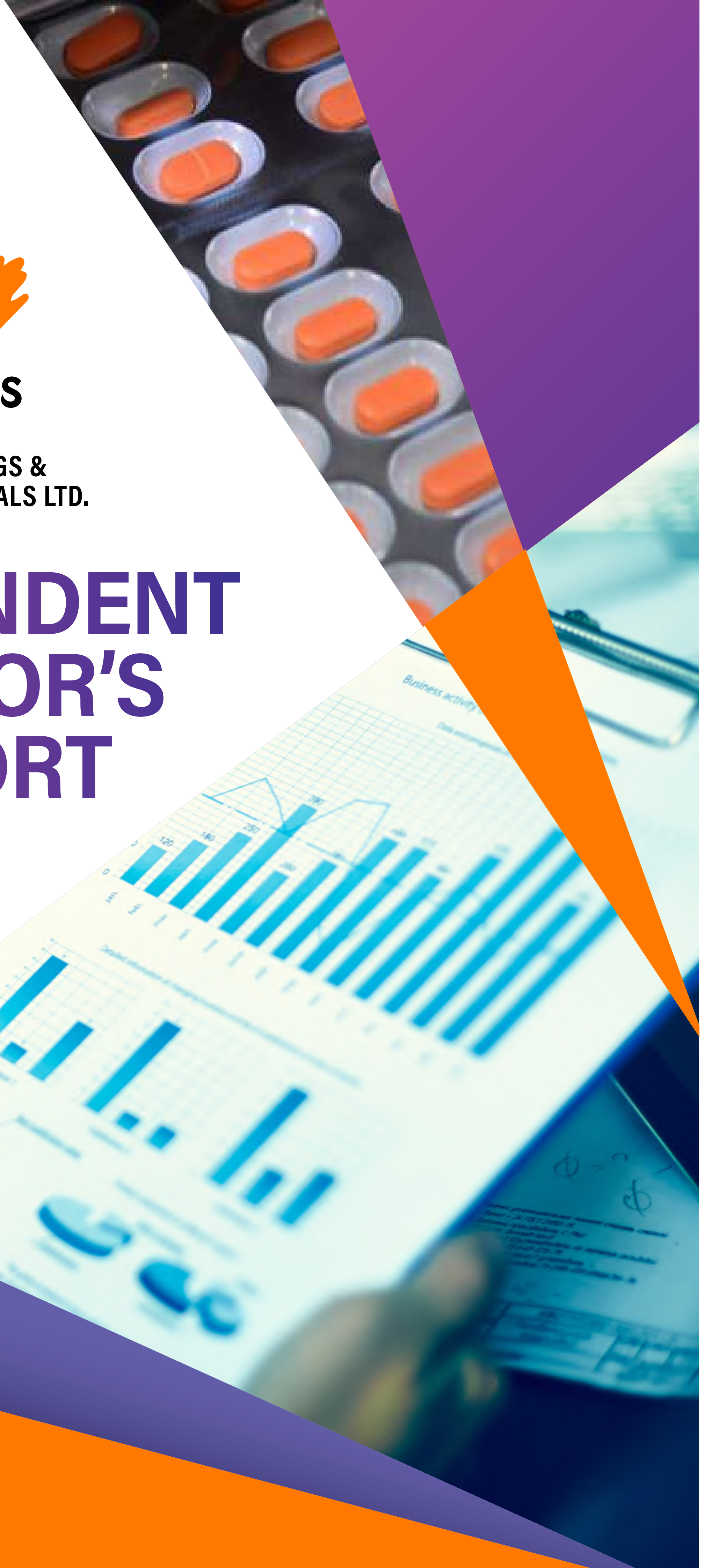
By Order of the Board of Directors

Place: Delhi
Date: 30.06.2023

Dharamvir Malik
(Company Secretary)

AKUMS DRUGS & PHARMACEUTICALS LTD.

INDEPENDENT AUDITOR'S REPORT



To the Members of Akums Drugs and Pharmaceuticals Limited
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Akums Drugs and Pharmaceuticals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

BASIS FOR OPINION

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors are responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.
Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

OTHER MATTER

The standalone financial statements include the Company's share of profit from a Limited Liability Partnership Firms ('LLP 1') in which the Company has invested, whose financial statements for the year ended 31 March 2023 have not been audited by us. These financial statements have been audited by another auditor who have expressed an unmodified opinion on the financial statements of the aforesaid LLP, vide their audit report dated 15 May 2023, which has been furnished to us by the management. Further, the standalone financial statements also include the Company's share of loss from another LLP ('LLP 2'), amounting to INR 0.00 million in which the Company was invested till 30 September 2022, whose financial statements have not been audited by us. The financial statements of such LLP have also been audited by another auditor who have expressed an unmodified opinion on the financial statements, vide their audit report dated 08 April 2023, which has been furnished to us by the management. Our opinion on the accompanying standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid LLPs, is based solely on the reports of the other auditors.

Further, the standalone financial statement also includes the Company's share of loss from a partnership firm, amounting to INR 2.01 million in which the Company was invested till 31 December 2022, whose financial statements have not been audited by us. The financial statements of the partnership firm is based solely on such unaudited financial statements certified by the management. According to the information and explanations given to us by the management, these financial statements are not material to the Company.

Our opinion on the standalone financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

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

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

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

i. The Company, as detailed in note 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

i i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

i i i. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv. a.The management has represented that, to the best of its knowledge and belief, as disclosed in note 56(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 56(f) to the standalone financial statements, no funds have been received by the Company from any persons or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Tarun Gupta
Partner
Membership No.: 507892

UDIN: 23507892BGXQWQ5061

Place: New Delhi
Date: 30 June 2023

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWQ5061
Standalone Balance Sheet as at 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2a	2,032.84	2,028.54
(b) Right-of-use assets	54	477.50	284.33
(c) Capital work-in-progress	2b	161.29	5.17
(d) Investment property	3	192.57	196.98
(e) Intangible assets	4a	21.12	22.09
(f) Intangible assets under development	4b	1.22	-
(g) Financial assets			
(i) Investments	5	1,391.60	1,413.89
(ii) Loans	6	9,148.94	8,214.81
(iii) Other financial assets	7	118.76	105.08
(h) Non-current tax assets (net)	8	53.33	257.14
(i) Deferred tax assets (net)	20	31.34	-
(j) Other non-current assets	9	100.74	59.87
Total non-current assets		**13,731.25**	**12,587.90**
(2) Current assets			
(a) Inventories	10	1,971.20	1,793.09
(b) Financial assets			
(i) Trade receivables	11	2,561.33	3,039.27
(ii) Cash and cash equivalents	12a	72.33	254.88
(iii) Bank balances other than (ii) above	12b	16.12	2.50
(iv) Other financial assets	13	91.94	169.32
(c) Current tax assets (net)	14a	114.05	-
(d) Other current assets	14b	383.85	292.53
Total current assets		**5,210.82**	**5,551.59**
Total Assets		**18,942.07**	**18,139.49**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	286.13	143.07
(b) Other equity	16	2,828.91	1,712.31
Total equity		**3,115.04**	**1,855.38**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	218.75	-
(ii) Lease liability	54	407.75	166.91
(iii) Other financial liabilities	18	10,152.89	10,549.45
(b) Provisions	19	82.07	81.27
(c) Deferred tax liabilities (net)	20	-	127.94
Total non-current liabilities		**10,861.46**	**10,925.57**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	1,237.10	1,222.16
(ii) Lease liability	54	17.43	13.79
(iii) Trade payables	22		
Total outstanding dues to micro and small enterprises; and		143.89	96.25
Total outstanding dues of creditors other than micro and small enterprises		1,635.83	2,424.90
(iv) Other financial liabilities	23	970.09	94.41
(b) Other current liabilities	24	903.76	1,328.63
(c) Provisions	25	57.47	178.40
Total current liabilities		**4,965.57**	**5,358.54**
Total equity and liabilities		**18,942.07**	**18,139.49**

Summary of significant accounting policies and other explanatory information 1-56

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

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

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 30 June 2023

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWQ5061
Standalone statement of profit and loss for the year ended 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	26	12,868.26	11,620.61
Other income	27	961.53	584.76
Total income		**13,829.79**	**12,205.37**
EXPENSES			
Cost of materials consumed		7,912.11	7,865.07
Change in inventories of finished goods and work-in-progress	28	(30.55)	(184.53)
Employee benefits expense	29	1,472.97	1,363.69
Other expenses	30	1,534.65	1,255.00
Total expenses		**10,889.18**	**10,299.23**
Earnings before fair value changes, finance costs, depreciation and amortisation, exceptional item and tax (EBITDA)		2,940.61	1,906.14
Fair value changes on financial instruments	18.1	(439.70)	4,941.74
Finance costs	31	131.76	36.53
Depreciation and amortisation expense	32	300.03	277.63
Profit/ (loss) before exceptional items and tax		**2,948.52**	**(3,349.76)**
Exceptional items	33	(1,445.33)	-
Profit/ (loss) before tax		**1,503.19**	**(3,349.76)**
Tax expenses:			
Current income-tax			
for current year		413.29	15.63
for earlier years		(3.32)	(12.21)
Deferred tax charge		(161.08)	464.57
Total tax expense		**248.89**	**467.99**
Profit/ (loss) for the year		**1,254.30**	**(3,817.75)**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/ (losses) on defined benefit plans		7.16	3.55
Tax effect relating to these items		1.80	0.89
Other comprehensive income, net of tax		**5.36**	**2.66**
Total comprehensive income (comprising of profit/ (loss) for the year and other comprehensive income for the year)		**1,259.66**	**(3,815.09)**

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Earnings per equity share of ₹ 2 (31 March 2022: ₹ 2) each			
Basic and diluted	34	8.77	(26.69)

Summary of significant accounting policies and other explanatory info 1-56

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

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

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 30 June 2023

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWQ5061
Standalone statement of changes in equity for the year ended 31 March 2023
(All amounts in ₹ million unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2021	**13.01**
Changes in equity share capital	130.06
As at 31 March 2022/ 1 April 2022	**143.07**
Changes in equity share capital (refer note 15.1 for details)	143.06
As at 31 March 2023	**286.13**

b. Other equity

Particulars	Reserves and surplus		Put option reserve	Total
	Security premium	Retained earnings		
Balance as at 1 April 2021	**11.25**	**7,447.45**	**(1,801.24)**	**5,657.46**
Add: (Loss) for the year	-	(3,817.75)	-	(3,817.75)
Less: Utilisation on account of bonus issue	(11.25)	(118.81)	-	(130.06)
Add: Other comprehensive income for the year, net of tax				
- Remeasurement of defined benefit plans	-	2.66	-	2.66
Balance as at 31 March 2022/ 1 April 2022	**-**	**3,513.55**	**(1,801.24)**	**1,712.31**
Add: Profit for the year	-	1,254.30	-	1,254.30
Less: Utilisation on account of bonus issue	-	(143.06)	-	(143.06)
Add: Other comprehensive income for the year, net of tax				
- Remeasurement of defined benefit plans	-	5.36	-	5.36
Balance as at 31 March 2023	**-**	**4,630.15**	**(1,801.24)**	**2,828.91**

Summary of significant accounting policies and other explanatory information 1-56

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

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

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Tarun Gupta
Partner
Membership No: 507892

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

Place : New Delhi
Date : 30 June 2023

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Standalone statement of cash flow for the year ended 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Net profit/ (loss) before tax	**1,503.19**	**(3,349.76)**
Adjustments for:		
Depreciation and amortisation	300.03	277.63
Bad debts	8.19	0.60
Diminution in the value of investment in subsidiaries	30.64	-
Loans written off	710.00	-
Impairment of intangible assets under development	697.50	-
Loss on disposal of investment in subsidiaries	7.19	-
Fair value changes on financial instruments	(439.70)	4,941.74
Provision for expected credit loss on trade receivable	5.43	(10.00)
Provision for expected credit loss on advance to suppliers	36.00	-
Profit on sale of property, plant and equipment	(46.37)	-
Interest expense	131.76	36.53
Interest income	(617.47)	(433.44)
Gain on reassessment of ROU	-	(9.81)
Liability no longer required written back	(173.68)	(1.92)
Share of profit from investment in firm/ LLP	(51.80)	(71.35)
Rental income	(42.65)	(20.98)
Operating profit before working capital changes	**2,058.26**	**1,359.24**
Adjustments for movement in working capital changes:		
Inventories	(178.11)	(834.00)
Trade receivables	464.32	(913.24)
Other financial assets	72.46	(67.75)
Other assets	(127.32)	(96.79)
Trade payables	(741.43)	1,625.69
Other financial liabilities	59.11	(11.96)
Provisions	60.71	9.92
Other liabilities	(424.87)	1,283.97
Cash flow generated from operations (gross)	**1,243.13**	**2,355.08**
Less: Taxes paid (net)	(303.00)	(71.94)
Net cash flow generated from/ (used in) operating activities (A)	**940.13**	**2,283.14**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWQ5061
Standalone statement of cash flow for the year ended 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progres, capital advances and payable towards		(1,162.60)	(302.86)
Proceeds from sale of property plant and equipment		128.26	19.01
Investment in subsidiaries and associate		(15.54)	(109.38)
Investment in current investments		-	190.07
Investment in deposits having original maturity of more than 3 months		(4.86)	45.19
Loan given to subsidiary companies / LLP		(20,471.34)	(16,901.69)
Loan repaid by subsidiary companies / LLP		18,827.21	13,570.77
Withdrawals from partnership firm		34.28	54.90
Interest received		600.26	433.44
Rent received		42.65	20.98
Net cash flow (used in) investing activities	**(B)**	**(2,021.68)**	**(2,979.57)**
C. Cash flow from financing activities			
Proceeds from non-current borrowings		250.00	-
Proceeds from current borrowings (net)		797.54	993.75
Payment of lease liabilitities		(42.21)	(22.72)
Interest paid		(106.33)	(21.18)
Net cash flow generated from financing activities	**(C)**	**899.00**	**949.85**
Net (decrease)/ increase in cash and cash equivalents	**(A+B+C)**	**(182.55)**	**253.42**
Cash and cash equivalents at the beginning of the year (refer note 12a)		254.88	1.46
Cash and cash equivalents at the end of the year (refer note 12a)		**72.33**	**254.88**

Components of cash and cash equivalents are as below:

	As at 31 March 2023	As at 31 March 2022
Balance with scheduled banks		
in current accounts	72.08	254.12
Cash on hand	0.25	0.76
	72.33	**254.88**

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

Particulars	Current borrowings (including book overdraft)	Non-current borrowings	Lease liabilities	Put option liability	Total
Net debt as on 1 April 2021*	228.41	-	184.21	5,574.00	5,986.62
Cash flows					
(Repayments)/ Proceeds	993.75	-	(22.72)	-	971.03
Non cash changes					-
Interest on lease liability	-	-	15.32	-	15.32
Fair value changes to financial instrument (refer note 18.1)	-	-	-	4,941.74	4,941.74
Gain on reassessment of ROU	-	-	(9.81)	-	(9.81)
New leases	-	-	13.70	-	13.70
Balance as on 31 March 2022/ 1 April 2022	**1,222.16**	**-**	**180.70**	**10,515.74**	**11,918.60**
Cash flows					
(Repayments)/ Proceeds	797.54	250.00	(42.21)	-	1,005.33
Non cash changes					
Interest on lease liability	-	-	25.43	-	25.43
Fair value changes to financial instrument (refer note 18.1)	-	-	-	(439.70)	(439.70)
Gain on reassessment of ROU	-	-	-	-	-
New leases	-	-	261.26	-	261.26
Balance as on 31 March 2023	**2,019.70**	**250.00**	**425.18**	**10,076.04**	**12,770.92**

**Current borrowings as on 01 April 2021 includes interest payable to banks.*

Summary of significant accounting policies and other explanatory information 1-56

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

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

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 30 June 2023

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

1 Company overview and summary of significant accounting policies

1.1 Company overview

Akums Drugs and Pharmaceuticals Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Delhi.

The Company is engaged in contract manufacturing, which involves manufacturing of pharmaceutical formulations, and specializes in developing new formulations, undertaking bioequivalence studies, clinical trials, obtaining Drug Controller General of India's (DCGI) approval for manufacturing and marketing new Fixed Dose Combinations (FDCs) and molecules, and thereby offering new formulations with the Company's own technology to its customers under their brand names.

1.2 Basis of preparation

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

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

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

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

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

The standalone financial statements of the Company for the year ended 31 March 2023 were approved and authorised for issue by the Board of Directors in their meeting held on 30 June 2023. The Board of Directors can permit revisions to these financial statements after obtaining necessary approvals or at the instance of regulatory authorities, as per provisions of the Act.

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

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

- Ind AS 1

Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not. The Company does not expect the amendments to have any impact on its financial statements.

- Ind AS 8:

Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies. The Company does not expect the amendments to have any impact on its financial statements.

- Ind AS 12 and Ind AS 101:

Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences. The Company does not expect the amendments to have any impact on its financial statements.

- Ind AS 101:

New guidance added for deferred tax related to leases and decommissioning, restoration and similar liabilities. The Company does not expect the amendments to have any impact on its financial statements. The Company does not expect the amendments to have any impact on its financial statements.

1.3 Use of judgement, estimates and assumptions

The preparation of financial statement is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

Judgements, estimates and assumptions

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements and key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Significant management judgement in applying accounting policies and estimation uncertainty

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

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

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

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

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

1.4 Property, plant and equipment Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis if any, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

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

ASSET CLASS	USEFUL LIVES
Buildings	30 years
Plant and equipment	15 years
Furniture and fittings	10 years
Vehicles	8 to 10 years
Office equipment	5 years
Computers	3 to 6 years
Research and development laboratory equipment	10 years
Electrical installation	10 years
Pollution control equipment	15 years

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

De-recognition

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

1.5 Intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortisation)

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

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

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

Capital expenditure on research is shown as addition to property, plant and equipment and depreciation is computed in a manner prescribed for property, plant and equipment.

De-recognition
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

1.6 Financial instruments
Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.
If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

• At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

• In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.
Non-derivative financial assets
Classification and subsequent measurement
For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:
• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Financial assets at fair value
Investments in equity instruments other than above – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

De-recognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Non-Derivative financial liability: - Initial recognition
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Subsequent measurement
After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method (EIR).

Amoritsed cost is calculated by considering any discount or premium on acquisition and fees or costs that are integral part of the EIR. The effect of EIR amortisation is included as finance cost in the statement of profit and loss.

De-recognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

1.7 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2— Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

1.8 Investment in subsidiaries

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

a) Power over the investee;

b) Exposure, or rights, to variable returns from its involvement with the investee; and

c) The ability to use its power over the investee to affect the amount of the investor's returns.

The Company has elected to recognise its investments in subsidiary at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Investments carried at cost are tested annually for impairment as per requirements of Ind AS 36 - Impairment of Assets.

1.9 Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

Other financial assets

The Company writes off trade receivables after it is established beyond doubt that the account is uncollectible. Financial assets that are written-off are still subject to enforcement activity by the Company.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

1.10 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

1.11 Provisions, contingent liabilities and contingent assets

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

Contingent liability is disclosed for:

• Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or

• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

1.12 Operating expenses

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

1.13 Foreign currency transactions and translations

i. Initial recognition

The Company's standalone financial statements are presented in Indian Rupee ('₹'), which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

ii. Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non- monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

iii. Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

1.14 Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.15 Taxes

Current income-tax

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

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

1.16 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Other long-term employee benefits

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

Short-term employee benefits

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

1.17 Cash flow statement

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

1.18 Inventories

Inventories include raw material, stores and spares, finished goods, work in progress and packing material. Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

(i) Raw materials and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost includes direct expenses and is determined on the basis of weighted average method.

(ii) Stores and spares - at cost or net realisable value, whichever is less. Cost is computed on weighted average basis.

(iii) Work in progress - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Finished goods - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for expired stock and slow moving inventory , if required is made based on management's best estimates of net realisable value of such inventories.

1.19 Investment property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

1.20 Revenue recognition

The five-step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

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

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

- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer (usually on dispatch of the goods from the factory) which coincides with the performance obligation under the contract with the customer.

- Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

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

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

1.21 Other income

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

Interest

Interest income is recognised as and when due on the time proportion basis by using effective interest method. Interest income is included under the head "other income" in the standalone statement of profit and loss.

1.22 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.23 Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.24 Leases

The Company as a lessee

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

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

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

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

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

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

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

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

1.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates in a single segment of production of pharmaceuticals and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no 48. The board of directors of the Company has been identified as being the chief operating decision maker by the management of the Company.

1.26 Earnings before fair value changes, finance costs, depreciation and amortisation, exceptional items and tax (EBITDA)

The Company presents EBITDA in the statement of profit and loss; this is not specifically required by Ind AS 1. The term EBITDA are not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Measurement of EBITDA

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

1.27 The amendments under the Indian Accounting Standards, effective from 1 April 2022, do not have any material impact on the Company.

2a. Property, plant and equipment

Particulars	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computers	Research and development equipments	Electrical installations	Pollution control equipments	Total
Gross Block										
Balance as at 1 April 2021	**1,043.87**	**2,084.79**	**109.58**	**29.76**	**78.98**	**92.15**	**398.78**	**163.19**	**8.20**	**4,009.30**
Additions	25.79	166.01	31.58	2.32	26.57	19.28	29.51	10.31	-	311.37
Disposals/ adjustments	(1.06)	(13.32)	(0.01)	(1.56)	(4.45)	(0.49)	(8.37)	(6.14)	-	(35.40)
Balance as at 31 March 2022/ 1 April 2022	**1,068.60**	**2,237.48**	**141.15**	**30.52**	**101.10**	**110.94**	**419.92**	**167.36**	**8.20**	**4,285.27**
Additions	5.27	163.86	22.14	11.13	7.04	36.83	48.80	11.90	-	306.97
Disposals/ adjustments	(12.18)	(57.18)	(0.76)	(3.08)	(0.97)	(0.41)	(4.12)	(0.64)	-	(79.34)
Balance as at 31 March 2023	**1,061.69**	**2,344.16**	**162.53**	**38.57**	**107.17**	**147.36**	**464.60**	**178.62**	**8.20**	**4,512.90**
Accumlated depreciation										
Balance as at 1 April 2021	**343.34**	**1,158.32**	**69.96**	**20.09**	**62.34**	**64.24**	**201.23**	**107.70**	**3.66**	**2,030.88**
Charge for the year	33.71	139.29	8.89	2.24	6.92	9.08	33.33	8.13	0.65	242.24
Reversal of disposal	(0.06)	(5.25)	-	(1.26)	(4.22)	(0.34)	(1.92)	(3.34)	-	(16.39)
Balance as at 31 March 2022/ 1 April 2022	**376.99**	**1,292.36**	**78.85**	**21.07**	**65.04**	**72.98**	**232.64**	**112.49**	**4.31**	**2,256.73**
Charge for the year	34.95	148.52	10.25	2.65	9.49	13.64	33.73	7.98	0.55	261.76
Reversal of disposal	(2.90)	(26.91)	(0.61)	(2.92)	(0.79)	(0.32)	(3.53)	(0.45)	-	(38.43)
Balance as at 31 March 2023	**409.04**	**1,413.97**	**88.49**	**20.80**	**73.74**	**86.30**	**262.84**	**120.02**	**4.86**	**2,480.06**
Net block										
As at 31 March 2022	**691.61**	**945.12**	**62.30**	**9.45**	**36.06**	**37.96**	**187.28**	**54.87**	**3.89**	**2,028.54**
As at 31 March 2023	**652.65**	**930.19**	**74.04**	**17.77**	**33.43**	**61.06**	**201.76**	**58.60**	**3.34**	**2,032.84**

Notes:

(i) Refer note 39 for details of assets pledged as security by the Company.

(ii) Refer note 36 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

(iii) Title deeds of all the immovable property held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.

2b. Capital work-in-progress

Particulars	Amount
As at 1 April 2021	12.60
Add: Additions during the year	5.17
Less: Capitalised during the year	(12.60)
As at 31 March 2022/ 1 April 2022	**5.17**
Add: Additions during the year	161.29
Less: Capitalised during the year	(5.17)
As at 31 March 2023	**161.29**

2c. Ageing of capital work-in-progress

The table below analyse the capital work-in-progress ageing:

31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and equipments pending installation	103.92	-	-	-	103.92
Buildings under progress	57.37	-	-	-	57.37
	161.29	**-**	**-**	**-**	**161.29**

31 March 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and equipments pending installation	1.55	-	-	-	1.55
Buildings under progress	3.62	-	-	-	3.62
	5.17	**-**	**-**	**-**	**5.17**

Note : There are no such project under capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2023 and 31 March 2022

3. Investment property

Tangible assets provided on operating lease to subsidiaries as follows:

Particulars	Freehold land	Buildings	Total
Gross carrying value			
Opening balance as at 1 April 2021	**64.62**	**129.58**	**194.20**
Additions during the year	48.88	-	48.88
Closing balance as at 31 March 2022/ 1 April 2022	**113.50**	**129.58**	**243.08**
Additions during the year	-	-	-
Closing balance as at 31 March 2023	**113.50**	**129.58**	**243.08**
Depreciation			
Opening balance as at 1 April 2021	-	40.97	40.97
Charge for the year (refer note 32)	-	5.13	5.13
Closing balance as at 31 March 2022/ 1 April 2022	**-**	**46.10**	**46.10**
Charge for the year (refer note 32)	-	4.41	4.41
Closing balance as at 31 March 2023	**-**	**50.51**	**50.51**
Net carrying value			
As at 31 March 2022	**113.50**	**83.48**	**196.98**
As at 31 March 2023	**113.50**	**79.07**	**192.57**

Information regarding income and expenditure of Investment property

	Year ended 31 March 2023	Year ended 31 March 2022
Rental income derived from investment properties	20.66	12.96
Less – Depreciation	(4.41)	(5.13)
Profit arising from investment properties before indirect expenses	**16.25**	**7.83**

Fair Value of the above said property at the end of the year is ₹ 243.77 million (Rs. 215.01 million) as valued by an accredited independent valuer with specialisation in valuing these types of properties. The fair value so determined is higher than the carrying Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy

The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

4a. Intangible assets

Particulars	Brands /trademarks	Software	Total
Gross carrying value			
Opening balance as at 1 April 2021	4.90	115.74	120.64
Additions during the year	-	10.52	10.52
Closing balance as at 31 March 2022/ 1 April 2022	**4.90**	**126.26**	**131.16**
Additions during the year	-	5.78	5.78
Closing balance as at 31 March 2023	**4.90**	**132.04**	**136.94**
Amortisation			
Accumulated as at 1 April 2021	3.38	98.38	101.76
Charge for the year (refer note 32)	0.77	6.54	7.31
Balance as on 31 March 2022/ 1 April 2022	**4.15**	**104.92**	**109.07**
Charge for the year (refer note 32)	0.57	6.18	6.75
Balance as on 31 March 2023	**4.72**	**111.10**	**115.82**
Net carrying value			
As at 31 March 2022	**0.75**	**21.34**	**22.09**
As at 31 March 2023	**0.18**	**20.94**	**21.12**

4b. Ageing of intangible assets under development

31 March 2023

Particulars	Ageing				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software	1.22	-	-	-	1.22
License and rights (refer note 33)	697.50	-	-	-	697.50
Less: Provision for diminution in value of license	(697.50)	-	-	-	(697.50)
	1.22	**-**	**-**	**-**	**1.22**

There was no intangible assets under development as on 31 March 2022.

Note : There are no such project in intangible under development whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2023.

Particulars	As at 31 March 2023	As at 31 March 2022
5. Investments		
Investment in equity instrument		
Investments in subsidiaries (measured at cost), Unquoted		
5.1. Investment in equity instruments of subsidiaries		
50,000 (31 March 2022: 50,000) equity shares of Amazing Research Laboratories Limited of ₹ 10 each	1.95	1.95
50,000 (31 March 2022: 50,000) equity shares of May and Baker Pharmaceuticals Limited of ₹ 10 each	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of Nicholas Healthcare Limited of ₹ 10 each	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of Plenteous Pharmaceuticals Ltd. of ₹ 10 each	0.50	0.50
Nil (31 March 2022: 10,000) equity shares of AVHA Lifesciences Private Limited of ₹ 10 each#	-	0.10
10,000 (31 March 2022: 10,000) equity shares of Sarvagunaushdhi Private Limited of ₹ 10 each	0.10	0.10
50,000 (31 March 2022: 50,000) equity shares of Maxcure Nutravedics Limited of ₹ 10 each	80.42	80.42
Nil (31 March 2022: 500,000) equity shares of Delcure Lifesciences Limited of ₹ 10 each#	-	7.25
467,000 (31 March 2022: 467,000) equity shares of Malik Lifesciences Private Limited of ₹ 10 each	34.85	34.85
2,500,000 (31 March 2022: 2,500,000) equity shares of Pure and Cure Healthcare Private Limited of ₹ 10 each	324.67	324.67
18,020,000 (31 March 2022: 18,000,000) equity shares of Unosource Pharma Limited of ₹ 10 each*	196.20	180.00
50,955 (31 March 2022: 50,955) equity shares of Akumentis Healthcare Limited of ₹ 10 each	170.79	170.79
99,994 (31 March 2022: 99,994) equity shares of Akums Healthcare Limited of ₹ 10 each	1.00	1.00
50,00,000 (31 March 2022: 50,00,000) equity shares of Akums Lifesciences Limited of ₹ 10 each	154.40	154.40
1,000 (31 March 2022: 1,000) equity shares of Burroughs Welcome Pharmacia Private Limited of ₹ 10 each	0.01	0.01
1,54,121 (31 March 2022: 1,54,121) equity shares of Medibox Digital Solutions Private Limited of ₹ 10 each**	30.64	30.64
Less: Provision for diminution in the value of investment in Medibox Digital Solutions Private Limited (refer note 33)	(30.64)	-
	965.89	**987.68**
5.2 Investment in preference shares		
Investments in subsidiaries (measured at cost), Unquoted		
5,918 (31 March 2022: 5,918) Cumulative compulsory convertible participating preference shares of Akumentis Healthcare Limited of ₹ 100 each	424.21	424.21
	424.21	**424.21**
5.3 Investment in partnership firm		
(Investments carried at cost, trade, long term, unquoted)		
AUSL Pharma#	-	0.40
(31 March 2022: Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (40%), Vikram Malhotra (36%), Sunil Anand (12%) and Jaideep Malhotra (12%), Total capital of the firm ₹ 1,000,000)		
	-	**0.40**

Particulars	As at 31 March 2023	As at 31 March 2022
5.4 Other investments - investments in limited liability partnership ("LLP") firms		
(Investments carried at cost, trade, long term, unquoted)		
Upadhrish Reserchem LLP	1.50	1.50
(Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.93%) and S.P. Ojha (0.07%), Total Capital of the LLP ₹ 1,501,000)		
Akum Impex LLP#	-	0.10
(31 March 2022: Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.98%), Shri Sanjeev Jain (0.01%) and Shri Sandeep Jain (0.01%). Total Capital of the LLP ₹ 1,00,000)		
	1.50	**1.60**
	1,391.60	**1,413.89**
Aggregate amount of unquoted investments	1,391.60	1,413.89
Aggregate provision for diminution in value of investments	30.64	-

Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses
** The Company is excericising control over Medibox Digital Solutions Private Limited jointly with its wholly owned subsidiary Maxcure
 # The Company during the year has disposed off its investment in following entities: a) AVHA Lifesciences Private Limited, b) Delcue
*During the year Company increased its stake in the following entities :

FY 2022-23		
Acquisition from other equity holder :		
Unosource Pharma Limited	16.20	0.11%
FY 2021-22		
Acquisition from other equity holder :		
Medibox Digital Solutions Private Limited	0.62	16%
Akums Lifesciences Limited	109.40	10%
Fresh investment made :		
Burroughs Welcome Pharmacia Private Limited	0.01	100%

6. Loans		
Unsecured, considered good		
Loans to related parties (refer note 42 and 53)*	9,148.94	8,214.81
	9,148.94	**8,214.81**

**Net of loan written off of ₹ 710.00 million (31 March 2022: ₹ 1,523.48 million)*
**includes interest receivable from related parties amounting to ₹ 53.34 million (31 March 2022: ₹ 35.41 million)*
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses

Particulars	As at 31 March 2023	As at 31 March 2022
7. Other financial assets		
Security deposits	80.49	58.05
Deposit having remaining maturity of more than 12 months*	38.25	47.01
Other receivable	0.02	0.02
	118.76	**105.08**

**pledged with government authorities and others.*

Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses

Particulars	As at 31 March 2023	As at 31 March 2022
8. Non-current tax assets		
Advance income-tax (net of provision)	53.33	257.14
	53.33	**257.14**
9. Other non-current assets		
Unsecured, considered good		
Capital advances	41.08	0.21
Advances other than capital advances:		
Tax deposited with sales tax department (refer note 35 (b))	51.31	51.31
Prepaid expenses	5.29	5.29
Other receivable	3.06	3.06
Unsecured, considered doubtful		
Capital advances	36.00	-
Less: Provision for expected credit loss	(36.00)	-
	100.74	**59.87**
10. Inventories		
(refer note 1.18 in respect of mode of valuation of inventories)		
Raw materials		
on hand	1,097.36	1,026.56
in transit	73.85	32.74
Packing materials		
on hand	355.42	321.07
in transit	3.37	3.75
Work-in-progress	146.06	201.81
Finished goods	260.59	174.29
Stores and spares		
on hand	34.27	32.15
in transit	0.28	0.72
	1,971.20	**1,793.09**

Refer note 39 for information on inventories pledged as security by the Company

Particulars	As at 31 March 2023	As at 31 March 2022
11. Trade receivables		
Trade receivables considered good (unsecured)	2,561.33	3,039.27
Trade receivables-credit impaired	32.39	26.96
	2,593.72	**3,066.23**
Less: Allowance for expected credit losses	(32.39)	(26.96)
	2,561.33	**3,039.27**
11.1 Dues to related party (refer note 42)	465.67	375.03

11.2 Refer note 39 for information on trade receivables pledged as security by the Company.
11.3 Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
11.4 Refer note 50 (a) for the ageing of the trade receivables
11.5 No amount is due from directors or officers of the Company.

Particulars	As at 31 March 2023	As at 31 March 2022
12. Cash and bank balances		
12a. Cash and cash equivalents		
Balance with scheduled banks		
in current accounts	72.08	254.12
Cash on hand	0.25	0.76
	72.33	**254.88**

Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.
Refer note 39 for assets pledged as security by the Company

Particulars	As at 31 March 2023	As at 31 March 2022
12b. Other bank balances		
Deposits with original maturity of more than 3 months and remaining maturirty of less than 12 months	16.12	2.50
	16.12	**2.50**

Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.
Refer note 39 for assets pledged as security by the Company

Particulars	As at 31 March 2023	As at 31 March 2022
13. Other financial assets		
Unsecured, considered good		
Dues from partnership firm and LLPs (refer note 42)	53.83	71.35
Balance with statutory and other authorities	34.11	93.97
Other loans and advances	4.00	4.00
	91.94	**169.32**
14a. Current tax assets		
Income tax refundable	114.05	-
	114.05	**-**
14b. Other current assets		
Unsecured, considered good		
Advance to suppliers and others	86.71	54.87
Prepaid expenses	32.57	23.01
Balance with statutory authorities	261.06	212.03
Others*	3.51	2.62
	383.85	**292.53**

**includes CSR asset amouting to ₹ 0.54 million (31 March 2022: ₹ 0.50 million). Refer note 44 for details.*

Particulars	As at 31 March 2023	As at 31 March 2022
15. Equity share capital		
Authorised		
15,00,00,000 (31 March 2022: 7,50,00,000) equity shares of ₹ 2 (31 March 2022: ₹ 2) each	300.00	150.00
Issued, subscribed and fully paid up		
14,30,64,350 (31 March 2022: 7,15,32,175) equity shares of ₹ 2 (31 March 2022: ₹ 2) each	286.13	143.07
	286.13	**143.07**

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	7,15,32,175	143.07	13,00,585	13.01
Add: Shares issued during the year				
- Additonal shares issued on account of share	-	-	52,02,340	-
- Bonus share issued during the year	7,15,32,175	143.06	6,50,29,250	130.06
At the end of the year	**14,30,64,350**	**286.13**	**7,15,32,175**	**143.07**

15.2 Terms/rights attached to equity shares

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

In the event of winding up of the Company, the equity shareholders will be entitled to be repaid remaining assets of the Company, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares.

On 03 October 2019, the Company executed a shareholders' agreement ("the Agreement") with its existing shareholders (Mr. Sandeep Jain and Mr. Sanjeev Jain) and Ruby QC Investments Pte. Limited ("the Investor") wherein 125,585 fully paid equity shares were issued by the Company and 70,642 equity shares were transferred by the said shareholders directly to the Investor for a total consideration of ₹ 5,000.00 million giving the Investors 15.09% stake in the Company.

As per the Agreement, in the event of liquidation of the Company, the equity shares held by the Investor will have preferential right on the liquidation proceeds so available to the Company over other shareholder. Also refer note 18.1.

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	6,06,92,940	42.42	3,03,46,470	42.42
Sandeep Jain#	6,07,28,690	42.45	3,03,64,345	42.45
Ruby QC Investment Holding Pte Ltd.	2,15,84,970	15.09	1,07,92,485	15.09

**As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.*
 # promoters of the Company. There has been no change in the shareholding ratio of the promoters.
Further, the change in shares held is due to bonus issue in the current year.

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

Particulars	No of shares
Shares issued as bonus shares in 2021-22	6,50,29,250
Additonal shares issued on account of share split	52,02,340
Shares issued as bonus shares in 2022-23	7,15,32,175

15.5 The Company vide board resolution dated 16 March 2022 and shareholder resolution dated 31 March 2022 has approved the Employee Stock Option Scheme 2022 and authorised to create, grant, offer, issue and allot 10,72,983 employee stock options under Emloyee Stock Option Scheme 2022, for the benefit of employees and directors of the Company as decided by the board. The number of shares post bonus issue done in financial year ended 31 March 2023, have resulted in increase of Employee Stock Options from 10,72,983 options to 21,45,966 options. Pending the number of options granted, no adjustment has been recorded in these standalone financial statements.

Particulars	As at 31 March 2023	As at 31 March 2022
16. Other equity		
(a) Securities premium		
Balance as at beginning of the year	-	11.25
Less: Utilisation on account of bonus issue	-	(11.25)
Balance as at end of the year	**-**	**-**
(b) Retained earnings		
Balance as per last financial statements	3,513.55	7,447.45
Add: Profit/ (loss) for the year	1,254.30	(3,817.75)
Add: Other comprehensive income for the year		
- Remeasurement of defined benefit plans	5.36	2.66
Less: Utilisation on account of bonus issue	(143.06)	(118.81)
Balance as at end of the year	**4,630.15**	**3,513.55**
(c) Put option reserve		
Balance as at beginning/ end of the year	(1,801.24)	(1,801.24)
Total	**2,828.91**	**1,712.31**

Nature of reserves

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

1.Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2.Retained earnings

The retained earnings represents the undistributed surplus of the Company earned from its business operations and includes other comprehensive income generated on remeasurement of defined benefit plan.

3. Put option reserve

Refer note 18.1 for further details.

17. Borrowings		
Term loans		
Secured		
From bank		
Loan from bank (refer note 17.1)	250.00	-
	250.00	**-**
Less: Current maturities of long term borrowings (refer note 21)	(31.25)	-
	218.75	**-**

Notes:

Details of the security and repayment terms of the above borrowings (including current maturities)

	Amount outstanding as at	
	As at 31 March 2023	As at 31 March 2022
17.1 Term loans - Secured- From bank		
Term loan taken from HSBC Bank Limited		
Carries an interest rate of 6.51% p.a. linked with 1 month T-Bill (31 March 2022: Not applicable) are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Company, both present and future. The loan is repayable in quarterly installments of ₹ 15.63 million each till August 2027; starting from November 2023.	250.00	-
	250.00	**-**

a) Refer note 39 for assets pledged as security

b) The above loans have been utilised as per the purpose for these loans were sanctioned

c) The property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

d) Refer note 45 for disclosure of fair values in respect of financial liabilties measured at amortised cost and analysis of the maturity

e) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

18. Other financial liabilities		
Put option liability (refer note 18.1 and 45)	10,076.04	10,515.74
Security deposit received		
from customers	29.28	26.98
from others	47.57	6.73
	10,152.89	**10,549.45**

18.1 Pursuant to the Agreement described in note 15.2, the Investor has a right to exercise an option ("put option") after 54 months from 3 October 2019 to require the Company to buyback its equity shares at fair market value at the date of exercise of the put option, in case the Company is not able to give exit to the Investor through an 'initial public offer' or a secondary sale to a third party.

The put option is considered to be contractual obligation of the Company to deliver cash and accordingly the entire amount of ₹ 5,000.00 million paid by the Investor has been recognised as a financial liability at fair value in accordance with Ind AS 109 - Financial instruments and presented above as "put option liability".

The put option liability represents the fair value of the contractual obligation of the Company and includes amounts payable in respect of shares transferred directly from the said shareholders to the Investor amounting to ₹ 1,799.99 million and the face value of the equity shares directly issued to the Investor by the Company amounting to ₹ 1.26 million with a corresponding adjustment of ₹ 1,801.24 million to "other equity" as a "put option reserve". Further, the decrease in the put option liability on its subsequent re-measurement at fair value at the balance sheet date amounting to ₹ 439.70 million (31 March 2022: increased by ₹ 4,941.74 million) is disclosed seperately in the standalone statement of profit and loss.

Particulars	As at 31 March 2023	As at 31 March 2022
19. Provisions		
(a) Provision for employee benefits		
Gratuity (refer note 38)	66.93	62.29
Compensated absences	15.14	18.98
	82.07	**81.27**
20. Deferred tax liabilities (net)		
In accordance with Ind AS 12 "Income Tax", the Company has accounted for deferred taxes.		
Deferred tax liabilities consists of:		
Temporary differences of book and tax depreciation	268.11	205.87
Deferred tax assets consists of:		
Items that are tax deductible on payment basis	24.51	23.41
Lease liabilities	70.40	3.64
Provision for expected credit loss	15.15	6.78
Provision for sales tax	-	44.10
Provision for dimunition in value of intangible assets	175.55	-
Provision for demand raised by statutory authorities	13.84	-
Deferred tax liabilities (net)	**(31.34)**	**127.94**
Refer note 46 for movement of tax		
21. Borrowings		
Secured		
Loan repayable on demand (from bank)		
Working capital loan (including interest accrued) (refer note a to e)	1,205.85	1,222.16
Current maturities of non-current borrowings (refer note 17)	31.25	-
	1,237.10	**1,222.16**

Notes:

Nature of security and repayment terms of the above borrowings are as below:

	Amount outstanding as at	
	As at 31 March 2023	As at 31 March 2022
(a) Cash credit facility from State Bank of India	-	471.53
Cash credit facility received from State Bank of India has been secured by Company's all current assets(present and future)at Company's head office and hypothecation of stocks,book debts and fixed & movable assets of the Unit-I,II,III,IV & V;equitable mortgage by deposit of title deeds in repect of land at Haridwar of Unit I,II,III,IV & V and personal guarantee of directors of the company.The loan is repayable on demand and carries an interest rate of 7.5% p.a. to 8.85% p.a. (previous year 8.85% p.a.)		

Particulars	As at 31 March 2023	As at 31 March 2022
(b) Working capital loan from State Bank of India	352.20	-
Working capital Loan from State Bank of India is secured by company's all current assets(present and future) at Company's head office and hypothecation of stocks,book debts and fixed & movable assets of the Unit-I,II,III,IV & V;equitable mortgage by deposit of title deeds in repect of land at Haridwar of Unit I,II,III,IV & V and personal guarantee of directors of the company and carrries an interest rate in the range of 6.60% p.a. to 7.50% p.a. (previous year: not applicable) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(c) Working capital loan from HDFC Bank	521.63	450.61
Working capital loan from Hdfc Bank Limited is secured by hypothecation/ mortgage of stocks,book debts and fixed and movable assets of Units I,II.III, IV & V, equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate in the range of 4.30% p.a. to 7.80% p.a. (previous year: 4.0% p.a. 4.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(d) Working capital loan from Yes Bank	332.02	200.66
Working capital Loan from Yes Bank Limited is secured by hypothecation/ mortgage of stocks,book debts and fixed and movable assets of unit I,II,III,IV & V; equitable mortgage by deposits of title deeds in respect of land at haridwar. The loan is repayable on demand and carries an interest rate in the range of 4.00%p.a to 7.30% p.a (previous year: 4.0% p.a. to 4.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(e) Cash credit facility from CITI Bank Limited	-	99.36
Cash credit facility from CITI Bank Limited is secured by hypothecation/mortgage of stocks,book debts and fixed and movable assets of unit I,II,II,IV & V; equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate in the range of 7.95% p.a. to 9.5% p.a. (previous year: 7.95% p.a. to 9.5% p.a.)		
	1,205.85	**1,222.16**

The above loans have been utilised as per the purpose for these loans were sanctioned

a) Refer note 39 for assets pledged against borrowing facilities

b) Refer note 45 for disclosure of fair values in respect of financial liabilties measured at amortised cost and analysis of the maturity

c) Refer note 41 for note on submission of quarterly statements to the bank and its reconciliation with the amounts appearing in the

d) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

e) The above loans have been utilised as per the purpose for these loans were sanctioned

Particulars	As at 31 March 2023	As at 31 March 2022
22. Trade payables		
Total outstanding dues of micro and small enterprises (refer note 52): and	143.89	96.25
Total outstanding dues of creditors other than micro and small enterprises	1,635.83	2,424.90
	1,779.72	**2,521.15**
Dues to related parties (refer to note 42)	318.14	1,267.37

Refer note 45 for disclosure of fair values in respect of financial liabilties measured at amortised cost and analysis of the maturity profile

Refer note 50(b) for disclosure in respect of ageing of the above payables.

Particulars	As at 31 March 2023	As at 31 March 2022
23. Other financial liabilities		
Employee payables	97.06	81.09
Payable for property, plant and equipment*	59.18	13.32
Book overdraft	813.85	-
	970.09	**94.41**

** includes dues to micro and small enterprises of ₹ 24.64 million (31 March 2022: ₹ 3.75 million)*

Refer note 45 for disclosure of fair values in respect of financial liabilties measured at amortised cost and analysis of the maturity profile

Particulars	As at 31 March 2023	As at 31 March 2022
24. Other current liabilities		
Advance from customers	878.16	1,307.24
Other payables		
Statutory dues	25.60	21.39
	903.76	**1,328.63**
25. Provisions		
Provision for employee benefits		
Gratuity (refer note 38)	1.56	1.79
Compensated absences	0.91	1.38
Provision for sales tax (refer note 35(b))	-	175.23
Provision for demand raised by statutory authorities*	55.00	-
	57.47	**178.40**

*The Company has during the year received demand letters in respect of shortfall in meeting the export obligation by the Company against the EPCG licence availed earlier. The management is contesting the demand and have filed requisite documents. However, based on the merits of the case and discussion with the legal counsel, an amount of ₹ 55.00 million (previous year - Rs. Nil) has been provided by the Company in these standalone financial statements.

Movement of other provisions (including sales tax and demand raised by statutory authorities) in accordance with Ind AS 37

Opening provisions	175.23	175.23
Add: Provision made during the year	55.00	-
Less: Provision reversed during the year (refer note 35(b))	(175.23)	-
Closing provisions	**55.00**	**175.23**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
26. Revenue from operations		
Sale of finished products	10,668.62	10,762.37
Sale of other products	510.56	363.41
	11,179.18	**11,125.78**
Other operating revenues		
Job work income	209.03	319.39
Testing charges and others	1,413.76	111.93
Sale of scraps	66.29	63.51
	12,868.26	**11,620.61**
Refer note 43 in terms of disclosures required under Ind AS 115		
27. Other income		
Interest income on:		
fixed deposits carried at amortised cost	4.48	4.52
loans given to related parties (refer note 42)	595.33	428.92
Others	17.66	0.42
Share of profit from investment in LLP and partnership firm	51.80	71.35
Foreign currency translations	-	7.25
Rental income	42.65	20.98
Income from government grants/ subsidy	1.43	0.98
Liabilities no longer required, written back	173.68	1.92
Profit on sale of property, plant and equipment	46.37	0.07
Gain on reassessment of right of use assets	-	9.81
Reversal of expected credit loss on trade receivables	-	10.00
Miscellaneous income	28.13	28.54
	961.53	**584.76**
28. Change in inventory of finished goods and work-in-progress		
Opening stock		
Finished goods	174.29	109.99
Work-in-progress	201.81	81.58
(A)	**376.10**	**191.57**
Less: Closing stock		
Finished goods	260.59	174.29
Work-in-progress	146.06	201.81
(B)	**406.65**	**376.10**
Change in inventory of finished goods and work-in-progress (A-B)	**(30.55)**	**(184.53)**
29. Employee benefits expense		
Salaries, wages and bonus	1,378.83	1,287.33
Contributions to provident and other funds*	47.46	41.59
Staff welfare expenses	46.68	34.77
	1,472.97	**1,363.69**

** includes PF & ESIC contribution of ₹ 45.29 million (31 March 2022: ₹ 41.59 million). Refer note 38 for details*

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
30. Other expenses		
Consumption of stores and spare parts	168.93	153.04
Job charges paid	231.81	234.27
Power and fuel	420.36	362.48
Rent (refer note 54)	18.24	10.21
Repairs and maintenance		
Plant and equipments	96.56	97.37
Buildings	28.28	22.87
Others	126.64	108.41
Travelling expense	25.17	10.09
Vehicle running expense	7.60	5.80
Fees and subscription	41.32	17.84
Legal and professional expenses	120.73	108.55
Payment to auditors (refer note 37)	4.00	2.69
Bad debts written off	8.19	0.60
Provision for expected credit loss on trade receivables	5.43	-
Provision for expected credit loss on advance to suppliers	36.00	-
Commission on sales	6.19	12.39
Selling and distribution expenses	26.81	10.79
Loss on foreign exchange transactions and translations, net	3.24	-
Provision for demand raised by statutory authorities	55.00	-
Miscellaneous expenses	104.15	97.60
	1,534.65	**1,255.00**
31. Finance costs		
Interest		
on borrowings	106.33	21.18
on lease liability	25.43	15.32
on late payment of statutory dues	-	0.03
	131.76	**36.53**
32. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	261.76	242.24
Amortisation of right-of-use assets (refer note 54)	27.11	22.95
Depreciation on investment property (refer note 3)	4.41	5.13
Amortisation of intangible assets (refer note 4)	6.75	7.31
	300.03	**277.63**

33. Exceptional items

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Diminution in the value of investment in subsidiaries (refer note (a) below)	30.64	-
Loans written off (refer note (b) below)	710.00	-
Impairment of intangible assets under development (refer note (c) below)	697.50	-
Loss on disposal of investment in subsidiaries (refer note (d) below)	7.19	-
	1,445.33	**-**

Notes:

(a) During the year ended 31 March 2023, the Company has made an assessment of the recoverable value of investment in its subsidiary taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Basis the present performance and business expectations, the management believes that impairment loss of Rs. 30.64 million to be provided for in the books of accounts and accordingly have been disclosed under exceptional items as per applicable Ind AS.

(b) The Company, in earlier years, had granted loan of ₹ 410.00 million and ₹ 300.00 million to its subsidiary company 'Sarvagunaushdhi Private Limited' and 'Nicholas Healthcare Limited' respectively which were engaged in trading of pharmaceutical products. The companies incurred huge losses from its operations and significant reduction in net worth over the years. Pursuant to which, management has conducted a detailed testing for recoverablity of the loan so given and decided to impair the outstanding loan. Accordingly, ₹ 710.00 million for the amount of loan given has been written off by the Company in these standalone financial statements.

(c) The Company in the beginning of the year has purchased ANDA licenses for certain products for ₹ 697.50 million. However, management has re-evaluated the future usage and operational viability of the aforementioned licences basis which these have been decided to be provided for in these standalone financials statements.

(d) The Company, in earlier years, had made investment of ₹ 7.25 million in its subsidiary company 'Delcure Lifesciences Limited' which was engaged in trading of pharmaceutical products. The company incurred huge losses from its operations and not having business activities from last couple of years. Pursuant to which, management has conducted a detailed evaluation for recoverablity of the investment and decided to dispose off the investment. Accordingly, the company incurred impairment loss of ₹ 7.19 million on disposal of investment and have been disclosed under exceptional items as per applicable Ind AS.

34. Earning per equity share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/ (loss) attributable to equity shareholders (₹ million)	**1,254.30**	**(3,817.75)**
Total number of equity shares outstanding at the end of the year (in nos.)*	14,30,64,350	14,30,64,350
Weighted average number of equity shares in calculating basic and diluted EPS (in nos.)*	14,30,64,350	14,30,64,350
Nominal value per share (₹)	2.00	2.00
Basic and diluted EPS (₹)	**8.77**	**(26.69)**

* the number of shares outstanding have been adjusted retrospectively to give impact of the issuance of bonus shares in accordance with Ind AS 33 - Earnings per share.

35. Contingent liabilities

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i)	Liabilities under export scheme (refer note (a) below)	-	4.28
(ii)	Demand raised by sales tax authorities (refer note (b) below)	-	166.69
(iii)	Corporate guarantee given (refer note (c) below)	1,849.57	303.40
(iv)	Income tax matters (refer note (d) below)	28.85	17.70
(v)	Others (refer note (e) below)	0.33	0.33

Notes:

(a) The Company had saved ₹ 4.28 million as custom duty payable on import purchase of capital goods under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India. The Company has undertaken an export obligation of ₹ 25.69 million against import of capital goods by paying concessional rate of custom duty under EPCG scheme. If the Company is unable to meet this export obligation within six years from issue of authorization letters, i.e., on or before 11 February 2022, the Company was liable to deposit the duty saved amount along with interest for the period. The Company had already fulfilled its export obligation under EPCG scheme. However, it is in the process of obtaining discharge certificate of its obligation under EPCG scheme. In the current year, the Company has provided ₹ 55.00 million (previous year: nil) in these standalone financial statements.

(b) Pursuant to the Industrial Promotion Policy, 2003 which amongst other benefits, provided a concessional central sales tax ("CST") @1% to new industries set up in the state of Uttarakhand, the Company commenced manufacturing at its factory units at Haridwar.

Until 30 June 2013, the unit I of the Company availed concessional CST of 1% in terms of the relevant notifications of the sales tax department. However, during FY 2012-13, the sales tax department, after making provisional assessment for period 1 April 2011 to 31 December 2012, issued a notice to the Company disallowing the concessional CST of 1% due to non-fulfillment of certain conditions as stipulated in the said notification and raised a demand amounting to ₹ 88.78 million for differential CST @1%. The Company contested the aforementioned assessment order before the Joint Commissioner (Appeals), Dehradun, Uttarakhand and the Commercial Tax Tribunal, Uttarakhand. As no relief was granted to the Company in the aforesaid proceedings, the Company filed an appeal before the Hon'ble High Court, Uttarakhand on 19 August 2013, which admitted the appeal and granted a stay against the demands for the period from April 2010 to June 2013 raised by the sales-tax department, till the final order by the High Court.

Further, the sales tax department made final assessments from 1 April 2010 to 31 March 2014 raising a demand of ₹ 160.62 million (excluding interest demanded at the rate of 15% per annum), which had been contested by the Company and had been stayed by the Hon'ble High Court, Uttrakhand. The Company had deposited ₹ 51.31 million under protest against the said demands. The Company, as a matter of prudence, in earlier years had provided an amount of ₹ 175.23 million (including interest of Rs. 28.32 million) for the period March 2010 to March 2013. The management had classified the balance demand of ₹ 13.70 million and also interest of ₹ 152.99 million (calculated at 15% per annum for the period 01 April 2013 to 31 March 2022) as a contingent liability.

During the current year, Hon'ble High Court, Uttrakhand passed an order, whereby the previous assessment orders issued by relevant authorities were put aside and committee for determination of total capital investment by the Company has been ordered to be formed which would be issuing a fresh assessment order basis their evaluation. Considering that all the previous assessment order has been put aside by the Hon'ble High Court, Uttrakhand, the provision as well as contingent liability earlier created for the previously raised assessment orders (presently put aside) has been reversed by the company.

(c) Corporate guarantees given represents guarantees given to banks for the loans taken by subsidiary companies. (refer note 53)

(d) Pursuant to the assessment of certain previous years (AY 2017-18, AY 2018-19 and AY 2020-21), department has raised demands of ₹ 28.85 million (31 March 2022: ₹ 17.70 million) on account of:

AY 2017-18: Disallowance of deduction u/s 80IC and 35(2AB) of Income Tax Act, 1961 amounting to ₹ 11.51 million.

AY 2018-19: Disallowance of deduction u/s 35(2AB) and 37(1) of Income Tax Act, 1961 amounting to ₹ 6.26 million.

AY 2020-21: Initiation of penalty proceeding u/s 270 A of Income Tax Act, 1961 amounting to ₹ 11.09 million.

(e) One of the vendor had filed a legal suit against the Company in respect of unpaid amount for the material supplied to the Company. The amount of claim filed amounts to ₹ 0.33 million (2020: ₹ 0.33 million). However, based on discussions with the solicitors, the management believes that the Company has a likely chance of a favorable outcome and accordingly no provision, if any, has been considered necessary to be recorded in the books of accounts.

(f) Pursuant to judgement by the Hon'ble Supreme Court of India dated 28 February, 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. The company has assessed possible outcomes of the judgement based on discussions with internal counsel and believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any for the past periods. Further, the management believes that it is compliant, in all material aspects, with all the relevant statutory requirement for the current year. Accordingly, the Company believes that this matter will not have any material adverse impact on the financial position of the Company. The Company will, however, continue to monitor and evaluate its position based on future events and developments.

36. Capital and other commitments

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	113.38	49.08

37. Payment to auditor

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a)	as auditor	3.50	2.50
(b)	for reimbursement of expenses	0.50	0.19
		4.00	**2.69**

38. Employees benefits

A. Defined contribution plan

	Year ended 31 March 2023	Year ended 31 March 2022
The amount recognised as expense towards contribution to defined contribution plans for the year is as below:		
Company's contribution to Provident Fund	42.60	38.95
Company's contribution to Employees' State Insurance Scheme	2.69	2.64
Total	**45.29**	**41.59**

B. Defined benefit plan - Gratuity

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

	As at 31 March 2023	As at 31 March 2022
Non-current	66.93	62.29
Current	1.56	1.79
	68.49	**64.08**

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

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of the obligation as at the beginning of the year	**64.08**	**58.61**
Service cost	11.02	10.45
Interest cost	4.59	3.98
Benefits paid	(4.04)	(5.41)
Actuarial gain recognised during the year in other comprehensive income	(7.16)	(3.55)
Present value of the obligation as at end of the year	**68.49**	**64.08**

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

	Year ended 31 March 2023	Year ended 31 March 2022
Current Service cost	11.02	10.45
Interest cost	4.59	3.98
Net impact on profit before tax	**15.61**	**14.43**
Actuarial (loss) recognised during the year in other comprehensive income	(7.16)	(3.55)
Amount recognised in total comprehensive income	**8.45**	**10.88**

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

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial gain/ (loss) from change in demographic assumption	-	-
Actuarial gain/ (loss) from change in financial assumption	1.54	3.12
Actuarial gain/ (loss) from experience adjustment	5.62	0.42
Total actuarial gain/ (loss)	**7.16**	**3.54**

(v) Change in fair value of plan assets

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

(vi) Actuarial assumptions

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate (per annum)	7.36%	7.18%
Future salary increase (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Average future service (in years)	23.41 years	23.40 years

Notes:

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

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

(vii) Sensitivity analysis for gratuity liability

	As at 31 March 2023	As at 31 March 2022
Impact of change in discount rate		
Present value of obligation at the end of the year	**68.49**	**64.08**
- Impact due to increase of 0.5 %	(4.12)	(3.76)
- Impact due to decrease of 0.5 %	4.50	4.11
Impact of change in salary increase		
Present value of obligation at the end of the year	**68.49**	**64.08**
- Impact due to increase of 0.5 %	4.48	4.01
- Impact due to decrease of 0.5 %	(4.13)	(3.75)

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

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

	As at 31 March 2023	As at 31 March 2022
Within next 12 months	1.56	1.79
Between 1-5 years	9.98	13.37
Beyond 5 years	56.95	48.92
	68.49	**64.08**

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 18.32 million as at 31 March 2023 (31 March 2022 : ₹ 17.61 million).

(ix) Other long-term employee benefits

An amount of ₹ (1.39 million) (31 March 2022 : ₹ 4.13 million) pertains to (reversal)/ expense towards compensated absences.

	As at 31 March 2023	As at 31 March 2022
Current		
Inventories	1,937.63	1,771.23
Cash and cash equivalents	34.18	120.19
Other bank balances	2.50	2.50
Other financial assets	34.11	93.97
Other current assets	269.64	258.91
Trade receivables	2,539.65	2,927.85
Total current assets pledged as security	**4,817.71**	**5,174.65**
Property, plant and equipment	1,513.63	1,576.69
Capital work-in-progress	74.76	5.33
Total assets pledged as security	**6,406.10**	**6,756.67**

40. Property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

41. Reporting to banks/ financial institutions

The Company is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

42. Related party disclosures

In accordance with Ind AS-24 on related party disclosures where control exist and where transactions in ordinary course of business have taken place and description of the relationships as identified and certified by the management are as follows:

I. Relationships

Name of entity	Principal place of business of investee	Shareholding as at 31 March 2023	Shareholding as at 31 March 2022
(a) Members of the same group			
Subsidiaries			
Akumentis Healthcare Limited	India	91.50%	91.50%
Akums Healthcare Limited	India	100.00%	100.00%
Akums Lifesciences Limited	India	100.00%	100.00%
Amazing Research Laboratories Limited	India	100.00%	100.00%
AVHA Lifesciences Private Limited (till 28 February 2023)	India	-	100.00%
Delcure Lifesciences Limited (till 18 January 2023)	India	-	100.00%
Maxcure Nutravedics Limited	India	100.00%	100.00%
Malik Lifesciences Private Limited	India	100.00%	100.00%
May and Baker Pharmaceuticals Limited	India	100.00%	100.00%
Nicholas Healthcare Limited	India	100.00%	100.00%
Plenteous Pharmaceuticals Limited	India	100.00%	100.00%
Pure and Cure Healthcare Private Limited	India	100.00%	100.00%
Sarvagunaushdhi Private Limited	India	100.00%	100.00%
Unosource Pharma Limited	India	100.00%	99.89%
Akum Impex LLP (till 30 September 2022)	India	-	99.98%
Upadhrish Reserchem LLP	India	99.93%	99.93%
Burroughs Welcome Pharmacia Private Limited (w.e.f. 30 September 2021)	India	99.93%	99.93%
Step down subsidiary of Company			
Medibox Digital Solutions Private Limited	India	100.00%	100.00%
Cure Sure Pharma (Dissolved on 31 March 2022)	India	-	91.50%
Parabolic Research Labs Limited (till 17 March 2023)**	India	-	100.00%
Ziven Lifesciences Limited (till 17 March 2023)**	India	-	100.00%
Dhanwantri Vedaresearch LLP (till 30 September 2022)	India	-	90.00%
(b) Associate of the Company			
AUSL Pharma (till 31 December 2022)	India	-	40.00%

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Managing Director
Mr. Sanjeev Jain	Managing Director
Mr. Basant Kumar Singh	Whole Time Director (from 16 March 2022)
Mr. Deepak Gurudas Haldankar	Whole Time Director (till 31 March 2022)
Mr. Nand Lal Kalra	Independent Director
Ms. Neena Vivek	Independent Director (till 15 April 2022)
Mr. Kewal Handa	Independent Director (from 16 March 2022)
Ms. Matangi Gowrishankar	Independent Directotr (from 16 March 2022)
Mr. Amit Varma	Nominee Director
Mr. Dharamvir Malik	Company Secretary#
Mr. Sumeet Sood	Chief Financial Officer# (from 14 February 2022)
Mr. Vinod Raheja	Chief Financial Officer# (till 4 January 2022)

 # as per Companies Act, 2013

(d) Relatives of KMP*

Ms. Arushi Jain
Mr. D.C. Jain

(e) Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company*

Akome Lifecare Private Limited [formerly Sanjain Lifecare Private Limited (from 11 February 2022)]
Akums Foundation
Akums Health and Education Society
German Remedies Lifesciences Limited
American Remedies Lifesciences Limited
Dhanwantri Vedaresearch LLP (from 1 October 2022)

* where transactions have occurred
** the companies have been struck off from the register of compnies vide public notice dated 17 March 2023

II Summary of related party transactions-

Particulars	31 March 2023	31 March 2022
(a) Transactions during the year		
Inter-corporate loan given		
Pure and Cure Healthcare Private Limited	6,038.00	4,713.45
Maxcure Nutravedics Limited	5,538.18	4,026.33
Akums Lifesciences Limited	4,211.00	3,129.76
Malik Lifesciences Private Limited	3,679.00	2,779.00
Others	1,005.16	2,222.46
Inter-corporate loan repaid		
Pure and Cure Healthcare Private Limited	4,082.45	5,562.00
Maxcure Nutravedics Limited	6,230.50	3,380.50
Malik Lifesciences Private Limited	3,513.00	2,615.50
Akums Lifesciences Limited	2,920.97	1,019.90
Others	2,088.20	992.87
Loan written off		
Nicholas Healthcare Limited	300.00	-
Sarvagunaushdhi Private Limited	410.00	-
Delcure Lifesciences Limited	-	1,523.48
Interest received		
Akums Lifesciences Limited	222.07	95.24
Malik Lifesciences Private Limited	65.60	65.64
Unosource Pharma Limited	48.21	57.40
Maxcure Nutravedics Limited	56.00	45.40
Others	203.09	165.23
Sale of goods and others		
Unosource Pharma Limited	551.32	389.46
Akumentis Healthcare Limited	228.63	354.07
Plenteous Pharmaceuticals Limited	137.77	273.84
Pure and Cure Healthcare Private Limited	405.68	232.12
Nicholas Healthcare Limited	21.30	168.26
Others	215.63	236.85

Particulars	31 March 2023	31 March 2022
Sale of property, plant and equipments		
Pure and Cure Healthcare Private Limited	5.53	9.59
Akums Healthcare Limited	5.14	0.62
Upadhrish Reserchem LLP	2.44	-
Malik Lifesciences Private Limited	0.60	4.27
Akums Lifesciences Limited	0.04	1.77
Others	0.66	-
Sale of MEIS License		
Maxcure Nutravedics Limited	-	4.20
Malik Lifesciences Private Limited	-	0.73
Purchase of goods and others		
Maxcure Nutravedics Limited	968.18	1,204.44
Pure and Cure Healthcare Private Limited	491.94	555.46
Malik Lifesciences Private Limited	279.65	259.01
Others	214.97	105.67
Purchase of assets		
Pure and Cure Healthcare Private Limited	9.10	2.79
Upadhrish Reserchem LLP	1.81	-
Purchase of MEIS License Fees		
Unosource Pharma Limited	-	4.20
Expenses Incurred		
Sarvagunaushdhi Private Limited	0.26	0.36
Plenteous Pharmaceuticals Limited	-	0.01
Selling and distribution expenses		
Medibox Digital Solutions Private Limited	-	5.00
Repairs and maintenance- Plant and equipments		
Upadhrish Reserchem LLP	12.94	8.14

Particulars	31 March 2023	31 March 2022
Consumption of stores and spare parts		
Upadhrish Reserchem LLP	35.24	38.07
Job work charges		
Pure and Cure Healthcare Private Limited	181.68	189.14
Malik Lifesciences Private Limited	49.37	45.13
Others	0.76	-
Expenses paid by other group company		
Akums Healthcare Limited	1.54	-
Pure and Cure Healthcare Private Limited	1.33	1.20
Others	0.37	0.02
Service Income		
Unosource Pharma Limited	31.65	3.11
Maxcure Nutravedics Limited	0.01	6.01
Others	2.11	0.34
Expenses incurred on behalf of Company		
Akums Lifesciences Limited	10.45	241.68
Maxcure Nutravedics Limited	7.32	375.37
Malik Lifesciences Private Limited	11.86	65.75
Pure and Cure Healthcare Private Limited	44.21	28.23
Others	29.00	88.22
Job work Income		
Pure and Cure Healthcare Private Limited	4.33	0.94
Unosource Pharma Limited	0.05	-
Rent received		
Malik Lifesciences Private Limited	18.01	14.22
Maxcure Nutravedics Limited	8.65	4.86
Akums Lifesciences Limited	8.40	-
Pure and Cure Healthcare Private Limited	7.58	1.90
Others	9.43	8.98

Particulars	31 March 2023	31 March 2022
Corporate guarantee given/ (withdrawn)		
Akums Lifesciences Limited	1,400.00	150.00
Delcure Lifesciences Limited	-	(100.00)
May and baker Pharmaceuticals Limited	(41.91)	-
Plenteous Pharmaceuticals Limited	14.56	-
Amazing Research Laboratories Limited	(6.48)	33.40
Unosource Pharma Limited	180.00	-
Corporate guarantee charges		
Akums Lifesciences Limited	7.92	3.50
Others	1.07	0.77
Profit/ (loss) share from investment in Partnership firm/ LLP		
AUSL Pharma	(2.03)	2.03
Upadhrish Reserchem LLP	53.83	69.32
Investment through acquisition of shares		
Burroughs Welcome Pharmacia Private Limited	-	0.01
Sale of investment in subsidiaries		
Dhanwantri Vedaresearch LLP	0.16	-
Remuneration paid*		
Mr. Sanjeev Jain	38.00	33.50
Mr. Sandeep Jain	38.00	33.50
Mr. Basant Kumar Singh	3.49	0.20
Mr. Deepak Haldankar	-	9.65
Mr. Vinod Raheja	-	14.13
Mr. Sumeet Sood	13.23	1.66
Mr. Dharamvir Malik	2.09	2.08
Ms. Arushi Jain	6.30	-
Rent paid		
Akome Lifecare Private Limited	12.48	-
Akums Healthcare Limited	8.43	0.53
Mr. Sanjeev Jain	3.84	3.84
Mr. Sandeep Jain	4.80	4.80
Others	0.36	0.30

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWQ5061
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Sitting fees		
Mr. Kewal Handa	2.40	0.08
Ms. Matangi Gowrishankar	2.20	-
Mr. Nand Lal Kalra	0.44	0.19
Ms. Neena Vivek	-	0.18
Professional charges		
Mr. D.C. Jain	1.80	1.80

**Excluding the post employment benefits as it is computed for the Company as a whole.*

(b) Balance outstanding at the year end

Particulars	31 March 2023	31 March 2022
Inter-corporate loan		
Akums Lifesciences Limited	3,938.00	2,647.97
Malik Lifesciences Private Limited	1,369.00	1,203.00
Pure and Cure Healthcare Private Limited	1,963.00	7.45
Unosource Pharma Limited	520.00	710.00
Others	1,305.60	3,610.97
Trade receivable		
Akums Lifesciences Limited	4.98	122.72
Unosource Pharma Limited	168.01	122.90
Sarvagunaushdhi Private Limited	72.34	29.49
Pure and Cure Healthcare Private Limited	130.84	1.55
Others	89.50	98.37
Interest receivable		
Akums Lifesciences Limited	21.66	12.26
Pure and Cure Healthcare Private Limited	11.82	-
Malik Lifesciences Private Limited	6.87	6.64
Sarvagunaushdhi Private Limited	6.44	0.01
Unosource Pharma Limited	2.98	3.82
Maxcure Nutravedics Limited	1.03	3.47
Akums Healthcare Limited	0.95	3.79
Others	1.59	5.41

Particulars	31 March 2023	31 March 2022
Trade payable		
Malik Lifesciences Private Limited	23.55	71.11
Maxcure Nutravedics Limited	217.17	929.19
Pure and Cure Healthcare Private Limited	18.40	266.11
Akums Lifesciences Limited	56.99	-
Others	2.03	0.97
Security deposit received		
Amazing Research Laboratories Limited	1.74	1.74
May and baker Pharmaceuticals Limited	0.95	0.95
Plenteous Pharmaceuticals Limited	0.78	0.78
Sarvagunaushdhi Private Limited	0.60	0.60
Dues from partnership firm and LLPs		
Upadhrish Reserchem LLP	53.83	69.32
AUSL Pharma	-	2.03
Other payable		
Maxcure Nutravedics Limited	-	0.02
Corporate guarantee**		
Akums Lifesciences Limited	1,550.00	150.00
Unosource Pharma Limited	180.00	-
Plenteous Pharmaceuticals Limited	64.56	50.00
Amazing Research Laboratories Limited	46.92	53.40
May and baker Pharmaceuticals Limited	8.09	50.00

***represents corporate guarantee given to subsidiaries for the loan taken by them. The guarantee given has been restricted to the amount of loan outstanding as on the closing date.*

#Apart from the above transactions the Company has taken personal guarantee amounting to ₹ 352.20 million (31 March 2022: ₹ 471.53 million) from directors for the loans availed by the Company.

43. Disclosure required under Ind AS 115 - Revenue from customers

(i) Disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Revenue from sale of manufactured goods	10,668.62	10,762.37
Revenue from sale of goods - others	510.56	363.41
Other operating revenue		
Job work charges	209.03	319.39
Testing charges and others	1,413.76	111.93
Sale of scrap	66.29	63.51
	12,868.26	**11,620.61**

(ii) Assets and liabilities related to contracts with customers

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance received from customers	-	878.16	-	1,307.24

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

(iii) Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	1,307.24	25.69
Addition during the	878.16	1,307.24
Revenue recognised during the	1,307.24	25.69
Closing balance	**878.16**	**1,307.24**

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated. The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 days. There is no significant financing component in any transaction with the customers.

44. Corporate social responsibility

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, required to spend at least 2% of its average net profit for the immediately preceding three financial year as per section 198 of the Companies Act 2013 on corporate social responsibility(CSR) activities. The CSR committee has been formed by the Company as per the Act and the Company has identified areas of "Promoting Education and Healthcare and Rural Development projects" for CSR activities.

The Company has spent amount on corporate social responsibility expenses as below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Unspent/ (Overspent) balance as at beginning of the year	(0.50)	-
Gross amount required to be spent during the year	-	-
Amount spent during the year		
- Construction/ acquisition of any asset	-	-
- On purposes other than above	(0.04)	0.50
Unspent/ (Overspent) balance as at year end [(excess)/ shortfall]	(0.54)	(0.50)

The excess amount spent on CSR during FY 2022-23 has been recognised as an asset in the books of account as per Companies Act 2013 (refer note 14b)

A. Financial instruments by category

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Particulars	Amortised cost	
	As at 31 March 2023	As at 31 March 2022
Financial assets		
Trade receivables	2,561.33	3,039.27
Cash and cash equivalents	72.33	254.88
Other bank balances	16.12	2.50
Loans	9,148.94	8,214.81
Other financial assets	210.70	274.40
Total financial assets	**12,009.42**	**11,785.86**
Financial liabilities		
Borrowings	1,455.85	1,222.16
Trade payables	1,779.72	2,521.15
Lease liabilities	425.18	180.70
Other financial liabilities	1,046.94	128.12
Finanacial laibilities carried at fair value		
Liability arising out of put option	10,076.04	10,515.74
Total financial liabilities	**14,783.73**	**14,567.87**

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

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

Investments in subsidiaries and associate as at the close of the year ended 31 March 2023 are carried at cost, per the option availed by the Company under the relevant provision of Ind AS. Hence the same has not been considered in the above table.

B. Fair values hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss					
Liability arising out of put option	31 March 2023	-	-	10,076.04	**10,076.04**
	31 March 2022	-	-	10,515.74	**10,515.74**

B.2 Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) for liability arising on account of put option, adjusted discounted cash flow method (income approach) has been used.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	31 March 2023	31 March 2022	
Liability arising out of put option	10,076.04	10,515.74	Growth rate

B.3 Sensitivity analysis

Description	Year ended 31 March 2023	Year ended 31 March 2022
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	(2.20)	24.71
- Impact due to decrease of 0.5%	2.20	(24.71)

B.4 The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022

Particulars	Liability arising out of put option
As at 1 April 2021	5,574.00
Add: fair value changes during the year	4,941.74
As at 31 March 2022/ 1 April 2022	**10,515.74**
Add: fair value changes during the year	(439.70)
As at 31 March 2023	**10,076.04**

C. Financial risk management

Financial risk management objectives and policies

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

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

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

Financial risk factors

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

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

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

C.1 Market risk

(a) Foreign currency risk

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

Foreign currency risk exposure:

Particulars	31 March 2023		31 March 2022	
	USD	million	USD	million
Trade receivables	4,47,494	35.34	-	-
Trade and other payables	24,273	2.03	13,51,800	103.79
Total	**4,71,767**	**37.37**	**13,51,800**	**103.79**

Sensitivity

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

Particulars	Currency	31 March 2023		31 March 2022	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1%* (31 March 2022: 1.47%) * Holding all other variables constant	USD	0.33	(0.33)	(1.53)	1.53

(b) Interest rate risk

(i) Financial liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At 31 March 2023 and 31 March 2022, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

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

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	1,455.85	1,222.16
Fixed rate borrowing	-	-
Total borrowings	**1,455.85**	**1,222.16**

Sensitivity

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

Particulars	As at 31 March 2023	As at 31 March 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points	14.56	12.22
Interest rates – decrease by 100 basis points	(14.56)	(12.22)

** Holding all other variables constant*

(ii) Financial assets

The Company's deposits with banks are carried at amortised cost and are fixed rate instruments. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(c) Price risk

(i) Exposure

The Company is in the business of contract manufacturing whwerin any increase in the price is passed to the customer and hence the company is not exposed to significant prcice risk.

C.2 Credit risk

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

(a) Credit risk management

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

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

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the statement of profit and loss.

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

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, Cash and cash equivalents, financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss

Financial assets that expose the entity to credit risk –

Particulars	At at 31 March 2023	At at 31 March 2022
Low credit risk		
Cash and cash equivalents	72.33	254.88
Other bank balances	16.12	2.50
Loans	9,148.94	8,214.81
Other financial assets	210.70	274.40
Moderate credit risk		
Trade receivables	2,561.33	3,039.27
Total	**12,009.42**	**11,785.86**

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Trade receivables are generally unsecured and non-interest bearing. There is no significant concentration of credit risk. The Company's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilization of credit limit is regularly monitored and a significant element of credit risk is covered by credit insurance. The Company's credit risk is mainly confined to the risk of customers defaulting against credit sales made. Outstanding trade receivables are regularly monitored by credit monitoring Company. In respect of trade receivables, the Company recognises a provision for lifetime expected credit losses after evaluating the individual probabilities of default of its customers which are duly based on the inputs received from the marketing teams of the Company.

(b) **Expected credit losses for financial assets**

(i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

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

31 March 2023	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	72.33	-	-	72.33
Other bank balances	16.12	-	-	16.12
Loans	9,148.94	-	-	9,148.94
Other financial assets	210.70	-	-	210.70

31 March 2022	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	254.88	-	-	254.88
Other bank balances	2.50	-	-	2.50
Loans	8,214.81	-	-	8,214.81
Other financial assets	274.40	-	-	274.40

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

As at 31 March 2023 and 31 March 2022, the Company considered the individual probabilities of default of its financial assets (other than trade receivables) and determined that in respect of counterparties with low credit risk, no default events are considered to be possible within the 12 months after the reporting date. In respect of trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses using a simplified approach.

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,777.61	-	-	1,777.61
Between one to six month overdue	608.57	-	-	608.57
Between six month to one year overdue	88.77	-	-	88.77
Greater than one year overdue	118.77	27.27%	(32.39)	86.38
Total	**2,593.72**		**(32.39)**	**2,561.33**

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,992.14	-	-	1,992.14
Between one to six month overdue	934.51	-	-	934.51
Between six month to one year overdue	33.52	-	-	33.52
Greater than one year overdue	106.06	25.42%	(26.96)	79.10
Total	**3,066.23**		**(26.96)**	**3,039.27**

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

Reconciliation of loss allowance	Trade receivables
Loss allowance on 1 April 2021	(57.38)
Charge in statement of profit and loss	-
Release to statement of profit and loss	30.42
Loss allowance on 31 March 2022/ 1 April 2022	**(26.96)**
Charge in statement of profit and loss	(5.43)
Release to statement of profit and loss	-
Loss allowance on 31 March 2023	**(32.39)**

C.3 **Liquidity risk**

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

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

(a) **Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023	As at 31 March 2022
Working capital facility	1,822.25	631.36

(b) **Maturities of financial liabilities**

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant:

31 March 2023	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowing (including current maturities of long term debt) along with estimated future interest obligation	1,237.10	218.75	-	1,455.85
Trade payable	1,779.72	-	-	1,779.72
Lease liabilities	17.43	88.47	319.28	425.18
Other financial liabilities	970.09	10,152.89	-	11,122.98
Total	**4,004.34**	**10,460.11**	**319.28**	**14,783.73**

31 March 2022	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowing (including current maturities of long term debt) along with estimated future interest obligation	1,222.16	-	-	1,222.16
Trade payable	2,521.15	-	-	2,521.15
Lease liabilities	13.79	72.05	94.86	180.70
Other financial liabilities	94.41	10,549.45	-	10,643.86
Total	**3,851.51**	**10,621.50**	**94.86**	**14,567.87**

46. Tax expense

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current income-tax		
for current year	413.29	15.63
for earlier years	(3.32)	(12.21)
Total	**409.97**	**3.42**
Deferred tax charge (including other comprehensive income)Deferred taxes	(159.28)	465.46
Tax expense	**250.69**	**468.88**

(a) Current tax

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	1,503.19	(3,349.76)
Income tax using the Company's domestic tax rate *	25.17%	25.17%
Expected tax expense [A]	**378.32**	**(843.07)**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Change of tax rates	-	94.41
Effect of non-deductible expenses and others	(124.31)	1,229.75
Income- tax for earlier years	(3.32)	(12.21)
Total adjustments [B]	**(127.63)**	**1,311.95**
Actual tax expense [C=A+B]	**250.69**	**468.88**

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

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

Particulars	As at 31 March 2022	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2023
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(205.87)	-	(62.24)	(268.11)
Deferred tax assets consists of:				
Employee benefits	23.41	(1.80)	2.90	24.51
Provision for credit losses on financial assets	6.78	-	8.37	15.15
Lease liability	3.64	-	66.76	70.40
Provision for sales tax	44.10	-	(44.10)	-
Provision for dimunition in value of intangible assets	-	-	175.55	175.55
Provision for demand raised by statutory authorities	-	-	13.84	13.84
Net deferred tax asset / (liability)	**(127.94)**	**(1.80)**	**161.08**	**31.34**

Changes in deferred tax assets and liabilities for the year ended 31 March 2022:-

Particulars	As at 31 March 2021	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2022
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(314.54)	-	108.67	(205.87)
Deferred tax assets consists of:				
Employee benefits	34.84	(0.89)	(10.54)	23.41
Provision for credit losses on financial assets	20.05	-	(13.27)	6.78
Lease liability	3.57	-	0.07	3.64
Provision for sales tax	61.23	-	(17.13)	44.10
Provision for diminution in value of loans given	532.37	-	(532.37)	-
Net deferred tax asset / (liability)	**337.53**	**(0.89)**	**(464.57)**	**(127.94)**

47. Research and development expenditure

The Company has its research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to Rs. 247.08 million (31 March 2022: Rs. 223.64 million) (including depreciation of Rs. 30.86 million (31 March 2022: Rs. 23.07 million) and interest expense of Rs. 1.14 million (31 March 2022: Rs. 1.34 million) recognised in the standalone financial statements.

48. Segment reporting

The Company is primarily engaged in the manufacturing of "pharmaceuticals formulations". Hence as per, chief operating decision maker, the sale of pharmaceuticals formulations has been considered as Revenue from two (previous year - one) customer, accounting for more than 10% of the total revenue, is Rs. 3,043.10 million (31 March 2022: Rs. 1,792.65 million).

49. Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Gearing ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt (including current maturities of long term debt)	1,455.85	1,222.16
Less:		
Cash and cash equivalents	72.33	254.88
Other bank balances	16.12	2.50
Net debt	**1,367.40**	**964.78**
Total equity	3,115.04	1,855.38
Equity and net debt	**4,482.44**	**2,820.16**
Gearing ratio	**30.51%**	**34.21%**

50. Ageing of trade receivables and trade payables as per Schedule III

a) Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2023

	Particulars	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1-3 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	2,385.60	88.77	17.66	-	5.98	**2,498.01**
(ii)	Disputed trade receivables- considered good	0.59	-	41.46	-	53.66	**95.71**
(iii)	Disputed trade receivables- credit impaired	(0.15)	-	(12.84)	-	(19.40)	**(32.39)**
		2,386.04	**88.77**	**46.28**	**-**	**40.24**	**2,561.33**

31 March 2022

	Particulars	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1-3 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	2,926.65	33.52	54.65	-	24.45	**3,039.27**
(ii)	Disputed trade receivables- considered good	-	-	-	-	26.96	**26.96**
(iii)	Disputed trade receivables- credit impaired	-	-	-	-	(26.96)	**(26.96)**
		2,926.65	**33.52**	**54.65**	**-**	**24.45**	**3,039.27**

b) Trade payables ageing

The table below analyse the outstanding trade payables:

31 March 2023

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	144.30	-	-	-	**144.30**
Others	1,590.20	4.47	-	0.07	**1,594.74**
Unbilled dues	40.68	-	-	-	**40.68**
	1,775.18	**4.47**	**-**	**0.07**	**1,779.72**

31 March 2022

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	96.25	-	-	-	**96.25**
Others	2,357.25	6.07	-	0.24	**2,363.56**
Unbilled dues	61.34	-	-	-	**61.34**
	2,514.84	**6.07**	**-**	**0.24**	**2,521.15**

51. Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Current year	% Variance
Current ratio	Current Assets	Current liab	1.05	1.04	1%
Debt - Equity ratio[1]	Total debt	Shareholders equity	40%	66%	-40%
Debt service coverage ratio[1]	Earnings available for debt service	Debt Service	27.66	90.00	-69%
Return on equity ratio[2]	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	50%	-154%	-133%
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.19	4.08	3%
Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	4.60	4.15	11%
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.38	4.16	5%
Net capital turnover ratio	Net Sales	Working Capital	52.47	60.19	-13%
Net profit ratio[2]	Net Profit	Net Sales	10%	-29%	-134%
Return on capital employed[2]	Earning before interest and taxes	Capital Employed	61%	15%	295%
Return on investment[2]	Profit after tax	Investment	29%	103%	-72%

Reasons for variance:

[1]Increase in working capital loans to finance increase in operations have lead to change in the ratios.

[2]On account of fair value changes in the financial instrument (put option liability), there has been a change in the ratios.

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

Particulars	As at 31 March 2023	As at 31 March 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due*	168.53	100.00
- Interest amount due	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

**includes capital creditors of ₹ 24.64 million (31 March 2022: ₹ 3.75 million)*

53. The Company has given loans, made investment and given guarantee for various subsidiary companies and associate. The details of loans, investment made and guarantee outstanding as at year end is

Name of Entity	Interest rate p.a.	Repayable in	As at 31 March 2023	As at 31 March 2022
a) Long term loan given for general corporate purpose				
Amazing Research Laboratories Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	277.00	262.00
Akums Healthcare Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	190.00	724.04
Akums Lifesciences Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	3,938.00	2,647.97
Burroughs Welcome Pharmacia Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	107.20	4.80
AUSL Pharma	12%	December 2026	-	55.00
AVHA Lifesciences Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	-	90.00
Malik Lifesciences Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	1,369.00	1,203.00
Maxcure Nutravedics Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	-	692.33
Nicholas Healthcare Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	47.50	685.00
Plenteous Pharmaceuticals Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	490.00	581.90
Pure and Cure Healthcare Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	1,963.00	7.45
Sarvagunaushdhi Private Limited*	7.5% (April 2022 to September 2022: 7%)	December 2026	-	410.00
Upadhrish Reserchem LLP	7.5% (April 2022 to September 2022: 7%)	December 2026	193.90	105.90
Unosource Pharma Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	520.00	710.00
Total (A)			**9,095.60**	**8,179.39**
Total loans given (A)			**9,095.60**	**8,179.39**

Company had charged interest @ 7% on the entire amount outstanding.
The above loan figures doesn't includes interest receivable from related parties amounting to ₹ 53.34 million (31 March 2022: ₹ 35.41 million)

Akumentis Healthcare Limited	170.79	170.79
Akums Healthcare Limited	1.00	1.00
Akums Lifesciences Limited	154.40	154.40
Amazing Research Laboratories Limited	1.95	1.95
AVHA Lifesciences Private Limited	-	0.10
Burroughs Welcome Pharmacia Private Limited	0.01	0.01
Delcure Lifesciences Limited	-	7.25
Malik Lifesciences Private Limited	34.85	34.85
Maxcure Nutravedics Limited	80.42	80.42
May and Baker Pharmaceuticals Limited	0.50	0.50
Medibox Digital Solutions Private Limited	-	30.64
Nicholas Healthcare Limited	0.50	0.50
Plenteous Pharmaceuticals Limited	0.50	0.50
Pure and Cure Healthcare Private Limited	324.67	324.67
Sarvagunaushdhi Private Limited	0.10	0.10
Unosource Pharma Limited	196.20	180.00
Total (B)	**965.89**	**987.68**
d) Particulars of Investment made- Cumulative compulsory convertible participating preference shares		
Akumentis Healthcare Limited	424.21	424.21
Total (C)	**424.21**	**424.21**
Total investments made (B+C)	**1,390.10**	**1,411.89**

**As per requirement of Section 186(4), disclosure is required in regards to body corporates only*

e) Guarantee given for subsidiary Companies bank loan availed by them*		
Akums Lifesciences Limited	1,550.00	150.00
Unosource Pharma Limited	180.00	-
Plenteous Pharmaceuticals Limited	64.56	50.00
Amazing Research Laboratories Limited	46.92	53.40
May and Baker Pharmaceuticals Limited	8.09	50.00
Total (guarantee)	**1,849.57**	**303.40**

**represents corporate guarantee given to subsidiaries for the loan taken by them. The guarantee given has been restricted to the amount of loan outstanding as on the closing date.*

54. Lease

(a) The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Use assets at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lesses's incremental borrowing rate at the date of initial application.

(b) The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 9% p.a.

(c) Since there was no change made in original lease contract in the current financial year, no reassement or revaluation done for the Right-of-use assets created originally.

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

As at 31 March 2023:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Land	7	30-94	82
Buildings	5	4-7	6

As at 31 March 2022:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Land	7	89-95	91
Buildings	4	5-8	7

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

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

Particulars	Category of Right-of-use assets		
	Land	Buildings	Total
Balance as at 1 April 2021 (on account of application of Ind AS 116)	119.60	173.98	**293.58**
Add: Additions during the year	-	13.70	**13.70**
Less: Amortisation charged on the right-of-use assets (refer note 32)	1.52	21.43	**22.95**
Balance as at 31 March 2022/ 1 April 2022	**118.08**	**166.25**	**284.33**
Add: Additions during the year	260.39	0.87	**261.26**
Less: Lease terminated	40.98	-	**40.98**
Less: Amortisation charged on the right-of-use assets (refer note 32)	5.46	21.65	**27.11**
Balance as at 31 March 2023	**332.03**	**145.47**	**477.50**

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

	Year ended 31 March 2023	Year ended 31 March 2022
Expenses relating to short term leases (refer note 30)	18.24	10.21
Total	**18.24**	**10.21**

(g) The total cash outflow for leases for the year ended 31 March 2023 was ₹ 42.21 million. (31 March 2022: ₹ 16.64 million)

(h) **Future minimum lease payments**
As at 31 March 2023

Minimum Lease payments due	As at 31 March 2023		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	54.99	37.56	17.43
1-10 Year	426.93	248.20	178.73
10-20 Year	249.55	179.51	70.04
More than 20 Year	237.07	78.09	158.98
Total	**968.54**	**543.36**	**425.18**

As at 31 March 2022

Minimum Lease payments due	As at 31 March 2022		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	29.50	15.71	13.79
1-5 Year	120.00	47.95	72.05
More than 5 Year	111.61	16.75	94.86
Total	**261.11**	**80.41**	**180.70**

55. Post reporting date events

No adjusting or significant non adjusting event has occured between 31 March 2023 and date of authorisation of Company's standalone financial statements.

56. Other statutory information

(a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(b) The Company do not have any transactions with companies struck off.
(c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
(d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or
(g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income
(h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

As per our report of even date attached

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

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi

Date : 30 June 2023

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

Akums
AKUMS DRUGS & PHARMACEUTICALS LTD.

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWR1382
Consolidated statement of profit and loss for the year ended 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	**2a**	9,631.51	9,320.28
(b) Right-of-use assets	**54**	1,263.59	810.59
(c) Capital work-in-progress	**2b**	1,029.93	308.18
(d) Goodwill	**52**	20.63	20.63
(e) Other intangible assets	**3**	57.37	53.87
(f) Intangible assets under development	**2c**	1.63	2.53
(g) Financial assets			
(i) Investments	**4**	1.43	3.86
(ii) Loans	**5**	-	55.00
(iii) Other financial assets	**6**	344.20	394.03
(h) Non-current tax assets (net)	**7**	122.61	360.43
(i) Deferred tax assets	**22**	315.17	188.53
(j) Other non-current assets	**8**	635.61	256.38
Total non-current assets		**13,423.68**	**11,774.31**
(2) Current assets			
(a) Inventories	**9**	7,297.95	7,224.48
(b) Financial assets			
(i) Trade receivables	**10**	8,450.87	8,843.12
(ii) Cash and cash equivalents	**11**	516.08	551.39
(iii) Bank balances other than (ii) above	**12**	983.81	477.08
(iii) Loans	**13**	73.73	-
(vi) Other financial assets	**14**	152.30	208.01
(c) Current-tax asset	**15a**	114.05	-
(d) Other current assets	**15b**	1,199.93	1,336.55
Total current assets		**18,788.72**	**18,640.63**
Assets held for sale	**16**	452.87	275.53
Total assets		**32,665.27**	**30,690.47**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	**17**	286.13	143.07
(b) Other equity	**18**	6,885.76	6,076.69
Equity attributable to equity holders of the Parent		7,171.89	6,219.76
(c) Non-controlling interest's		61.85	31.95
Total equity		**7,233.74**	**6,251.71**

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	**19**	1,154.96	133.33
(ii) Lease liabilities	**54**	748.80	304.08
(iii) Other financial liabilities	**20**	10,356.82	10,644.88
(b) Provisions	**21**	262.27	239.32
(c) Deferred tax liabilities	**22**	253.01	392.98
Total non-current liabilities		**12,775.86**	**11,714.59**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**23**	4,214.77	3,446.20
(ii) Lease liabilities	**54**	72.41	66.22
(iii) Trade payables	**24**		
Total outstanding dues to micro and small enterprises; and		442.16	331.87
Total outstanding dues of creditors other than micro and small enterprises		5,229.23	5,564.79
(iv) Other financial liabilities	**25**	628.10	702.09
(b) Other current liabilities	**26**	1,421.95	1,545.76
(c) Provisions	**27**	459.37	589.24
(d) Current tax liabilities (net)	**28**	187.68	478.00
Total current liabilities		**12,655.67**	**12,724.17**
Total equity and liabilities		**32,665.27**	**30,690.47**

Summary of significant accounting policies and other explanatory information **1-56**

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

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

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 30 June 2023

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWR1382
Consolidated balance sheet as at 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	**29**	36,548.20	36,772.93
Other income	**30**	461.05	172.30
Total income		**37,009.25**	**36,945.23**
EXPENSES			
Cost of materials consumed		20,280.85	20,385.94
Purchase of stock-in-trade		2,217.88	3,942.07
Change in inventories of finished goods, stock-in-trade and work-in-progress	**31**	240.35	(877.41)
Employee benefits expense	**32**	5,901.33	5,077.58
Other expenses	**33**	4,967.98	4,166.20
Total expenses		**33,608.39**	**32,694.38**
Earnings before fair value changes, finance costs, depreciation and amoritisation, exceptional items, share of profit/ loss of associate and tax (EBITDA)		**3,400.86**	**4,250.85**
Fair value changes to financial instruments		(439.69)	4,941.74
Finance costs	**34**	462.46	166.55
Depreciation and amortisation expense	**35**	1,128.09	946.79
Profit/ (loss) before exceptional items and tax		**2,250.00**	**(1,804.23)**
Exceptional items	**36**	745.00	129.77
Profit/ (loss) before share of profit of an associate		**1,505.00**	**(1,934.00)**
Share of (loss)/ profit of an associate		(2.03)	2.03
Profit/ (loss) before tax		**1,502.97**	**(1,931.97)**
Tax expense:			
Current tax		781.30	690.45
Tax for earlier years		16.09	(53.26)
Deferred tax charge/(reversal)		(272.59)	(60.42)
Total tax expense		**524.80**	**576.77**
Profit/ (loss) for the year		**978.17**	**(2,508.74)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (losses) on defined benefit plan		26.05	(1.69)
			0.81
Income-tax effect related to items that will not be reclassified to profit and loss		(5.99)	
Other comprehensive income, net of tax		**20.06**	**(0.88)**

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Total comprehensive income for the year (comprising of profit/ (loss) for the year and other comprehensive income for the year)		**998.23**	**(2,509.62)**
Total comprehensive income attributable to:			
Owners of the Parent		968.33	(2,526.20)
Non-controlling interests		29.90	16.58
Out of total comprehensive income above, profit for the year attributable to:			
Owners of the Parent		948.55	(2,525.36)
Non-controlling interests		29.62	16.62
Out of total comprehensive income above, other comprehensive income			
Owners of the Parent		19.78	(0.84)
Non-controlling interests		0.28	(0.04)
Earnings per equity share of ₹ 2 (31 March 2022: ₹ 2) each			
Basic and diluted		**6.84**	**(17.54)**

Summary of significant accounting policies and other explanatory information **1-56**

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

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

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Tarun Gupta
Partner
Membership No: 507892

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Place : New Delhi
Date : 30 June 2023

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWR1382

Consolidated statement of changes in equity for the year ended 31 March 2023

(All amounts in ₹ million unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2021	13.01
Changes in equity share capital	130.06
As at 31 March 2022/ 1 April 2022	143.07
Changes in equity share capital (refer note 15.1 for details)	143.06
As at 31 March 2023	**286.13**

b. Other equity

Particulars	Reserves and surplus			Put option reserve	Total other equity attributable to equity holders of the parent	Non-controlling Interests (NCI)	Total
	Capital reserve	Security premium	Retained earnings				
Balance as at 1 April 2021	1,029.98	1,282.91	8,323.81	(1,801.24)	8,835.46	22.88	8,858.34
Profit for the year	-	-	(2,525.36)	-	(2,525.36)	16.62	(2,508.74)
Other comprehensive income for the year, net of tax							
Re-measurement of defined benefit plans	-	-	(0.84)	-	(0.84)	(0.04)	(0.88)
Shares issued during the year (refer note 17.4)	-	(11.25)	(118.81)	-	(130.06)	-	(130.06)
Adjustment on account of further acquisition		-	(102.51)	-	(102.51)	(7.51)	(110.02)
Balance as at 31 March 2022 / 1 April 2022	**1,029.98**	**1,271.66**	**5,576.29**	**(1,801.24)**	**6,076.69**	**31.95**	**6,108.64**
Profit/ (loss) for the year	-	-	948.55	-	948.55	29.62	978.17
Other comprehensive income for the year, net of tax							
Re-measurement of defined benefit plans	-	-	19.78	-	19.78	0.28	20.06
Adjustment on account of further acquisition	-	-	(16.20)	-	(16.20)	-	(16.20)
Bonus shares issued during the year (refer note 17.4)		-	(143.06)		(143.06)	-	(143.06)
Balance as at 31 March 2023	**1,029.98**	**1,271.66**	**6,385.36**	**(1,801.24)**	**6,885.76**	**61.85**	**6,947.61**

Summary of significant accounting policies and other explanatory information **1-56**

This is the consolidated statement of changes in equity referred to in our report of even date.

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

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 30 June 2023

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWR1382
Consolidated statement of cash flow for the year ended 31 March 2023
(All amounts in ₹ million unless otherwise stated)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities			
Net profit/ (loss) before tax		1,502.97	(1,931.97)
Add/ less: non-cash adjustments			
Depreciation and amortisation		1,128.09	946.79
Bad debts		24.58	67.74
Provision for expected credit loss on trade receivable		18.56	120.88
Liabilities no longer required, written back		(216.81)	(21.00)
Loss on sale of property, plant & equipment and intangible assets		(45.75)	20.66
Impairment of goodwill		-	129.77
Impairment of assets held for sale		47.50	-
Impairment of intangible assets under development		697.50	-
Share of loss/ (profit) from associate		2.03	(2.03)
Finance costs		462.46	166.55
Gain on reassessment of right-of-use assets		(22.36)	(10.55)
Fair value charges on financial instrument		(439.69)	4,941.74
Interest income		(78.80)	(46.31)
Operating profit before working capital changes		**3,080.28**	**4,382.27**
Adjustments for working capital changes			
Inventories		(73.47)	(2,925.89)
Trade receivables		349.11	(3,717.75)
Other assets		(183.14)	(568.71)
Trade payables		(183.69)	2,505.09
Other financial liabilities		2.41	(137.16)
Provisions		94.36	56.27
Other liabilities		(348.91)	1,282.09
Cash flow generated from operations (gross)		2,736.95	876.21
Less: direct taxes paid		(970.64)	(548.18)
Net cash flow generated from operating activities	**(A)**	**1,766.31**	**328.03**
B. Cash flow from investing activities			
Purchase of property, plant and equipment & intangible assets (including		(3,287.93)	(2,575.82)
Proceeds from sale of property, plant and equipment		421.47	19.24
Withdrawal from interest in partnership firm		0.40	3.47
(Investment in)/ proceeds from deposits having original maturity of more than 3 months		(449.93)	53.51
Consideration paid to NCI towards further acquisition of interest in subsidiaries		(16.20)	(110.02)
(Purchase of)/ proceeds from sale of current investments		-	190.09
Advance received against assets held for sale		225.10	-
Loans (given)/ repaid		(18.73)	25.00
Interest received		78.80	46.31
Net cash flow used in investing activities	**(B)**	**(3,047.02)**	**(2,348.22)**

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
C. Cash flow from financing activities			
Proceeds from non-current borrowings		1,401.60	200.19
Repayments of non-current borrowings		(107.58)	(11.61)
Proceeds from/ (repayment of) current borrowings (net)		485.79	2,415.16
Payment of lease liabilities		(129.98)	(163.73)
Interest paid		(404.43)	(89.10)
Net cash flow generated from financing activities	**(C)**	**1,245.40**	**2,350.91**
Net increase in cash and cash equivalents	**(D= A+B+C)**	**(35.31)**	**330.72**
Cash and cash equivalents as at the beginning of the year	E	551.39	220.67
Cash and cash equivalents as at the end of the year	**(D+E)**	**516.08**	**551.39**

Components of cash and cash equivalents are as below:

	As at 31 March 2023	As at 31 March 2022
Balance with banks:		
- in current accounts	513.54	479.34
- in deposit accounts with original maturity of less than three months	-	68.00
Cash on hand	2.54	4.05
	516.08	**551.39**

Note 1: The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Note 2: Disclosures as required in terms of Ammendment to Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below:

Reconciliation between the opening and closing balances in th balance sheet for liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes pursuant to Ind AS 7:

Particulars	Non-current borrowings	Current borrowings (including book overdraft)	Lease liabilities	Put option liability	Total
Balance as at 1 April 2021	11.61	964.20	329.11	5,574.00	**6,878.92**
Cash flows					
Repayments (net)	188.58	2,463.28	(163.73)	-	2,488.13
Non cash changes					
Interest expense on lease liabilities	-	-	29.68	-	29.68
Fair value changes to financial instrument	-	-	-	4,941.74	4,941.74
Deletion/ Modification within lease agreements	-	-	(21.10)	-	(21.10)
New leases	-	-	196.34	-	196.34
Balance as at 31 March 2022/ 1 April 2022	**200.19**	**3,427.48**	**370.30**	**10,515.74**	**14,513.71**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
UDIN: 23507892BGXQWR1382

Consolidated statement of cash flow for the year ended 31 March 2023

(All amounts in ₹ million unless otherwise stated)

Particulars				Year ended 31 March 2023	Year ended 31 March 2022
Cash flows					
Proceeds/ (repayments) (net)	1,294.02	485.79	(129.98)	-	1,649.83
Non cash changes					
Interest expense on lease liabilities	-	-	51.23	-	51.23
Fair value changes to financial instrument	-	-	-	(439.69)	(439.69)
Deletion/ Modification within lease agreements	-	-	(81.32)	-	(81.32)
New leases	-	-	610.98	-	610.98
Balance as at 31 March 2023	**1,494.21**	**3,913.27**	**821.21**	**10,076.05**	**16,304.74**

Summary of significant accounting policies and other explanatory information 1-56

This is the consolidated statement of cash flow referred to in our report of even date.

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

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Tarun Gupta
Partner
Membership No: 507892

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

Place : New Delhi
Date : 30 June 2023

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ million unless otherwise stated)

1 Group overview and summary of significant accounting policies

1.1 Corporate information

Akums Drugs and Pharmaceuticals Limited (the 'Holding Company' or 'Parent Company') is a public limited company domiciled in India. Its registered office is 304, Mohan Place, LSC C Block, New Delhi - 110034. The Holding Company was incorporated on 19 April 2004 under the provisions of the erstwhile Companies Act, 1956.

The Holding Company, together with its subsidiaries (hereinafter, the 'Group') and its associates, is primarily engaged in manufacturing of pharmaceutical products. Refer note 38 for entities considered in consolidation.

Significant accounting policies

1.2 Basis of preparation

These Consolidated Financial Statements ("the CFS") of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") and comply with requirements of Ind AS, notified under section 133 of the Companies Act 2013, ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, stipulation contained in Schedule III (Revised) and other pronouncements/ provisions of applicable laws.

These CFS have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements.

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

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

(i) Expected to be realised or intended to sold or consumed in normal operating cycle;
(ii) Held primarily for the purpose of trading;
(iii) Expected to be realised within twelve months after the reporting period, or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following conditions:

(i) It is expected to be settled in normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest two decimals millions as per the requirement of Schedule III to the act, unless otherwise stated.

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

- **Ind AS 1:** Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not. The Company does not expect the amendments to have any impact on its financial statements.

- **Ind AS 8:** Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies. The Company does not expect the amendments to have any impact on its financial statements.

- **Ind AS 12 and Ind AS 101:** Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences. The Company does not expect the amendments to have any impact on its financial statements.

- **Ind AS 101:** New guidance added for deferred tax related to leases and decommissioning, restoration and similar liabilities. The Company does not expect the amendments to have any impact on its financial statements. The Company does not expect the amendments to have any impact on its financial statements.

1.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and its associate (including erstwhile associate). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
(a) The contractual arrangement with the other vote holders of the investee;
(b) The rights arising from other contractual arrangements;
(c) The Group's voting rights and potential voting rights; and
(d) The size of the Group's Holding of voting rights relative to the size and dispersion of the Holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

An associate is an entity over which the Group has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.
The financial statements of all entities included in the consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended 31 March 2022.

The following consolidation procedures are adopted:
Subsidiary:
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate or equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments' ("Ind AS 109"), is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations involving entities that are controlled by the Group are accounted for using the 'pooling of interests' method as follows:
- The assets and liabilities of the e combining entities are reflected at their carrying amounts;
- Except for adjustments made to harmonise accounting policies, no adjustments are ade to reflect fair values, or recognise any new assets or liabilities;
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve;
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee; and
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

1.4 Fair value measurements
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or

b. In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the ass
umptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

1.5 Revenue recognition

The five-step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

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

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services and which coincides with the dispatch of goods.

Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

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

The Group accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Group's estimate of expected sales returns. The Group deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group recognises an asset i.e., Right to recover products from customer (included in other current assets) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

1.6 Other income

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

Interest

Interest income is recognised as and when due on the time proportion basis by using effective interest method ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

1.7 Inventories

Inventories include raw material, stores and spares, finished goods, work in progress, stock-in-trade and packing material. Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

(i) Raw materials and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost includes direct expenses and is determined on the basis of weighted average method.

(ii) Stores and spares - at cost or net realisable value, whichever is less. Cost is computed on weighted average basis.

(iii) Work in progress - at estimated cost. The cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Finished goods - at estimated cost or net realisable value, whichever is less. The cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(v) Stock-in-trade - at cost or net realisable value, whichever is less. Cost includes cost of purchase, other costs incurred in bringing the inventories to their present location and condition and taxes which are not eligible for setoff. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for expired stock and slow-moving inventory, if required is made based on management's best estimates of net realisable value of such inventories.

1.8 Property, plant and equipment recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method. The following useful life of assets has been taken by the Group:

ASSET CLASS	USEFUL LIVES
Buildings	30 years
Plant and equipment	15 years
Furniture and fittings	10 years
Vehicles	8 to 10 years
Office equipment	5 years
Computers	3 to 6 years
Research and development laboratory equipment	10 years
Electrical installation	10 years

Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower. The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non- current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

De-recognition

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

1.9 Intangible assets

Recognition and initial measurement

Intangible assets (including Brands/ Trademarks) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (amortisation)

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

The cost thereof is amortised over a period of 4-5 years. The amortisation period and the amortisation method for intangible assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

Capital expenditure on research is shown as addition to property, plant and equipment and depreciation is computed in a manner prescribed for property, plant and equipment.

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

1.10 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed to the Consolidated Statement of Profit and Loss in the period in which they occur.

1.11 Employee benefits

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

Defined contribution plans:

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

Defined benefit plans - unfunded

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

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.
Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income in the year in which such gains or losses are determined.

Other long-term employee benefits - compensated absences

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

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

Short-term employee benefits

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

1.12 Foreign currency transactions and translations

The Group's consolidated financial statements are presented in ₹, which is also the Parent Company's functional currency. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non- monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

1.13 Government grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant and is recognised in the Consolidated Statement of Profit and Loss under 'other operating revenue'.

Grants related to depreciable assets are treated as deferred income which is recognised in the consolidated statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.
Grants related to income are recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other income'.

1.14 Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and respective local jurisdictions of members of the Group.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Group's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Group will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

Deferred tax assets are recognised on the unrealized profit for all the inter-company sale/ purchase eliminations of property, plant and equipment and inventories. Deferred tax on business combination When a liability assumed is recognized at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. a deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base. In both cases, the resulting deferred tax asset affects goodwill.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group operates in various segments and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Group under note no 50.

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

1.16 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.
If the Group determines that the fair value at initial recognition differs from the transaction price, the Group accounts for that instrument at that date as follows:

- At the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Group recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

- In all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.
Non-derivative financial assets
Classification and subsequent measurement
For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

Financial assets at amortised cost - A financial instrument is measured at amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

(ii) Financial assets at fair value

Investments in equity instruments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss ('FVTPL'). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income ("FVOCI") or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a Group of similar financial assets) are derecognized from the Group's balance sheet when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Non-derivative financial liabilities
Initial recognition

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss.

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.18 Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss for financial assets carried at amortised cost.
ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

a. All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The Group writes off trade receivables after it is established beyond doubt that the account is uncollectible. Financial assets that are written-off are still subject to enforcement activity by the Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12- month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

1.19 Impairment of non-financial assets

For impairment assessment purposes, assets are Grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the consolidated statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

1.20 Provisions, contingent liabilities and contingent assets

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

Contingent liability is disclosed for:

• Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or

• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

1.21 Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.22 Cash flow statement

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

1.23 Leases

The Group as a lessee

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

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

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

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

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

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

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

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

1.24 Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected .

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

(i) Judgements

Judgements In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Recognition of deferred tax assets

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

(ii) Estimates and assumptions

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

(a) Useful lives of property, plant and equipment/ intangible assets: The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

(b) Employee benefits: The cost of the employee benefit and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. an actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates. and future pension increases. In view of the complexities involved in the valuation and its long-term nature, employee benefit is highly sensitive to changes in these assumptions. all assumptions are reviewed at each reporting date.

(c) Inventories: The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(d) Business combinations: The Group uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination.

(e) Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fai assumptions about these factors could affect the reported fair value of financial instruments.

1.25 Operating expenses

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

Earnings before fair value changes, finance costs, depreciation and amortisation, exceptional items, share of profit/(loss) of an associate and tax

1.26 (EBITDA)

The Group presents EBITDA in the consolidated statement of profit and loss; this is not specifically required by Ind AS 1 or defined under Ind AS. Schedule III to the Act allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the consolidated financial statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/ sector-specific disclosure requirements or when required for compliance with the amendments to the Act or under Ind AS.

Measurement of EBITDA

Accordingly, the Group has elected to present earnings before fair value changes, exceptional items, share of profit/(loss) of an associate, finance costs, depreciation and amortisation and tax ('EBITDA') as a separate line item on the face of the consolidated statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss). In its measurement, the Group does not include fair value changes on financial instrument, exceptional items, share of profit/(loss) of an associate, finance costs, depreciation and amortisation and tax expense.

1.27 Assets held for sale

The Group classifies asset as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale, if the Management expects to complete the sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell.

2a. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computers	Research and development equipments	Electrical installation	Total
Gross carrying value										
As at 1 April 2021	287.52	3,617.01	5,986.03	278.53	66.76	168.12	175.85	915.24	471.39	11,966.45
Additions during the year	48.88	297.81	1,143.38	91.73	36.66	59.61	54.97	214.89	117.81	2,065.74
Disposal / adjustments	-	7.00	(91.66)	(2.03)	(5.56)	(8.60)	(3.50)	(3.71)	(0.86)	(108.92)
Balance as at 31 March 2022/ 1 April 2022	**336.40**	**3,921.82**	**7,037.75**	**368.23**	**97.86**	**219.13**	**227.32**	**1,126.42**	**588.34**	**13,923.27**
Additions during the year	85.46	416.24	948.44	50.20	27.38	35.36	74.93	164.40	86.55	1,888.96
Disposals	-	(14.24)	(107.59)	(2.65)	(5.06)	(10.26)	(1.95)	(6.78)	(9.67)	(158.20)
Transferred to assets held for sale (refer note iii below)	(84.71)	(253.48)	(197.21)	(10.38)	(2.34)	(3.26)	(5.39)	(33.39)	(38.63)	(628.79)
Balance as at 31 March 2023	**337.15**	**4,070.34**	**7,681.39**	**405.40**	**117.84**	**240.97**	**294.91**	**1,250.65**	**626.59**	**15,025.24**
Accumulated depreciation										
As at 1 April 2021	-	654.59	2,068.15	148.06	30.76	124.01	125.30	421.54	259.91	3,832.32
Charge for the year	-	133.18	500.15	31.04	7.67	20.48	22.41	85.89	38.96	839.78
On disposals/ adjustments during the year	-	0.44	(54.51)	(1.37)	(2.24)	(7.85)	(3.05)	(0.19)	(0.34)	(69.11)
Balance as at 31 March 2022 / 1 April	**-**	**788.21**	**2,513.79**	**177.73**	**36.19**	**136.64**	**144.66**	**507.24**	**298.53**	**4,602.99**
Charge for the year	-	137.38	618.76	35.68	11.87	25.16	35.86	97.41	48.43	1,010.55
On disposals	-	(2.90)	(39.90)	(1.48)	(3.69)	(1.97)	(1.40)	(3.77)	(3.75)	(58.86)
Transferred to assets held for sale (refer note iii below)	-	(43.46)	(66.67)	(5.37)	(1.81)	(2.62)	(4.68)	(15.11)	(21.23)	(160.95)
Balance as at 31 March 2023	**-**	**879.23**	**3,025.98**	**206.56**	**42.56**	**157.21**	**174.44**	**585.77**	**321.98**	**5,393.73**
Net Block										
As at 31 March 2022	**336.40**	**3,133.61**	**4,523.96**	**190.50**	**61.67**	**82.49**	**82.66**	**619.18**	**289.81**	**9,320.28**
As at 31 March 2023	**337.15**	**3,191.11**	**4,655.41**	**198.84**	**75.28**	**83.76**	**120.47**	**664.88**	**304.61**	**9,631.51**

Notes:

(i) Refer note 44 for details of assets pledged as security by the group.

(ii) Refer note 42 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

(iii) In current year, Group has decided to sell one of its manufacturing facility located at Assam and accordingly presented it under "Assets held for sale". Refer note 16 for details.

(iv) Title deeds of all the immovable property held by the Group companies (other than properties where the Group companies is the lessee and the lease agreements are duly executed in favour of lessee) are in the name of Group companies.

2b. Capital work-in-progress

Particulars	Amount
As at 1 April 2021	170.05
Add: Additions during the year	274.95
Less: Capitalised during the year	(136.82)
As at 31 March 2022/ 1 April 2022	**308.18**
Add: Additions during the year	1,090.82
Less: Capitalised during the year	(369.07)
As at 31 March 2023	**1,029.93**

Ageing of capital work-in-progress (CWIP) for 31 March 2023 and 31 March 2022 is as below:

31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and equipments	468.92	34.92	-	-	503.84
Buildings	504.91	1.39	-	-	506.30
Electrical installation	1.01	-	-	-	1.01
Other	18.78	-	-	-	18.78
	993.62	**36.31**	**-**	**-**	**1,029.93**

31 March 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and equipments	165.57	-	-	-	165.57
Buildings	142.61	-	-	-	142.61
	308.18	**-**	**-**	**-**	**308.18**

Notes :

(i) There are no such project under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2023 and 31 March 2022.

(ii) Refer note 44 for details of assets pledged as security by the Group.

2c. Intangible assets under development

Particulars	Amount
As at 1 April 2021	**-**
Add: Additions during the year	2.53
Less: Capitalised during the year	-
As at 31 March 2021	**2.53**
Add: Additions during the year	699.13
Less: provision for diminution	(697.50)
Less: Capitalised during the year	(2.53)
As at 31 March 2022	**1.63**

Ageing of intangible assets under development as on :

31 March 2023

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software pending installation	1.63	-	-	-	1.63
License and rights	697.50	-	-	-	697.50
Less: Provision for diminution in value of license and rights	(697.50)	-	-	-	(697.50)
	1.63	**-**	**-**	**-**	**1.63**

31 March 2022

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software pending installation	2.53	-	-	-	2.53
	2.53	**-**	**-**	**-**	**2.53**

There are no such project under intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2023 and 31 March 2022.

3. Other Intangible assets

Particulars	Brands /Trademarks	Software	Total
Gross carrying value			
Balance as at 1 April 2021	131.05	202.99	334.04
Additions during the year	2.10	28.27	30.37
Disposal during the year	(19.45)	(1.31)	(20.76)
Balance as at 31 March 2022/ 1 April 2022	**113.70**	**229.95**	**343.65**
Additions during the year	-	22.97	22.97
Disposal during the year	(0.02)	(2.66)	(2.68)
Transferred to assets held for sale (refer note i below)	-	(1.14)	(1.14)
Balance as at 31 March 2023	**113.68**	**249.12**	**362.80**
Accumulated amortisation			
Balance as at 1 April 2021	121.88	158.71	280.59
Charge for the year	6.97	22.89	29.86
On disposal	(19.45)	(1.22)	(20.67)
Balance as at 31 March 2022 / 1 April 2022	**109.40**	**180.38**	**289.78**
Charge for the year	2.18	16.34	18.52
On disposal	(0.01)	(1.83)	(1.84)
Transferred to assets held for sale (refer note i below)	-	(1.03)	(1.03)
Balance as at 31 March 2023	**111.57**	**193.86**	**305.43**
Net carrying value			
As at 31 March 2022	**4.30**	**49.57**	**53.87**
As at 31 March 2023	**2.11**	**55.26**	**57.37**

Note:

(i) In current year, Group has decided to sell one of its manufacturing facility located at Assam and accordingly presented it under "Assets held for sale". Refer note 16 for details.

Particulars	As at 31 March 2023	As at 31 March 2022
4. Investments		
Investment in equity instruments		
Non-trade, unquoted (measured at fair value through profit and loss)		
18,750 (31 March 2022: 18,750) equity shares of Nimbua Greenfield (Punjab) Ltd of Rs. 10 (31 March 2022: Rs. 10) each fully paid up	0.19	0.19
55,000 (31 March 2022: 55,000) equity shares of Mohali Green Environment Private Ltd of Rs. 10 (31 March 2022: Rs. 10) each fully paid up	1.24	1.24
	1.43	**1.43**
Investment in partnership firm (considered as associate) accounted for using the equity method		
AUSL Pharma*	2.43	0.40
Add: share in profit/ (Loss) of associate	(2.03)	2.03
Less: amount withdrawn on closure of partner capital account	(0.40)	-
	-	**2.43**
	1.43	**3.86**
Aggregate amount of unquoted investments	1.43	3.86
Aggregate provision for dimunition in value of investments	-	-

* Name of the partner/ share of partner in profit.
Also refer note 40(I) (a) for further details
Refer note 47 for disclosure of fair value in respect of financial assets measured at fair value through profit and loss.

5. Loans (non-current)		
Unsecured, considered good		
Non-current		
Loans to related parties	-	55.00
	-	**55.00**

Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.
Loan given to associate in previous years for business puposes carrying interest rate of 12% p.a. was repaid during the current year.

6. Other financial assets (non-current)		
Security deposits	267.22	233.93
Deposits with remaining maturity of more than 12 months*	76.33	133.13
Other financial assets	0.65	26.97
	344.20	**394.03**

**pledged with government authorities and others.*
Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit

Particulars	As at 31 March 2023	As at 31 March 2022
7. Non-current tax assets		
Advance income tax (net of provision)	122.61	360.43
	122.61	**360.43**
8. Other non-current assets		
Unsecured, considered good		
Capital advances	198.03	160.31
Advances other than capital advance:		
Prepaid expenses	50.05	33.39
Tax deposited with sales tax department (refer note 41(a))	51.31	51.31
Balances with statutory and government authorities	324.73	-
Other receivable	11.49	11.37
Unsecured, considered doubtful		
Capital advances	36.00	-
Less: Allowance for expected credit loss on capital advances	(36.00)	-
	635.61	**256.38**
9.Inventories		
(refer note 1.7 on inventories)		
Raw materials		
on hand	3,618.05	3,348.40
in transit	244.20	205.26
Packing materials		
on hand	819.01	808.75
in transit	9.47	10.31
Work-in-progress	768.25	670.36
Finished goods	1,304.19	1,600.08
Stock-in-trade		
on hand	354.43	415.49
in transit	17.08	-
Stores and spares		
on hand	118.81	122.28
in transit	1.31	2.03
Right to recover products from customers	43.15	41.52
	7,297.95	**7,224.48**

Refer note 44 for information on inventories pledged as security by the Group.

Particulars	As at 31 March 2023	As at 31 March 2022
10. Trade receivables		
Trade receivables - unsecured, considered good	8,450.87	8,843.12
Trade receivables - unsecured, credit impaired	147.48	169.37
Less: Allowance for expected credit losses	(147.48)	(169.37)
	8,450.87	**8,843.12**
10.1 Dues from related party (refer note 45)	2.23	12.91

10.2 Refer note 44 for information on trade receivables pledged as security by the Group.

10.3 Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

10.4 Refer note 55 for the ageing of the trade receivables

10.5 No amount is due from directors or officers of the Group companies.

Particulars	As at 31 March 2023	As at 31 March 2022
11. Cash and cash equivalents		
Balance with banks:		
- in current accounts	513.54	479.34
- in deposit accounts with original maturity of less than three months	-	68.00
Cash on hand	2.54	4.05
	516.08	**551.39**

Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 31 March 2023	As at 31 March 2022
12. Other bank balances		
Deposits having original maturity of more than three months but remaining maturity of less than twelve months	983.81	477.08
	983.81	**477.08**

Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 31 March 2023	As at 31 March 2022
13. Loans (current)		
Loans receivable*	73.73	-
	73.73	

* Loan given to Dalas Biotech Limited for carrying out working capital purpose activities on which interest is charged @ 7% is repayable at maturity. Maturity date of loan provided is 31 March 2024.

Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 31 March 2023	As at 31 March 2022
14. Other financial assets		
Financial assets carried at amortised cost		
(Unsecured, considered good)		
Balances with statutory and government authorities	147.19	203.53
Others	5.11	4.48
	152.30	**208.01**

Refer note 47 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 31 March 2023	As at 31 March 2022
15a. Current tax assets		
Income-tax assets (net of provisions)	114.05	-
	114.05	**-**
15b. Other current assets		
(Unsecured, considered good)		
Advance to suppliers and others	246.62	202.91
Prepaid expenses	90.96	79.42
Balances with statutory and government authorities	811.32	1,043.18
Other assets*	51.03	11.04
	1,199.93	**1,336.55**

* includes CSR asset of ₹ 37.44 million (31 March 2022 : ₹ 1.64 million).

Particulars	As at 31 March 2023	As at 31 March 2022
16. Assets held for sale		
Manufacturing facility (refer note 16.1 below)	452.87	-
Land and building (refer note 16.2 below)	-	275.53
	452.87	**275.53**

16.1 The management vide board resolution dated 14 March 2023 has decided to sell manufacturing facility situated in Assam. Accordingly, in terms of Ind AS 105 'Non-current assets held for sale and discontinuing operations', the property, plant and equipment and other associated assets situated at Assam location are presented as 'Assets held for sale' separately from other assets in the consolidated balance sheet. The management is in discussion with the vendor in relation to sale consideration of the facility. Basis last discussion with the buyer and the anticipated selling price, the assets held for sale has been measured at lower of the carrying value and the fair value it is expected to be realised. Accordingly, the difference in the fair value and carrying value i.e Rs 452.87 million has been recognised as an exceptional expense in the consolidated statement of profit and loss in the current year. The proposed transfer is expected to be concluded within next one year.

16.2 During previous year ended 31 March 2022, the management vide board resolution dated 14 March 2022 had approved to sell off the land and building located at Haridwar for ₹ 275.53 million. Accordingly, in terms of Ind AS 105 - 'Non-current assets held for sale and discontinuing operations', the land and building was presented as 'Assets held for sale' separately from other assets in the consolidated balance sheet of previous year. The carrying value of asset held for sale as on the date of agreement did not exceeded the fair value less cost to sell and hence there was no impairment loss was recognised in the consolidated statement of profit and loss account.

During the year ended 31 March 2023, the sale of the aforementioned land and building has been concluded. The resultant profit and loss has been shown in the consolidated statement of profit and loss.

Particulars	As at 31 March 2023	As at 31 March 2022
17. Equity share capital		
Authorised		
150,000,000 (31 March 2022: 75,000,000) equity shares of ₹ 2 (31 March 2022: ₹ 2) each	150.00	15.00
Issued, Subscribed & Fully Paid up		
143,064,350 (31 March 2022: 71,532,175) equity shares of ₹ 2 (31 March 2022: ₹ 2) each	286.13	143.07
	286.13	**143.07**

17.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	7,15,32,175	143.07	13,00,585	13.01
Add: shares issued during the year				
- additional shares issued on account of share		-	52,02,340	-
- bonus shares issued during the year	7,15,32,175	143.06	6,50,29,250	130.06
At the end of the year	**14,30,64,350**	**286.13**	**7,15,32,175**	**143.07**

17.2 Terms/rights attached to equity shares

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

17.3 Details of shareholders Holding more than 5% shares in the Holding Company*

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	6,06,92,940	42.42	3,03,46,470	42.42
Sandeep Jain#	6,07,28,690	42.45	3,03,64,345	42.45
Ruby QC Investment Holding Pte Ltd.	2,15,84,970	15.09	1,07,92,485	15.09

promoters of the Holding Company. There has been no change in the shareHolding ratio of the promoters. Further, the change in shares

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders

17.4 No shares, except below have been issued as bonus shares or issued for consideration other than cash or bought back during the

Particulars	No of shares
Shares issued as bonus shares in 2022-23	7,15,32,175
Additonal shares issued on account of share split	52,02,340
Shares issued as bonus shares in 2021-22	6,50,29,250

17.5 No shares have been reserved for issue under options. The Holding company vide board resolution dated 16 March 2022 and shareholder resolution dated 31 March 2022 has approved the Employee Stock Option Scheme 2022 and authorised to create, grant, offer, issue and allot under Emloyee Stock Option Scheme 2022, 10,72,983 employee stock options for the benefit of employees and directors of the Company as decided by the board. The number of shares post bonus issue done in financial year ended 31 March 2023, have been resulted in increase of Employee Stock Options from 10,72,983 options to 21,45,966 options. Pending the number of options granted, no adjustment has been recorded in these consolidated financial statements.

Particulars	As at 31 March 2023	As at 31 March 2022
18. Other equity		
(a) Capital reserve on consolidation		
Balance as at the beginning/ end of the year	1,029.98	1,029.98
(b) Securities premium		
Balance as at the beginning of the year	1,271.66	1,282.91
Less: shares issued during the year	-	(11.25)
Balance as at the end of the year	**1,271.66**	**1,271.66**
(c) Retained earnings		
Balance as at the beginning of the year	5,576.29	8,323.81
Add: profit/ (loss) for the year	948.55	(2,525.36)
Add: other comprehensive income, net of tax		
Re-measurement gain/ (loss) on defined benefit plan	19.78	(0.84)
Add: transactions with holders of NCI (refer note 39)	(16.20)	(102.51)
Less: bonus shares issued during the year	(143.06)	(118.81)
Balance as at the end of the year	**6,385.36**	**5,576.29**
(d) Put option reserve		
Balance as at the beginning/ end of the year	(1,801.24)	(1,801.24)
	6,885.76	**6,076.69**

Nature of reserves

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

1. Capital reserve on consolidation

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. The reserve is not available for distribution.

2. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings

Retained earnings are the profits that the Group has earned till date and not distributed. Retained earnings is a free reserve available to the Group.

4. Put option reserve

Refer note 20.1 for details.

Particulars	As at 31 March 2023	As at 31 March 2022
19. Borrowings		
Term loans		
Secured		
From banks inclduing accrued interest (refer note 19.1)	1,494.21	200.19
	1,494.21	**200.19**
Less: shown in current maturities of long-term borrowings (refer note 23)	(339.25)	(66.86)
	1,154.96	**133.33**

19.1 Details of security and repayment terms of the above borrowings (including current maturities)

Particulars	Outstanding balance As at 31 March 2023	Outstanding balance As at 31 March 2022
a) Term Loan - 1 taken from HDFC Bank Limited (Pure & Cure Healthcare Private Limited) carries an interest rate of 7.9% p.a. (31 March 2022: 5%) ,basis on 5% linked with 3 months T-Bill, are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Company,both present and future. The loan is repayable in quarterly installments of Rs 16.67 millions each till March,2025; starting from June,2022).	134.29	200.19
b) Term loan - 2 taken from HDFC Bank Limited (Pure & Cure Healthcare Private Limited) carries an interest rate of 8.34% p.a. (31 March 2022 : Nil) ,basis on 6.75% linked with 3 months T-Bill, are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Company,both present and future. The loan is repayable in quarterly installments of Rs 13.63 millions each till March,2025; starting from Sep,2022).	109.92	-
c) Term loan taken from HSBC Bank Limited (Akums Drugs and Pharmaceuticals Limited) Carries an interest rate of 6.51% p.a. linked with 1 month T-Bill (31 March 2022: Not applicable) are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Company, both present and future. The Loan is repayable in quarterly installments of ₹ 15.63 millions each till Aug 2027; starting from Nov 2023.	250.00	-
d) Term Loan from HSBC Bank (Akums Lifesciences Limited) Carries an interest rate mutually agreed which is linked to prevalent bank MCLR (i.e. 6.12% p.a. to 7.95% p.a in current year), are secured by way of mortgage/hypothecation (pari passu) on current assets, immovable assets and movable assets of the Company, both present and future. The loan is repayable in 16 quarterly installments with first repayment starting from 15th month i.e. from Sep 2023).	1,000.00	-
	1,494.21	**200.19**

19.2 Refer note 44 for assets pledged as security.

19.3 Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.

19.4 The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowing does not have any financial impact on the terms of repayment or classification.

19.5 The property on which mortgaged or any charged created during the financial year has been duly registered with Registra of companies.

Particulars	As at 31 March 2023	As at 31 March 2022
20. Other financial liabilities		
Put option liability (refer notes 20.1 below and note 47)	10,076.05	10,515.74
Security deposit received:		
from customers	151.92	113.40
from contractors and suppliers	128.85	15.74
	10,356.82	**10,644.88**

Note:

20.1 Pursuant to the Agreement described in note 17, the Investor has a right to exercise an option ("put option") after 54 months from 3 October 2019 to require the Holding Company to buyback its equity shares at fair market value at the date of exercise of the put option, in case the Holding Company is not able to give exit to the Investor through an 'initial public offer' or a secondary sale to a third party.

The put option is considered to be contractual obligation of the Holding Company to deliver cash and accordingly the entire amount of ₹5,000.00 millions paid by the Investor has been recognised as a financial liability at fair value in accordance with Ind AS 109 - Financial instruments and presented above as "put option liability".

The put option liability represents the fair value of the contractual obligation of the Holding Company and includes amounts payable in respect of shares transferred directly from the said shareholders to the Investor amounting to ₹1,799.99 millions and the face value of the equity shares directly issued to the Investor by the Holding Company amounting to ₹1.26 millions with a corresponding adjustment of ₹1,801.24 millions to "other equity" as a "put option reserve". Further, the decrease in the put option liability on its subsequent re-measurement at fair value at the balance sheet date amounting to ₹439.69 millions (31 March 2022: increase of ₹4941.74 million) is disclosed seperately in the consolidated statement of profit and loss.

Particulars	As at 31 March 2023	As at 31 March 2022
21. Provisions		
Provision for employee benefits		
Gratuity (refer note 43)	190.96	172.92
Compensated absences	71.31	66.40
	262.27	**239.32**
22. Deferred tax liabilities (net)		
Deferred tax liabilities comprises of:		
Temporary difference of book and tax depreciation	607.51	552.27
Right to recover products from customer	10.86	10.45
	618.37	**562.72**
Deferred tax assets comprises of:		
Temporary difference of book and tax depreciation	1.21	1.38
Items that are tax deductible on payment basis	82.66	76.44
Carried forward business losses	154.67	67.40
Refund liability	94.95	101.02
Lease liabilities	76.55	5.99
Provision for expected credit loss	30.50	11.06
Provision for sales tax	-	44.10
Provision for dimunition in value of intangible assets	175.55	-
Provision for demand raised by statutory authorities	13.84	-
MAT credit entitlement	50.60	50.88
	680.53	**358.27**

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	315.17	188.53
Deferred tax liabliities	253.01	392.98

Notes:

1. Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The deferred tax assets has been created only where it is reasonably certain that there will be sufficient taxable income against which such deferred tax assets can be utilised.

2. Refer note 48 for details.

23. Borrowings
Secured
Loan repayable on demand (from banks)

Working capital loan from bank includes interest accrued (refer notes below)	3,875.52	3,379.34
Current maturities of long-term borrowings (refer note 19)	339.25	66.86
	4,214.77	**3,446.20**

Notes:

23.1 Nature of security and repayment terms of the above borrowings are as below:

	Amount outstanding as on	
	As at 31 March 2023	**As at 31 March 2022**
(a) Cash credit facility from State Bank of India (Akums Drugs and Pharmaceuticals Limited) Cash Credit facility received from State Bank of India has been secured by Company's all current assets(present and future)at Company's head office and hypothecation of stocks,book debts and fixed & movable assets of the Unit-I,II,III,IV & V;equitable mortgage by deposit of title deeds in repect of land at Haridwar of Unit I,II,III,IV & V and personal guarantee of directors of the company.The loan is repayable on demand and carries an interest rate of 7.5% p.a. to 8.85% p.a. (previous year 8.85% p.a.)	-	471.53
(b) Working capital loan from State Bank of India (Akums Drugs and Pharmaceuticals Ltd) Working Capital Loan from State Bank of India is secured by Company's all current assets(present and future)at Company's head office and hypothecation of stocks,book debts and fixed & movable assets of the Unit-I,II,III,IV & V;equitable mortgage by deposit of title deeds in repect of land at Haridwar of Unit I,II,III,IV & V and personal guarantee of directors of the company and carrries an interest rate in the range of 6.60% p.a. to 7.50% p.a. (previous year: not applicable) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	352.21	-

Particulars	As at 31 March 2023	As at 31 March 2022
(c) Working capital loan from HDFC Bank (Akums Drugs and Pharmaceuticals Limited) Working capital loan from Hdfc Bank Limited is secured by hypothecation/ mortgage of stocks,book debts and fixed and movable assets of Units I,II.III, IV & V, equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate in the range of 4.30% p.a. to 7.80% p.a. (previous year: not applicable) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	521.63	450.61
(d) Working capital loan from Yes Bank (Akums Drugs and Pharmaceuticals Limited) Working Capital Loan from Yes Bank Limited is secured by hypothecation/mortgage of stocks,book debts and fixed and movable assets of unit I,II,III,IV & V;equitable mortgage by deposits of title deeds in respect of land at haridwar. The loan is repayable on demand and carries an interest rate in the range of 4.00%p.a to 7.30% p.a (4.0% p.a to 4.30% pa.in previous year) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	332.02	200.66
(e) Cash Credit facility from CITI Bank Limited (Akums Drugs and Pharmaceuticals Limited) Cash credit facility from CITI Bank Limited is secured by hypothecation/mortgage of stocks,book debts and fixed and movable assets of unit I,II,II,IV & V;equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate in the range of 7.95% p.a. to 9.5% p.a.	-	99.36
(f) Working Capital Loan from Yes Bank Limited (Pure and Cure Healthcare Private Limited) Working Capital Loan taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,book debts and fixed and movable assets; equitable mortgage by deposit of title deeds in respect of land and buliding at Haridwar and carrries an interest rate in the range of 4.00% to 7.50% p.a (4.00% to 4.20% p.a. in previous year) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	553.11	521.66
(g) Working Capital Loan from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) Working Capital Loan from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,book debts and fixed and movable assets; equitable mortgage by deposit of title deeds in respect of land and buliding at Haridwar and carrries an interest rate in the range of 4.0% to 7.80% p.a (4.0% to 4.30% p.a. in previous year) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	652.93	600.65
(h) Cash credit facility from Yes Bank (Malik Lifesciences Private Limited) Cash credit facility taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgage of movable assets and carries an interest rate in the range of 7.20% to 8.30% p.a.(7.20% to 7.30% p.a. in previous year)	-	1.18
(i) Working capital loan from HDFC Bank Limited (Malik Lifesciences Private Limited) Working Capital Loan taken from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and carries an interest rate in the range of 6.50% to 7.50% p.a (4.00% p.a to 4.20% p.a in previous year) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	180.69	-
(j) Working Capital Loan from Yes Bank (Malik Lifesciences Private Limited) Working Capital Loan taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and carries an interest rate in the range of 4.00% p.a to 7.50% p.a (4.00% p.a to 7.50% p.a in previous year) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	-	100.29
(k) Working capital loan from Citi Bank Limited (Maxcure Nutravedics Limited) Working Capital loan taken from CITI Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate in the range of 4.00% to 7.60% p.a. (4.00% p.a.to 4.20% p.a in previous year) and is repayable after minimum 7 days to maximum 180 days	250.00	330.00
(l) Working capital loan from Yes Bank (Maxcure Nutravedics Limited) Working Capital loan taken from Yes Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate in the range of 4.00% to 7.20% p.a. (4.00% to 4.20% p.a in previous year) and is repayable after minimum 7 days to maximum 180 days	-	130.44
(m) Working capital loan from HDFC Bank (Maxcure Nutravedics Limited) Working capital loan taken from HDFC Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate in the range of 4.20% to 7.60% p.a (4.00% to 4.50% p.a in previous year) and is repayable after minimum 7 days to maximum 180 days	120.42	150.25
(n) Cash Credit facility from Citi Bank Ltd (Maxcure Nutravedics Limited) Cash credit facility taken from CITI Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable and immovable assets and carries an interest rate in the range of 7.20% to 9.20% p.a. (8.05% to 10.15% p.a. in previous year).	-	24.99
(o) Cash Credit from IDFC Bank Ltd (Maxcure Nutravedics Limited) Cash credit facility taken from IDFC Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate of 9.25% p.a. (9.5% p.a. in previous year)	0.04	0.17
(p) Working Capital Loan from HDFC Bank Limited (Akums Lifescience Limited) Working Capital Loan taken from HDFC Bank Limited is secured by hypothecation(pari passu) of current assets, movable fixed assets, immovable fixed asssets and carrries an interest rate in the range of 4.36% p.a.to 7.9% p.a. (previous year : 4.25% p.a.to 4.50% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	551.77	150.40
(q) Cash Credit facility from ICICI Bank (Amazing Research Laboratories Limited) Cash Credit facility from ICICI bank was secured by exclusive charge on all moveable fixed assets & Current assets and corporate guarantee from Akums Drugs & Pharmaceuticalsceuticals Ltd(holding company) and carries an interest rate of 7.5% p.a. (31 March 2022 : 7% p.a)	58.42	98.49

Particulars	As at 31 March 2023	As at 31 March 2022
(r) Working capital loan from Citi Bank (Unosource Pharma Limited)		
WCDL facility from CITI bank was secured by exclusive charge on all moveable fixed assets & Current assets and corporate guarantee from Akums Drugs & Pharmaceuticals Ltd (holding company) and carries a floating interest rate of 7.55% p.a. (previous year-Not applicable).	180.81	-
(s) Cash Credit facility from HDFC Bank (Plenteous Pharmaceuticals Limited)		
Cash Credit facility received from HDFC Bank of India has been Secured by charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 7.85% to 9.00% p.a.(previous year 8.90% to 9.25% p.a.)	42.56	13.84
(t) Cash Credit facility from Yes Bank (May & Baker Pharmaceuticals Limited)		
Cash Credit facility received from Yes Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 8.50% to 9.00% p.a.(previous year 8.90% to 9.25% p.a.)	28.82	34.82
(u) Cash credit facilty from JP Morgan Chase Bank (Plenteous Pharamaceuticals Limited)		
Cash Credit facility received from JP Morgan Chase Bank N.A.has been Secured by charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 9.54% p.a.(previous year N.A.)	50.09	-
	3,875.52	**3,379.34**

23.3 Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.

23.4 The above loans have been utilised as per the purpose for these loans were sanctioned

23.5 The group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowing doesn't have any financial impact on the terms of repayment or classification.

24. Trade payables

Total outstanding dues of micro and small enterprises and	442.16	331.87
Total outstanding dues of creditors other than micro and small enterprises	5,229.23	5,564.79
	5,671.39	**5,896.66**
Due from related parties (refer note 45)	-	0.01

Refer note 47 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.

Refer note 55 for the ageing of the trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
25. Other financial liabilities		
Employee payables	370.66	332.66
Book overdraft	37.73	48.12
Payable towards property, plant and equipment	165.85	80.23
Others (refer note below)	53.86	241.08
	628.10	**702.09**

Note:

Includes amount of ₹ 213.88 millions as on 31 March 2022 related to financial creditors in relation to acquisition of one group company from NCLT. This has been paid in current year.

26. Other current liabilities

Advance from customers	1,084.70	1,450.50
Advance against sale of assets	225.10	-
Statutory dues payable	112.15	95.26
	1,421.95	**1,545.76**

27. Provisions

Provision for employee benefits		
Gratuity (refer note 43)	12.37	12.07
Compensated absences	14.78	18.45
Provision for sales tax (refer note 27.1 and 41(a))	-	175.23
Provision for demand raised by statutory authorities (refer note 41(d))	55.00	-
Refund liability (refer note 27.2 below)	377.22	383.49
	459.37	**589.24**

Notes:

27.1 Changes in provision for sales tax in accordance with Ind AS - 37

Balance as at beginning of the year	175.23	175.23
Add: provision made during the year	-	-
Less: provision reverse during the year	(175.23)	-
Balance as at end of the year	**-**	**175.23**

27.2 Changes in refund liability in accordance with Ind AS - 37

Refund liability is accounted for by recording a provision based on the Company's estimate of expected sales return. Movement in the provision for refund liability is as below:

Balance as at beginning of the year	383.49	364.08
Add: provision made during the year	-	-
Less: provision made/(written back) during the year (net)	(6.27)	19.41
Balance as at end of the year	**377.22**	**383.49**

28. Current tax liabilities (net)

Provision for taxes (net of advance taxes paid)	187.68	478.00
	187.68	**478.00**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
29. Revenue from operations		
Sale of products		
- manufactured	31,016.86	31,441.00
- traded goods	3,405.27	4,374.96
	34,422.13	35,815.96
Other operating revenues		
Job work income	325.51	652.38
Testing and other charges	1,592.76	140.83
Scrap sales	207.80	163.76
	36,548.20	**36,772.93**

Refer Note 46 in respect of disclosures under Ind AS 115 - Revenue from contracts with customers.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
30. Other income		
Interest income on items at amortised cost:		
- term deposits	49.03	35.11
- loan to associate	4.27	8.85
- others	25.50	2.35
Liabilities no longer required, written back	216.81	21.00
Subsidy income	17.48	29.58
Gain on disposal of property, plant and equipment (net)	47.30	10.22
Gain on foreign currency transactions and translations	18.79	31.20
Gain on reassessment or termination of right-of-use assets	22.36	10.55
Reversal of expected credit loss of trade receivables	0.09	11.39
Royalty income	6.22	3.71
Miscellaneous income	53.20	8.34
	461.05	**172.30**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
31. Change in inventories of finished goods, stock-in-trade and work-in-progress		
Opening stock		
Finished goods	1,600.08	974.85
Work-in-progress	670.36	342.66
Stock-in-trade	415.49	493.34
(A)	**2,685.93**	**1,810.85**
Less: Closing stock		
Finished goods	1,304.19	1,600.08
Work-in-progress	768.25	670.36
Stock-in-trade	371.51	415.49
(B)	**2,443.95**	**2,685.93**
Movement in right to recover products from customer **(C)**	(1.63)	(2.33)
Change in inventories of finished goods, stock-in-trade and work-in-progress (A-B+C)	**240.35**	**(877.41)**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
32. Employee benefits expense		
Salaries, wages and bonus	5,407.59	4,676.02
Contributions to provident and other funds (refer note 43)*	202.87	168.55
Staff welfare expenses	290.87	233.01
	5,901.33	**5,077.58**

**includes Rs. 196.38 million (31 March 2022: 168.55 million) as contribution towards provident fund and employee state insurance fund. Refer note 43 for details.*

30%

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
33. Other expenses		
Consumption of stores and spare parts	335.62	327.74
Power and fuel	1,474.08	1,102.17
Rent (refer note 54)	34.76	26.48
Repairs and maintenance		
Plant and equipments	282.08	302.98
Buildings	114.51	70.75
Others	357.53	320.80
Insurance	46.56	37.33
Rates and taxes	31.25	31.91
Travelling and conveyance	503.50	365.06
Legal and professional expenses	474.61	321.59
Bad debts	24.58	67.74
Provision for allowances for expected credit losses	18.65	132.27
Provision for demand raised by statutory authorities	55.00	-
Freight and cartage - outward	94.20	142.11
Business promotion	354.65	294.51
Loss on sale of property, plant and equipment	1.55	30.88
Selling and distribution expense	95.15	82.64
Loss on foreign currency transactions and translations	57.72	4.74
Corporate social responsibility expense	33.72	21.62
Miscellaneous	578.26	482.88
	4,967.98	**4,166.20**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
34. Finance costs		
Interest on:		
- term loans taken from banks	4.42	3.04
- short-term borrowings from banks	396.28	81.42
- security deposit from customers and suppliers	1.00	1.47
- income-tax	6.80	47.77
Interest on lease liability	51.23	29.68
Other borrowing costs	2.73	3.17
	462.46	**166.55**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
35. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	1,010.55	839.78
Amortisation on right-of-use assets (refer note 54)	99.02	77.15
Amortisation of intangible assets	18.52	29.86
	1,128.09	**946.79**
36. Exceptional Items		
Impairment of intangible assets under development (refer note below)	697.50	-
Impairment of assets held for sale (refer note 16.1)	47.50	-
Impairment of goodwill (refer note 52)	-	129.77
	745.00	**129.77**

Note: The Holding company in the beginning of the year has purchased ANDA licenses for certain products for ₹ 697.50 million. However, management has re-evaluated the future usage and operational viability of the aforementioned licences basis which these have been decided to be provided for in these consolidated financials statements.

(This space has beeen intentionally left blank)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
37. Earnings per equity share (EPS)		
Profit/ (loss) attributable to equity shareholders (₹)	978.17	(2,508.74)
Total number of equity shares outstanding at the end of the year*	143.06	143.06
Weighted average number of equity shares in calculating basic and diluted EPS*	143.06	143.06
Nominal value per share (₹)	2.00	2.00
Basic and Diluted EPS (Rs.)	**6.84**	**(17.54)**

* the number of shares outstanding have been adjusted retrospectively to give impact of the issuance of bonus shares and stock split in accordance with Ind AS 33 - Earnings per share.

38. The following entities are considered in the consolidated financial statements:

Name of entity	Principal place of business of	Shareholding as at 31 March 2023	Shareholding as at 31 March 2022
(i) Subsidiaries			
Akums Lifesciences Limited	India	100.00%	100.00%
Akums Healthcare Limited	India	100.00%	100.00%
Akumentis Healthcare Limited	India	91.50%	91.50%
Amazing Research Laboratories Limited	India	100.00%	100.00%
Maxcure Nutravedics Limited	India	100.00%	100.00%
Malik Lifesciences Private Limited	India	100.00%	100.00%
May and Baker Pharmaceuticals Limited	India	100.00%	100.00%
Nicholas Healthcare Limited	India	100.00%	100.00%
Plenteous Pharmaceuticals Limited	India	100.00%	100.00%
Pure and Cure Healthcare Private Limited	India	100.00%	100.00%
Sarvagunaushdhi Private Limited	India	100.00%	100.00%
Unosource Pharma Limited	India	100.00%	99.89%
Upadhrish Reserchem LLP	India	99.93%	99.93%
Burroughs Welcome Pharmacia Private Limited (from 30 September 2021)	India	99.93%	99.93%
AVHA Lifesciences Private Limited (till 28 February 2023)	India	-	100.00%
Delcure Lifesciences Limited (till 18 January 2023)	India	-	100.00%
Akum Impex LLP (till 30 September 2022)	India	-	99.98%
Step down subsidiary of the Company			
Medibox Digital Solutions Private Limited	India	100.00%	100.00%
Ziven Lifesciences Limited **	India	-	100.00%
Parabolic Research Labs Limited **	India	-	100.00%
Dhanwantri Vedaresearch LLP (till 30 September 2022)	India	-	90.00%
(ii) Associate			
AUSL Pharma (till 31 December 2022)*	India	-	40.00%

* includes Nil (31 March 2022 : 40%) directly held by the Holding company.
** Registrar of companies has strike off the names of the companies from its register on 17 March 2023.

Name of entity	Principal place of business of	Shareholding as at 31 March 2023	Shareholding as at 31 March 2022

39. Acquisitions and disposals

Acquisitions done during 2022-23

Business combination

During the year, the Holding Company has acquired additional interest wherein control already existed as on the date of acquisition for a consideration of ₹ 16.20 million. Following is a schedule of additional interest acquired.

Cash consideration paid to non-controlling shareholders	
Unosource Pharma Limited	16.20
	16.20
Carrying value of the additional interest as on acquisition date	
Unosource Pharma Limited	-
Difference recognised with in other equity (in accordance with Ind AS 110 - Consolidated Financial Statements)	16.20

Disposals done during 2022-23

Loss of control acquired previously

During the year, the management as part of its corporate restructuring plan, has disposed off its control in the following subsidiaries. The resultant gain / loss on the disposal of these subsidiaries have been accounted for in accordance with Ind AS 27 under consolidated financial statements.

Name of the entity	Sales consideration	Net assets as on the date of loss of control	Gain on disposal of control
Subsidiary			
AVHA Lifesciences Private Limited	0.11	0.15	(0.04)
Delcure Lifesciences Limited	0.05	0.05	-
Akum Impex LLP	0.10	0.10	-
Dhanwantri Vedaresearch LLP	0.09	0.09	-
	0.35	**0.39**	**(0.04)**

Acquisitions done during 2021-22

Business combination

During the year, the Holding Company has acquired additional interest wherein control already existed as on the date of acquisition for a consideration of ₹ 110.02 millions. Following is a schedule of additional interest acquired.

Cash consideration paid to non-controlling shareholders	
Medibox Digital Solutions Private Limited	0.62
Akums Lifesciences Limited	109.40
	110.02
Carrying value of the additional interest as on acquisition date	
Medibox Digital Solutions Private Limited	2.51
Akums Lifesciences Limited*	5.00
Carrying value of additional interest	7.51
Difference recognised with in other equity (in accordance with Ind AS 110 - Consolidated Financial Statements)	102.51

* held through share application money by other stakeholder in Akums Lifesciences Limited

40. Summarised financial information for associate

I AUSL Pharma

The Holding Company holds Nil (Previous year - 40%) interest in AUSL Pharma which is engaged in trading of pharmaceutical formulations. The Group's interest in AUSL Pharma is accounted for using the equity method in the consolidated financial statements. Following table shows the summarised financial information of the associate:

a) Summarised Balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Particulars		
Current assets	89.12	240.58
Non-current assets	0.73	3.49
Current liabilities	(87.71)	(235.40)
Equity	2.14	8.67
Group ownership	-	0.40
Equity proportion of the Group ownership	-	2.43
Carrying amount of the investment (net of withdrawal made during the year)	**-**	**2.43**

b) Summarised statement of profit and loss

Particulars	Period ended 31 December 2022	Year ended 31 March 2022
Revenue from sale of products	205.29	862.81
Profit for the year	(6.14)	5.07
Total comprehensive income	(6.14)	5.07
Income for the year	(6.14)	5.07
Group %	40.00%	40.00%
Group's share of profit/(loss) for the year from the date of acquisition	**(2.03)***	**2.03**
Add: opening carrying amount of investment amount	2.43	3.87
Less: profit withdrawn during the year	(0.40)	(3.47)
Carrying amount of the investment	**-**	**2.43**

** to the extent of Rs. 2.03 million as agreed between the partners*

41. Contingent liabilities and litigations

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i)	Demand raised by sales tax (refer note (a) below)	-	166.69
(ii)	Income-tax matters (refer note (b) below)	768.80	757.47
(iii)	Product pricing related matters (refer note (c) below)	44.26	44.26
(iv)	Liabilities under export scheme (refer note (d) below)	-	4.28
(v)	Others (refer note (e) and (f) below)	2.35	2.35

(a) Pursuant to the Industrial Promotion Policy, 2003, which amongst other benefits, provided a concessional central sales tax ("CST") @1% to new industries set up in the state of Uttarakhand, the Holding company commenced manufacturing at its factory units at Haridwar.

Until 30 June 2013, the unit I of the Holding company availed concessional CST of 1% in terms of the relevant notifications of the sales tax department. However, during FY 2012-13, the sales tax department, after making provisional assessment for period 1 April 2011 to 31 December 2012, issued a notice to the Holding company disallowing the concessional CST of 1% due to non-fulfillment of certain conditions as stipulated in the said notification and raised a demand amounting to ₹ 88.78 millions for differential CST @1%.

The Holding company contested the aforementioned assessment order before the Joint Commissioner (Appeals), Dehradun, Uttarakhand and the Commercial Tax Tribunal, Uttarakhand. As no relief was granted to the Holding company in the aforesaid proceedings, the Holding company filed an appeal before the Hon'ble High Court, Uttarakhand on 19 August 2013, which admitted the appeal and granted a stay against the demands for the period from April 2010 to June 2013 raised by the sales-tax department, till the final order by the High Court.

Further, the sales tax department made final assessments from 1 April 2010 to 31 March 2014 raising a demand of ₹ 160.62 millions (excluding interest demanded at the rate of 15% per annum), which have been contested by the Holding company and have been presently stayed by the Hon'ble High Court, Uttrakhand. The Holding company has deposited ₹ 51.31 millions under protest against the said demands.

The Holding company, as a matter of prudence, in earlier years has provided an amount of ₹ 175.23 millions (including interest of Rs. 28.32 millions) for the period March 2010 to March 2013. The management has classified the balance demand of ₹ 13.70 millions and also interest of ₹ 152.99 millions (calculated at 15% per annum for the period 01 April 2013 to 31 March 2022) as a contingent liability.

During the current year, Hon'ble High Court, Uttrakhand passed an order on 22 July 2022, whereby the previous assessment orders issued by relevant authorities were put aside and committee for determination of total capital investment by the Holding company has been ordered to be formed which would be issuing a fresh assessment order basis their evaluation.

Considering that all the previous assessment order has been put aside by the Hon'ble Hight Court, Uttrakhand, accordingly the provision as well as contingent liability earlier created for the previously raised assessment orders (presently put aside) has been reversed by the Holding company.

(b) (i) Pursuant to the assessment of certain previous years (AY 2017-18, AY 2018-19 and AY 2020-21), department has raised demands of ₹ 28.85 millions (31 March 2022: ₹ 17.70 millions) on account of:
AY 2017-18: Disallowance of deduction u/s 80IC and 35(2AB) of Income Tax Act, 1961 amounting to ₹ 11.51 millions.
AY 2018-19: Disallowance of deduction u/s 35(2AB) and 37(1) of Income Tax Act, 1961 amounting to ₹ 6.26 millions.
AY 2020-21: Initiation of penalty proceeding u/s 270 A of Income Tax Act, 1961 amounting to ₹ 11.08 millions.

The matter is pending at CIT (Appeal) level and based on the assessments by the management, consideration of merits of the case and external legal advice, the Holding company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these consolidated financial statements.

(ii) During the year, for the A.Y. 2018-19 a demand of ₹ 5.11 millions was raised upon one of the Group company by way of intimation under section 143(2) of Income Tax Act on account by reducing the amount of deduction claimed u/s 80IC for the income arise from the operations of Haridwar unit, against which an appeal has been filed by the Company before the Commissioner of Income Tax (Appeals), New Delhi. Based on the discussion with legal counsel, the Company believes that there is a fair chance of favorable decision in this case. Therefore, no provision is considered necessary against the same.

(iii) During the financial year 2021-22, one of the Group company has received a demand of Rs. 734.44 million vide assessment order passed under section 144 of the Income tax act, 1961 for the AY 2017-18. The Company has contested against the order and has filed a writ petition contesting the demand. The petition is pending at Hon'ble High Court of Chandigarh which has granted.
Considering the demand raised pertains to period prior to acquisition and all the statutory liabilities have been given effect in the NCLT order passed on 12 January 2021, the said demand is considered to be non-tenable and hence no provision has been accounted for in the books of accounts.

(iv) Pursuant to Intimation received u/s 143(1) against the return filed for F.Y. 2021-22, demand of ₹ 0.40 million has been raised upon one of the Group company on account of mismatch in tax credit. The Group company has filed the application for rectification u/s 154 with the authorities. Basis the advice with internal tax team, the Group company has a good chance of success in this case and accordingly no provision is considered necessary.

(c) One of the Group company is involved in a legal suit in respect of pricing on product with Drug Price Control Orders (u/s 3 of the Essential Commodities Act, 1955). The Group company believes that there is a fair chance of favourable decision in this matter and accordingly, no provision has been considered necessary at these stage.

(d) The Holding company had saved ₹ 4.28 million as custom duty payable on import purchase of capital goods under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India. The Holding company has undertaken an export obligation of ₹ 25.69 million against import of capital goods by paying concessional rate of custom duty under EPCG scheme. If the Holding company is unable to meet this export obligation within six years from issue of authorization letters, i.e., on or before 11 February 2022, the Holding company was liable to deposit the duty saved amount along with interest for the period. The Holding company had already fulfilled its export obligation under EPCG scheme. However, it is in the process of obtaining discharge certificate of its obligation under EPCG scheme. In the current year, the Group has provided ₹ 55.00 million (previous year: nil) in these consolidated financial statements.

(e) Legal suit filed against the one of the Group company for the defect in the material supplied. The amount of claim filed amounts to ₹ 2.02 millions (31 March 2022: ₹ 2.02 millions). However, based on discussions with the solicitors, the Management believes that the Group company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

(f) One of the vendor has filed a legal suit against the Holding Company in respect of unpaid amount for the material supplied to the Holding Company. The amount of claim filed amounts to ₹ 0.33 millions (31 March 2021: ₹ 0.33 millions). However, based on discussions with the solicitors, the management believes that the Holding Company has a likely chance of a favorable outcome and accordingly no provision, if any, has been considered necessary to be recorded in the books of accounts.

(g) Pursuant to judgement by the Hon'ble Supreme Court of India dated 28 February, 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. The Group has assessed possible outcomes of the judgement based on discussions with internal counsel and believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any for the past periods. Further, the management believes that it is compliant, in all material aspects, with all the relevant statutory requirement for the current year. Accordingly, the Group believes that this matter will not have any material adverse impact on the financial position of the Group. The Group will, however, continue to monitor and evaluate its position based on future events and developments.

		Year ended 31 March 2023	Year ended 31 March 2022
42.	**Capital and other commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	721.07	654.28

43. Employees benefits

		Year ended 31 March 2023	Year ended 31 March 2022
A.	**Defined contribution plan**		
	The amount recognised as expense towards contribution to defined contribution plans for the year is as below:		
(a)	Group's contribution to provident fund	182.05	149.84
(b)	Group's contribution to Employees' State Insurance Scheme	14.33	18.71
		196.38	**168.55**

	As at 31 March 2023	As at 31 March 2022
B. Defined benefit plan - Gratuity		
Non-current	190.96	172.92
Current	12.37	12.07
	203.33	**184.99**

(i) Changes in the present value of defined benefit obligation recognised in the consolidated balance sheet

	As at 31 March 2023	As at 31 March 2022
Present value of the obligation as at the beginning of the year	184.99	154.20
Interest cost	12.77	10.49
Service cost	43.57	38.23
Benefits paid	(11.95)	(19.62)
Actuarial (gain)/ loss	(26.05)	1.69
Present value of the obligation as at end of the year	**203.33**	**184.99**

(ii) Expense recognised in the consolidated statement of profit and loss consists of:	Year ended 31 March 2023	Year ended 31 March 2022
Service cost	43.57	38.23
Interest cost	12.77	10.49
Net impact on consolidated profit before tax	**56.34**	**48.72**
Actuarial (gain)/ loss recognised during the year	(26.05)	1.69
Amount recognised in total comprehensive income	**30.29**	**50.41**

(iii) Breakup of actuarial (gain)/ loss :	As at 31 March 2023	As at 31 March 2022
Actuarial (gain)/ loss from change in demographic assumption	-	-
Actuarial (gain)/ loss from change in financial assumption	(3.79)	(3.26)
Actuarial (gain)/ loss from experience adjustment	(22.25)	4.95
Total actuarial (gain)/ loss	**(26.04)**	**1.69**

(iv) Change in fair value of plan assets

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

(v) Actuarial assumptions	As at 31 March 2023	As at 31 March 2022
Discount rate (per annum)	7.36%	6.79%
Future salary increase (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	of IALM (2012-14)
Average future service (in years)	23.40 years	23.40 years

Notes:

- The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vi) Sensitivity analysis for gratuity liability	As at 31 March 2023	As at 31 March 2022
Impact of change in discount rate		
Present value of obligation at the end of the year	203.33	184.99
- Impact due to increase of 0.5 %	(11.11)	(1.55)
- Impact due to decrease of 0.5 %	12.15	10.04
Impact of change in salary increase		
Present value of obligation at the end of the year	203.33	184.99
- Impact due to increase of 0.5 %	12.14	2.38
- Impact due to decrease of 0.5 %	(11.16)	(9.18)

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

Maturity profile of defined benefit obligation (undiscounted)	As at 31 March 2023	As at 31 March 2022
Within next 12 months	12.37	22.53
Between 1-5 years	41.22	63.64
Beyond 5 years	149.74	98.82

(vii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 72.66 millions as at 31 March 2023 (31 March 2022 : ₹ 53.71 millions).

(viii) Other long-term employee benefits

An amount of ₹ 10.99 millions [31 March 2022 : ₹ 14.74 millions] pertains to expense towards compensated absences.

44. Assets pledged as security (refer notes 19 and 23)

	As at 31 March 2023	As at 31 March 2022
Current		
Inventories	6,642.64	6,676.85
Cash and cash equivalents	102.40	123.26
Other bank balances	21.54	79.42
Loans	73.73	55.00
Other financial assets	129.81	93.97
Other current assets	1,102.01	663.47
Trade receivables*	8,450.87	8,843.12
Total current assets pledged as security	**16,523.00**	**16,535.09**
Non-current		
Property, plant and equipment	7,298.67	8,190.56
Capital work-in-progress	74.76	5.33
Total non-current assets pledged as security	**7,373.43**	**8,195.89**

Total assets pledged as security	**23,896.43**	**24,730.98**

*Total trade receivables pledged at individual company level, amounts to ₹ 9,568.35 millions (Previous year: ₹ 10,852.70 millions) but due to inter company eliminations, total receivables amounts to ₹ 8450.87 millions (Previous year: ₹ 8,843.12 millions) and hence complete amount is shown as pledged.

45. Related party disclosures

In accordance with Ind AS-24 on related party disclosures where control exist and where transactions have taken place and description of the relationships as identified and certified by the management are as follows:

I. Relationships

(a) Where control exists

Mr Sandeep Jain and Mr Sanjeev Jain exercise joint control over the Holding Company.

(b) Associate

AUSL Pharma (till 31 December 2022)

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Managing Director
Mr. Sanjeev Jain	Managing Director
Mr. Basant Kumar Singh	Whole Time Director (from 16 March 2022)
Mr. Deepak Gurudas Haldankar	Whole Time Director (till 31 March 2022)
Mr. Nand Lal Kalra	Independent Director
Ms. Neena Vivek	Independent Director
Mr. Kewal Handa	Independent Director (from 16 March 2022)
Ms. Matangi Gowrishankar	Independent Director (from 16 March 2022)
Mr Dharamvir Malik	Company Secretary #
Mr. Sumeet Sood	Chief Financial Officer # (from 14 February 2022)
Mr. Vinod Raheja	Chief Financial Officer # (from 1 July 2020 till 4 January 2022)

(d) Relatives of KMP*

Mr. Kanishk Jain
Mr. D.C. Jain
Mr. Manan Jain
Ms. Archana Jain
Ms. Arushi Jain
Ms. Lata Jain

(e) Entities where significant influence is exercised by KMP and/or their relatives*

Akums Health and Education Society
Akums Foundation
Welcure Pharmaceuticals Private Limited
German Remedies Lifesciences Limited
American Remedies Lifesciences Limited
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited) (w.e.f. 11 February 2022)
Dhanwantri Vedaresearch LLP (w.e.f. 1 October 2022)

*with whom the transactions have occurred during the year
as per Companies Act, 2013

II Summary of related party transactions-

Particulars	31 March 2023	31 March 2022
(a) Transactions during the year		
Rent paid		
Mr. D.C Jain	0.56	0.56
Mr. Sandeep Jain	25.43	24.41
Mr.Sanjeev Jain	24.27	23.05
Ms. Lata Jain	0.46	0.46
Ms. Archana Jain	0.67	0.67
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	34.84	-
Corporate social responsibility		
Akums Foundation	65.44	6.78
Akums Heath and Education Society	4.00	10.52
Professional charges paid		
Mr. D.C Jain	5.49	5.49
Remuneration paid#		
Mr. Sanjeev Jain	38.00	33.50
Mr. Sandeep Jain	38.00	33.50
Mr. Kanishk Jain	6.30	6.00
Mr. Basant Kumar Singh	3.49	0.20
Mr. Deepak Haldankar	-	9.65
Mr. Vinod Raheja	-	14.14
Mr. Sumeet Sood	13.23	1.66
Ms. Arushi Jain	6.30	3.50
Ms. Lata Jain	4.60	4.38
Ms. Archana Jain	4.60	4.38
Mr. Dharamvir Malik	2.11	2.08
Inter-corporate loan repaid		
AUSL Pharma	55.00	25.00
Interest received		
AUSL Pharma	4.27	8.85
Sales of goods and others		
Akums Heath and Education Society	3.96	3.83
Akums Foundation	61.18	0.89
AUSL Pharma	3.53	17.14
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	0.04	-
Sales of property, plant and equipment		
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	271.00	-
Purchase of goods and others		
AUSL Pharma	0.04	18.89
Akome Lifecare Private Limited	1.86	-

Particulars	31 March 2023	31 March 2022
Expenses incurred on behalf of group company		
AUSL Pharma	0.22	0.10
Akome Lifecare Private Limited	0.62	-
Others	0.00	-
Profit share from investment in Partnership firm/ LLP		
AUSL Pharma	(2.03)	2.03
Director sitting fees		
Mr. Kewal Handa	2.40	0.08
Mr. Nand Lal Kalra	0.44	0.19
Ms. Neena Vivek	-	0.18
Mr. Kanishk Jain	-	0.01
Ms. Arushi Jain	-	0.05
Mr. Dharamvir Malik	0.04	0.05
Ms. Matangi Gowrishankar	2.20	-
Mr. Manan Jain	0.00	-
Royalty expense		
Welcure Pharmaceuticals Private Limited	0.12	0.12
Sale of non-current investments		
Dhanwantri Vedaresearch LLP	0.16	-
(b) Balance outstanding at year end		
Trade receivable		
Akums Health and education society	1.61	-
AUSL Pharma	-	12.91
Akums Foundation	0.01	-
Akome Lifecare Private Limited	0.61	-
Trade payable		
AUSL Pharma	-	0.01
Security deposit		
Sandeep Jain	5.00	5.00
Sanjeev Jain	5.00	5.00
Inter-corporate loan given		
AUSL Pharma	-	55.00

Note: Also refer to the note 23.1 which describes borrowings that are secured against the personal guarantee from certain directors.

[#] excludes the post employment benefits

Apart from the above transactions the Holding company has taken personal guarantee amounting to ₹ 352.20 million (31 March 2022:

46. Disclosure required under Ind AS 115 - Revenue from customers

A. Disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Revenue from sale of goods - manufactured	31,016.86	31,441.00
Revenue from sale of goods - traded goods	3,405.27	4,374.96
Other operating revenue		
Job work	325.51	652.38
Testing and other charges	1,592.76	140.83
Scrap sales	207.80	163.76
	36,548.20	**36,772.93**

B. Contract balances

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

	As at 31 March 2023	As at 31 March 2022
Contract liabilities		
Advance received from customers	1,084.70	1,450.50
Refund liabilities	377.22	383.49
Total contract liabilities	**1,461.92**	**1,833.99**
Receivables		
Right to recover products from customers	43.15	41.52

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Contract liabilities		Contract liabilities	
	Advances from customers	Refund liabilities	Advances from customers	Refund liabilities
Opening balance	1,450.50	383.49	173.89	364.08
Addition during the year	1,084.70	(6.27)	1,450.50	19.41
Revenue recognised during the year	1,450.50	-	173.89	-
Closing balance	**1,084.70**	**377.22**	**1,450.50**	**383.49**

Receivable is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

The Group does not have any remaining performance obligation as contracts executed for sale of goods are for a short duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated. In respect of sales with a right to return, the Group recognises a provision for right of return which is measured based on the Group's estimate of expected sales returns.

47 Financial instruments

A. Financial instruments by category

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

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets carried at amortised cost		
Trade receivables	8,450.87	8,843.12
Cash and cash equivalents	516.08	551.39
Other bank balances	983.81	477.08
Loans	73.73	55.00
Other financial assets	496.50	602.04
Total financial assets	**10,520.99**	**10,528.63**
Financial assets carried at fair value		
Investments	1.43	3.86
Total financial assets	**10,522.42**	**10,532.49**
Financial liabilities carried at amortised cost		
Borrowings	5,369.73	3,579.53
Trade payables	5,671.39	5,896.66
Lease liabilities	821.21	370.30
Other financial liabilities	908.87	831.23
Financial liabilities carried at fair value		
Liability arising out of put option	10,076.05	10,515.74
Total financial liabilities	**22,847.25**	**21,193.46**

The carrying amount of trade receivables, trade payables, other financial assets/ liabilities and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

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

B. Fair values hierarchy

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

The categories used are as follows:

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

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

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit					
Investment in equity instruments*	31 March 2023	-	-	1.43	1.43
	31 March 2022	-	-	1.43	1.43

B.2 Financial liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through					
Liability arising out of put option	31 March 2023	-	-	10,076.05	10,076.05
	31 March 2022	-	-	10,515.74	10,515.74

B.3 Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) for current investment directly observable market inputs, other than level 1 inputs have been used.

(b) for liability arising on account of put option, adjusted discounted cash flow method (income approach) has been used.

(c) Investment in equity instruments are measure at fair valued through profit or loss. As there is no significant difference between carrying value and fair value, hence, valued at cost.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant
	31 March 2023	31 March 2022	unobservable
Liability arising out of put option	10,076.05	10,515.74	Growth rate & discount rate

B.4 Sensitivity analysis

Description	Year ended 31 March 2023	Year ended 31 March 2022
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	607.03	444.43
- Impact due to decrease of 0.5%	(541.27)	(505.35)
Impact on liability arising on account of put options fair value if change in discount rate		
- Impact due to increase of 0.5%	(742.25)	(612.45)
- Impact due to decrease of 0.5%	835.87	696.51

B.5 The following table presents the changes in put option fair value measured in level 3 for the periods ended 31 March 2023 and 31 March 2022

Particulars	Liability arising out of put option
As at 1 April 2021	5,574.00
Add: fair value changes during the year	4,941.74
As at 31 March 2022	**10,515.74**
Add: fair value changes during the year	(439.69)
As at 31 March 2023	**10,076.05**

B.6 The following table presents the changes in investment in equity instruments measured at level 3 for the periods ended on 31 March 2023 and 31 March 2022:

Particulars	Investment in equity instruments
As at 1 April 2021/ 31 March 2022 and 31 March 2023	**1.43**

Valuation inputs and relationships to fair value

Particulars	Valuation Technique	Significant unobservable inputs	Inter relationship between
Investment in equity instruments (unquoted)	Fair valued through profit or loss. As there is no significant difference between carrying value and fair value, hence, valued at cost.	It is a SPV contract for Effluent treatment plant.	The estimated value would increase/(decrease) in profit before tax on completion of significant part of SPV Contract.

Financial risk management

Financial risk management objectives and policies

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

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

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

Financial risk factors

The Group's activities expose it to a variety of financial risks:
a) Market risk
b) Credit risk
c) Liquidity risk

The primary market risk to the Group is foreign exchange risk. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

(a) Market risk

(i) Foreign currency risk

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

Foreign currency risk exposure:

Particulars	31 March 2023		31 March 2022	
	Foreign currency (million)	₹ millions	Foreign currency (million)	₹ millions
Trade receivables (USD)	48,63,853	398.18	26,66,233	202.45
Trade receivables (Euro)	3,40,247	30.40	2,03,926	17.12
Trade and other payables (USD)	65,86,424	551.48	88,01,678	664.22

Sensitivity

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

Particulars	Currency	31 March 2023		31 March 2022	
		Increase	Decrease	Increase	Decrease
INR/USD- change by 1%* (31 March 2022: 1.47%)	USD	(1.53)	1.53	(6.79)	6.79
INR/USD- change by 1.82%* (31 March 2022: 2.27%)	Euro	0.55	(0.55)	0.31	(0.31)

(ii) Interest rate risk

(a) Financial liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At year end, the Group is exposed to changes in market The entity's investments in fixed deposits contractually carry fixed interest rates.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	3,875.52	3,379.34
Fixed rate borrowing	1,494.21	200.19
Total borrowings	**5,369.73**	**3,579.53**

Sensitivity

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

Particulars	As at 31 March 2023	As at 31 March 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points	38.76	33.79
Interest rates – decrease by 100 basis points	(38.76)	(33.79)

* Holding all other variables constant

(b) Financial assets

'The group's deposits with banks are carried at amortised cost and are fixed rate instruments. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

Exposure

The Group is in the business of pharmaceuticals wherein any increase in the prices is passed on to the customer and hence the Group is not exposed to material price risk.

(b) Credit risk

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

(i) Credit risk management

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

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

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the entities of the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the consolidated statement of profit and loss.

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

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, investments, cash and cash equivalents,	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss

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

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	516.08	-	516.08
Other bank balances	983.81	-	983.81
Investments	1.43	-	1.43
Loans	73.73	-	73.73
Other financial assets	496.50	-	496.50
Moderate credit risk			
Trade receivables	8,598.35	(147.48)	8,450.87
Total	**10,669.90**	**(147.48)**	**10,522.42**

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	551.39	-	551.39
Other bank balances	477.08	-	477.08
Investments	3.86		3.86
Loans	55.00	-	55.00
Other financial assets	602.04	-	602.04
Moderate credit risk			
Trade receivables	9,012.49	(169.37)	8,843.12
Total	**10,701.86**	**(169.37)**	**10,532.49**

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

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	4,668.07	0.00%	-	4,668.07
Between one to six month overdue	2,420.64	0.29%	(6.92)	2,413.72
Between six month to one year overdue	936.42	0.14%	(1.32)	935.10
Greater than one year overdue	573.22	24.29%	(139.24)	433.98
Total	**8,598.35**		**(147.48)**	**8,450.87**

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	4,746.76	0.00%	-	4,746.76
Between one to six month overdue	3,440.17	0.89%	(30.49)	3,409.68
Between six month to one year overdue	466.45		(48.40)	418.05
Greater than one year overdue	359.11	25.20%	(90.48)	268.63
Total	**9,012.49**		**(169.37)**	**8,843.12**

Reconciliation of loss provision - Trade receivables

Particulars	Total
Loss allowance on 1 April 2021	(138.98)
Changes in provision	(132.27)
Provision reversed	101.88
Loss allowance on 31 March 2022/ 1 April 2022	(169.37)
Changes in provision (net)	(18.65)
Provision reversed	40.54
Loss allowance on 31 March 2023	**(147.48)**

(d) Liquidity risk

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

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

i. Financing arrangements

Particulars	As at 31 March 2023	As at 31 March 2022
Working capital facility	5,884.11	2,335.75
Term loan facility *	1,050.00	600.00

* Includes unutilised term loan facility from Citi Bank amounting ₹ 350.00 million which has been futher surrendered by one of the group company on 11 Mav 2023.

ii. Maturities of financial liabilities

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

31 March 2023	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	4,214.77	1,154.96	-	5,369.73
Trade payable	5,671.39	-	-	5,671.39
Lease liabilities	72.41	183.05	565.75	821.21
Other financial liabilities	628.10	10,356.82	-	10,984.92
Total	**10,586.67**	**11,694.83**	**565.75**	**22,847.25**

31 March 2022	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	3,446.20	133.33	-	3,579.53
Trade payable	5,896.66	-	-	5,896.66
Lease liabilities	66.22	203.92	100.16	370.30
Other financial liabilities	702.09	10,644.88	-	11,346.97
Total	**10,111.17**	**10,982.13**	**100.16**	**21,193.46**

48 Taxes

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
- current year	781.30	690.45
- tax for earlier years	16.09	(53.26)
Total	**797.39**	**637.19**
Deferred tax credit	(272.59)	(60.42)
Tax effect on other comprehensive income(OCI)	5.99	(0.81)
Tax expense	**530.79**	**575.96**

(a) Current tax

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/ (loss) before income-tax	1,502.97	(1,931.97)
Income tax using the Company's domestic tax rate *	25.17%	25.17%
Expected tax expense [A]	**378.27**	**(486.24)**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of non-deductible expenses/ impact of tax rates	(90.19)	1,371.76
Change in tax rates	(2.59)	94.41
Effect of tax credit considered in determining taxable profits	-	(532.37)
Deferred tax asset not recognised on carry forward business loss of Group companies	529.62	898.07
Tax for earlier years	16.09	(53.26)
Set off for previous years unabsorbed losses	(112.46)	-
Deferred Tax recognised on brought forward losses not recognised earlier	(90.80)	-
Others (including impact on other comprehensive income)	(97.15)	(0.81)
Total adjustments [B]	**152.52**	**1,062.20**
Actual tax expense [C=A+B]	**530.79**	**575.96**
* Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	22.00%	22.00%
Surcharge (% of tax)	10.00%	10.00%
Cess (% of tax)	4.00%	4.00%
Applicable rate of tax	25.17%	25.17%

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

Particulars	As at 31 March 2022	Recognised in OCI	Recognised in profit and loss	As at 31 March 2023
Deferred tax liability consists of:				
Property, plant and equipment	552.27	-	55.24	607.51
Right to recover product	10.45	-	0.41	10.86
	562.72	**-**	**55.65**	**618.37**
Deferred tax assets consists of:				
Property, plant and equipment	1.38	-	(0.17)	1.21
Allowances under Income tax Act,1961	76.44	5.99	12.21	82.66
Provision for credit losses on financial assets	11.06	-	19.44	30.50
Lease liability	5.99	-	70.56	76.55
Provision for sales tax	44.10	-	(44.10)	-
Provision for right to return	101.02	-	(6.07)	94.95
Carried forward business losses	67.40	-	87.27	154.67
Unused Credits (Mat Credit Entitlement)	50.88	-	(0.28)	50.60
Provision for dimunition in value of intangible assets	-	-	175.55	175.55
Provision for demand raised by statutory authorities	-	-	13.84	13.84
Net deferred tax asset / (liability)	**358.27**	**5.99**	**328.25**	**680.53**
Total	**204.45**	**5.99**	**(272.60)**	**(62.16)**

Changes in deferred tax assets and liabilities for the year ended 31 March 2022:

Particulars	As at 31 March 2021	Recognised in OCI	Recognised in profit and loss	As at 31 March 2022
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	654.27	-	(102.00)	552.27
Right to recover product	9.86	-	0.59	10.45
	664.13	**-**	**(101.41)**	**562.72**
Deferred tax assets consists of:				
Property, plant and equipment and intangible assets	1.01	-	0.37	1.38
Allowances under Income tax Act,1961	88.65	(0.81)	(13.02)	76.44
Provision for credit losses on financial assets	35.98	-	(24.92)	11.06
Lease liability	5.52	-	0.47	5.99
Provision for sales tax	61.23	-	(17.13)	44.10
Provision for right to return	90.65	-	10.37	101.02
Provision for dimunition in value of investment	25.17	-	(25.17)	-
Carried forward busienss losses	46.18	-	21.22	67.40
Unused Credits (Mat Credit Entitlement)	44.06	-	6.82	50.88
Net deferred tax asset / (liability)	**398.45**	**(0.81)**	**(40.99)**	**358.27**
Net impact	**265.68**	**(0.81)**	**(60.42)**	**204.45**

(c) Details of unused tax credits (MAT credit entitlement)

Particulars	As at		As at	
	₹	Expiry date	₹	Expiry date
A.Y. 2010-11	0.09	2025-26	0.09	2025-26
A.Y. 2011-12	0.05	2026-27	0.05	2026-27
A.Y. 2012-13	0.10	2027-28	0.10	2027-28
A.Y. 2014-15	0.35	2029-30	0.35	2029-30
A.Y. 2015-16	0.75	2030-31	0.75	2030-31
A.Y. 2016-17	18.12	2031-32	18.12	2031-32
A.Y. 2017-18	3.51	2032-33	3.51	2032-33
A.Y. 2018-19	5.10	2033-34	5.10	2033-34
A.Y. 2019-20	9.52	2034-35	9.53	2034-35
A.Y. 2020-21	0.69	2035-36	0.69	2035-36
A.Y. 2021-22	4.12	2036-37	4.12	2036-37
A.Y. 2022-23	8.22	2037-38	8.48	2037-38
	50.62		**50.89**	

(d) Details in respect of carried forward business losses

The amount and expiry of date of unused tax credits are:

Particulars	As at 31 March 2023			As at 31 March 2022		
	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)
A.Y 2010-11	-	2018-19	1.20	-	2018-19	1.20
A.Y 2012-13	-	2020-21	122.03	-	2020-21	122.03
A.Y 2013-14	-	2021-22	348.28	-	2021-22	348.32
A.Y 2014-15	-	2022-23	342.55	-	2022-23	345.13
A.Y 2015-16	-	2023-24	370.49	1,214.50	2023-24	371.73
A.Y 2016-17	3,051.43	2024-25	395.67	3,105.40	2024-25	396.45
A.Y 2017-18	606.94	2025-26	358.26	838.89	2025-26	362.55
A.Y 2018-19	202.38	2026-27	315.07	344.09	2026-27	319.41
A.Y 2019-20	340.66	2027-28	267.68	784.71	2027-28	276.05
A.Y 2020-21	183.61	2028-29	218.19	579.31	2028-29	227.94
A.Y 2021-22	60.53	2029-30	7.64	138.38	2029-30	11.30
A.Y 2022-23	451.93	2030-31	234.84	487.39	2030-31	237.32
A.Y 2023-24	1,679.58	2031-32	270.69			
	6,577.06		**3,252.59**	**7,492.67**		**3,019.43**

49. Research and development expenditure

The Group has its research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to Rs. 247.08 millions (31 March 2022: Rs. 223.64 millions) (including depreciation of Rs. 30.86 millions (31 March 2022: Rs. 23.07 millions) and interest expense of Rs. 1.14 millions (31 March 2022: Rs. 1.34 millions) recognised in the consolidated financial statements.

50. Segment reporting

The board of directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 "Operating Segments". Operating Segments have been defined and presented based on the regular review by the CODM to assess the performance of each segment and to make decision about allocation of resources. Pursuant to changes during the current period in the operations and the internal reporting to the Chief Operational Decision maker, the group has reassessed its reportable segments in accordance with Ind AS 108 "Operating Segments".

a) Contract Development and Manufacturing Operations (CDMO): including the formulation research and development, preparation and regulatory filing of dossiers, manufacturing formulations on contract basis, job work and testing services

b) Active Pharmaceutical Ingredient (API) : wherein the group is engaged in manufacture and sale of KSM, Intermediate and API products

c) Branded and Generic formulations: wherein the group is engaged in marketing and distribution of branded and generic pharmaceutical

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

No operating segments have been aggregated to form the above reportable operating segments. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'

Finance costs and fair value gains and losses on certain financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Borrowings, current taxes, deferred taxes and certain financial assets and liabilities are not allocated to the segments and have been included under 'unallocated assets / liabilities'.

Information related to each reportable segment is set out below. EBITDA and segment results (profit/(loss) before interest and tax) is used to measure performance because management believes that this information is most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Total segment revenue	Inter segment revenue	Revenue from external customer	Total segment revenue	Inter segment revenue	Revenue from external customer
Revenue						
CDMO (gross)	36,159.27			35,166.22		
Less: Intra segment revenue	4,953.25			5,336.68		
CDMO (net)	31,206.02	3,975.95	27,230.07	29,829.54	3,164.58	26,664.96
API	2,222.74	450.24	1,772.49	1,360.88	267.67	1,093.21
Branded and generic formulations (gross)	7,675.20			9,487.28		
Less: Intra segment revenue	125.93			457.78		
Branded and generic formulations (net)	7,549.27	3.64	7,545.63	9,029.50	14.74	9,014.76
Total	**46,057.21**		**36,548.20**	**46,014.38**		**36,772.93**

	Year ended 31 March 2023	Year ended 31 March 2022
EBITDA		
CDMO	3,958.81	4,055.93
API	(1,034.45)	(223.74)
Branded and generic formulations	423.20	384.07
Segment result		
CDMO	3,135.48	3,361.06
API	(1,305.84)	(434.92)
Branded and generic formulations	337.48	311.30
Total segment result	2,167.12	3,237.44
Unallocated corporate expenses (net of unallocated income)	439.69	(4,941.74)
Interest income	53.30	35.47
Interest expense	(410.11)	(135.41)
Profit/ (loss) before exceptional items and tax	2,250.00	(1,804.24)
Exceptional items	745.00	129.77
Profit/ (loss) before share of profit of an associate	1,505.00	(1,934.01)
Share of (loss)/ profit of an associate	(2.03)	2.03
Profit/ (loss) before tax	1,502.97	(1,931.98)
Tax expenses	524.80	576.77
Profit for the year	978.17	-2,508.75

Other information	Depreciation and amortisation		Segment assets		Segment liabilities	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
CDMO	786.89	662.85	22,309.55	21,192.69	8,006.72	6,832.68
API	270.54	211.18	4,792.39	4,653.64	198.48	1,020.33
Branded and generic formulations	70.67	72.76	3,415.85	4,270.72	1,490.52	1,624.74
Segment total	1,128.09	946.79	30,517.79	30,117.05	9,695.72	9,477.75
Un-allocated corporate assets/ liabilities	-	-	2,147.49	573.44	15,736.49	14,961.01
Total assets/ liabilities	1,128.09	946.79	32,665.28	30,690.49	25,432.21	24,438.76

51. Capital management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current borrowing	1,494.21	200.19
Current borrowing	3,875.52	3,379.34
Less:		
Cash and cash equivalents	516.08	551.39
Other bank balances	983.81	477.08
Investments	-	-
Net debt (A)	**3,869.84**	**2,551.06**
Total equity* (B)	7,233.74	6,251.71
Capital and net debt (C = A+B)	11,103.58	8,802.77
Gearing ratio (A/C)	**34.85%**	**28.98%**

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

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest bearing loans and borrowings as at year end. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

52. Goodwill on consolidation as on the consolidated balance sheet date comprises of the following:

Name of the entity	As at 31 March 2023	As at 31 March 2022
Goodwill		
Malik Lifesciences Private Limited	11.18	11.18
Pure & Cure Healthcare Private Limited	9.45	9.45
Total (A)	**20.63**	**20.63**
Capital reserve		
Akumentis Healthcare Ltd	8.07	8.07
Amazing Research Laboratories Limited	6.11	6.11
Maxcure Nutravedics Limited	0.06	0.06
May and Baker Pharmaceuticals Limited	5.07	5.07
Upadhrish Reserchem LLP	2.72	2.72
Akums Lifesciences Limited	1,007.95	1,007.95
Total (B)	**1,029.98**	**1,029.98**

Changes in carrying values of goodwill during the year

	Amount
Gross carrying amount	
Balance as at 1 April 2021	250.40
Add: Acquired during the year	-
Balance as at 31 March 2022/ 1 April 2022	**250.40**
Add: Acquired during the year	-
Balance as at 31 March 2023	**250.40**
Amortisation and impairment	
Balance as at 1 April 2021	100.00
Less: Impairment during the year	129.77
Balance as at 31 March 2022/ 1 April 2022	**229.77**
Less: Impairment during the year (refer note below)	-
Balance as at 31 March 2023	**229.77**
Carrying amount as at 31 March 2022	**20.63**
Carrying amount as at 31 March 2023	**20.63**

Note:

The Group performs test for goodwill impairment at least annually on 31 March or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows. During the year, the management has reviewed the carrying value of its goodwill against the recoverable amounts of these CGUs, using internal and external information available. Management had recorded an impairment of Nil (31 March 2022: 129.77 million) in the Statement of Profit and Loss. The management believes that any reasonable possible changes in the key assumptions used would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

53 Details relating to net assets and profit/(loss) is as follows:
For the year ended 31 March 2023

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other comprehensive income (OCI)		Share in total comprehensive income	
	Rs.	As % of consolidated	Rs.	As % of consolidated	Rs.	As % of consolidated OCI	Rs.	As % of total consolidated income
Parent								
Akums Drugs and Pharmaceuticals Limited	3,115.04	43.06%	1,254.30	128.23%	5.36	26.72%	1,259.66	126.19%
Subsidiaries (Indian)								
Sarvagunaushdhi Private Limited	493.67	6.82%	354.94	36.29%	0.82	4.09%	355.76	35.64%
Unosource Pharma Limited	(331.11)	-4.58%	166.99	17.07%	0.51	2.54%	167.50	16.78%
Amazing Research Laboratories Limited	(81.46)	-1.13%	(97.17)	-9.93%	0.41	2.04%	(96.76)	-9.69%
Plenteous Pharmaceuticals Limited	(26.23)	-0.36%	(165.46)	-16.92%	1.16	5.76%	(164.31)	-16.46%
Delcure Lifesciences Limited*	-	0.00%	(0.39)	-0.04%	-	0.00%	(0.39)	-0.04%
Maxcure Nutravedics Limited	956.85	13.23%	59.75	6.11%	1.00	4.99%	60.75	6.09%
Pure and Cure Healthcare Private Limited	5,522.31	76.34%	528.56	54.04%	4.10	20.44%	532.66	53.36%
Malik Lifesciences Private limited	262.42	3.63%	(28.97)	-2.96%	2.82	14.06%	(26.15)	-2.62%
May and Baker Pharmaceuticals Limited	70.44	0.97%	(13.92)	-1.42%	0.51	2.54%	(13.41)	-1.34%
Avha Lifesciences Private Limited*	-	0.00%	40.42	4.13%	-	0.00%	40.42	4.05%
Upadhrish Reserchem LLP	55.36	0.77%	53.86	5.51%	-	0.00%	53.86	5.40%
Nicholas Healthcare Limited	553.03	7.65%	272.96	27.90%	1.23	6.13%	274.19	27.47%
Akumentis Healthcare Limited	666.52	9.21%	319.21	32.63%	2.97	14.81%	322.18	32.28%
Medibox Digital Solutions Private Limited	0.46	0.01%	(27.63)	-2.82%	-	0.00%	(27.63)	-2.77%
Akum Impex LLP*	-	0.00%	-	0.00%	-	-	-	0.00%
Akums Lifesciences Limited	(1,417.68)	-19.60%	(1,614.01)	-165.00%	1.48	0.07	(1,612.53)	-161.54%
Akums Healthcare Limited	566.02	7.82%	(177.84)	-18.18%	(2.20)	(0.11)	(180.04)	-18.04%
Dhanwantri Vedaresearch LLP*	-	0.00%	-	0.00%	-	-	-	0.00%
Burroughs Welcome Pharmacia Limited	(35.39)	-0.49%	(29.43)	-3.01%	0.06	0.00	(29.37)	-2.94%
Associate (as per equity method)								
AUSL Pharma*	-	-	(2.03)	-0.21%	-	-	(2.03)	-0.20%
Non-controlling interest in all subsidiaries	61.85	0.86%	29.62	3.03%	0.28	1.40%	29.90	3.00%
Intra group eliminations	(3,198.35)	-44.21%	54.41	5.56%	(0.45)	-2.22%	53.97	5.41%
Total	**7,233.74**	**100.00%**	**978.17**	**100.00%**	**20.06**	**100.00%**	**998.23**	**100.00%**

* till the date it ceased to be the subsidiary

For the year ended 31 March 2022

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in Other comprehensive income (OCI)		Share in total comprehensive income	
	Rs.	As % of consolidated	Rs.	As % of consolidated	Rs.	As % of consolidated OCI	Rs.	As % of total consolidated income
Holding Compnay								
Akums Drugs and Pharmaceuticals Ltd.	1,855.38	29.68%	(3,817.75)	152.18%	2.66	-302.27%	(3,815.09)	152.02%
Subsidiaries (Indian)								
Nicholas Healthcare Limited	(208.10)	-3.33%	(195.38)	7.79%	(0.46)	51.99%	(195.84)	7.80%
Sarvagunaushdhi Private Limited	(362.08)	-5.79%	(45.42)	1.81%	0.84	-95.45%	(44.58)	1.78%
Unosource Pharma Limited	(498.65)	-7.98%	116.31	-4.64%	(0.18)	20.45%	116.13	-4.63%
Amazing Research Laboratories Limited	14.27	0.23%	16.97	-0.68%	0.09	-10.23%	17.06	-0.68%
Plenteous Pharmaceuticals Limited	138.07	2.21%	40.34	-1.61%	(0.53)	60.23%	39.81	-1.59%
Delcure Lifesciences Limited	0.44	0.01%	86.72	-3.46%	-	0.00%	86.72	-3.46%
Maxcure Nutravedics Limited	896.09	14.33%	(78.10)	3.11%	(0.61)	69.32%	(78.71)	3.14%
Pure and Cure Healthcare Private Limited	4,989.65	79.81%	1,264.59	-50.41%	(1.76)	200.00%	1,262.83	-50.32%
Malik Lifesciences Private limited	288.57	4.62%	133.05	-5.30%	(1.50)	170.45%	131.55	-5.24%
May and Baker Pharmaceuticals Limited	83.85	1.34%	11.34	-0.45%	(0.07)	7.95%	11.27	-0.45%
Avha Lifesciences Private Limited	(40.27)	-0.64%	(0.53)	0.02%	0.41	-46.59%	(0.12)	0.00%
Upadhrish Reserchem LLP	70.87	1.13%	69.37	-2.77%	-	0.00%	69.37	-2.76%
Akumentis Healthcare Limited	312.36	5.00%	162.59	-6.48%	(0.48)	54.55%	162.11	-6.46%
Cure Sure Pharma*	0.21	0.00%	(45.54)	1.82%	-	0.00%	(45.54)	1.81%
Medibox Digital Solutions Private Limited	28.09	0.45%	11.58	-0.46%	0.88	-100.00%	12.46	-0.50%
Akum Impex LLP	0.10	0.00%	-	0.00%	-	0.00%	-	-
Akums Lifesciences Limited	194.86	3.12%	(526.25)	20.98%	-	0.00%	(526.25)	20.97%
Akums Healthcare Limited	(53.94)	-0.86%	(52.63)	2.10%	-	0.00%	(52.63)	2.10%
Dhanwantri Vedaresearch LLP	0.10	0.00%	(0.00)	0.00%	-	0.00%	(0.00)	0.00%
Burroughs Welcome Pharmacia Limited#	(6.02)	-0.10%	(6.03)	0.24%	-	0.00%	(6.03)	0.24%
Parabolic Research Labs Limited	-	0.00%	(21.84)	0.87%	-	0.00%	(21.84)	0.87%
Ziven Lifecsciences Limited	-	0.00%	0.53	-0.02%	-	0.00%	0.53	-0.02%
Associate (as per equity method)								
AUSL Pharma	-	-	2.03	-0.08%	-	0.00%	2.03	-0.08%
Non-controlling interest in all subsidiaries	31.95	0.51%	16.62	-0.66%	(0.04)	4.55%	16.58	-0.66%
Intra group eliminations	(1,484.09)	-23.74%	348.70	-13.90%	(0.13)	15.06%	348.56	-13.89%
Total	**6,251.71**	**100.00%**	**(2,508.74)**	**100.00%**	**(0.88)**	**100.00%**	**(2,509.62)**	**100.00%**

* till the date it ceased to be the subsidiary
# new acquisition during the year

54. Lease

(a) The Group has adopted Ind AS 116 'Leases' from 1 April 2019

(b) The weighted average lessee's incremental borrowing rate applied by Group companies to the lease liabilities ranges from 9%-13% p.a.

(c) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on consolidated balance sheet:

31 March 2023

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	11	30-92 years	85 years
Building	16	2-9 years	6 years

31 March 2022

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	10	74-93 years	85 years
Building	16	2-10 years	6 years

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

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

Particulars	Category of Right-of-use assets		
	Land	Buildings	Total
Balance as at 1 April 2021	**409.55**	**292.40**	**702.0**
Add: Additions during the year	54.44	141.90	196.34
Less: deletion during the year	-	(10.55)	(10.55)
Less: amortisation charged on the right-of-use assets	(5.16)	(71.99)	(77.15)
Balance as at 31 March 2022/ 1 April 2022	**458.83**	**351.76**	**810.59**
Add: Additions during the year	584.64	26.34	610.98
Less: deletion during the year	(40.98)	(17.98)	(58.96)
Less: amortisation charged on the right-of-use assets	(9.97)	(89.05)	(99.02)
Balance as at 31 March 2023	**992.52**	**271.07**	**1,263.59**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expenses relating to short term leases (included in other expenses)	34.76	26.48
Total	**34.76**	**26.48**

(f) The total cash outflow for leases for the year ended 31 March 2023 was ₹ 129.98 millions (31 March 2022: ₹ 163.73 millions)

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

Minimum lease payments due	As on 31 March 2023		
	Lease	Finance charges	Net present value
Within 1 year	143.05	70.64	72.41
1-5 years	414.68	231.63	183.05
More than 5 years	1,304.71	738.96	565.75
Total	**1,862.44**	**1,041.23**	**821.21**

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

Minimum lease payments due	As on 31 March 2022		
	Lease	Finance Charges	Net Present Value
Within 1 year	96.49	30.27	66.22
1-5 years	270.96	67.04	203.92
More than 5 years	117.74	17.58	100.16
Total	**485.19**	**114.89**	**370.30**

55. Ageing of trade receivables and trade payables as per Schedule III

A Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2023

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	7,079.05	931.63	299.38	30.61	46.47	**8,387.14**
Undisputed trade receivables- credit impaired	-	-	(48.80)	(7.33)	(42.17)	**(98.30)**
Disputed trade receivables- considered good	9.66	4.79	60.95	15.08	120.73	**211.21**
Disputed trade receivables- credit impaired	(6.92)	(1.32)	(11.75)	(3.78)	(25.41)	**(49.18)**
	7,081.79	**935.10**	**299.78**	**34.58**	**99.62**	**8,450.87**

31 March 2022

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	8,185.39	459.91	127.70	38.04	99.70	**8,910.74**
Undisputed trade receivables- credit impaired	(29.85)	(47.61)	(0.25)	(1.86)	(40.14)	**(119.71)**
Disputed trade receivables- considered good	1.54	6.54	22.19	5.00	66.48	**101.75**
Disputed trade receivables- credit impaired	(0.64)	(0.79)	(5.56)	(1.31)	(41.36)	**(49.66)**
	8,156.44	**418.05**	**144.08**	**39.87**	**84.68**	**8,843.12**

Note: There are no unbilled receivables, hence same is not disclosed in the ageing schdeule.

B Trade payables ageing

The table below analyse the outstanding trade payables:

31 March 2023

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	440.92	1.24	-	-	**442.16**
Others	4,641.60	92.47	4.00	3.34	**4,741.41**
Unbilled dues	487.82	-	-	-	**487.82**
	5,570.34	**93.71**	**4.00**	**3.34**	**5,671.39**

31 March 2022

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	358.98	0.01	-	-	**358.99**
Others	5,020.24	17.90	1.32	3.10	**5,042.56**
Unbilled dues	495.11	-	-	-	**495.11**
	5,874.33	**17.91**	**1.32**	**3.10**	**5,896.66**

56. Other statutory information

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

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

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

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

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

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

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

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

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

(h) The Group is not declared wilful defaulter by any bank or financial institution or government or any government authority.

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

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Tarun Gupta
Partner
Membership No: 507892

Sanjeev Jain
Managing Director
DIN: 00323433

Sandeep Jain
Managing Director
DIN: 00323476

Place : New Delhi
Date : 30 June 2023

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

NOTES

NOTES

AKUMS DRUGS &
PHARMACEUTICALS LTD.