ANNUAL REPORT 2023-2024

AKUMS DRUGS & PHARMACEUTICALS LTD.

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THE AKUMS ADVANTAGE

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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
Sanjeev Jain (Managing Director)
Sandeep Jain (Managing Director)
Sanjay Sinha (Whole Time Director)
Sunil Kumar Thakur (Non-executive Director)
Kewal Handa (Independent Director)
Matangi Gowrishankar (Independent Director)
Nand Lal Kalra (Independent Director)
Satwinder Singh (Independent Director)

COMMITTEES

AUDIT COMMITTEE
Kewal Handa
Sandeep Jain
Nand Lal Kalra
Sunil Kumar Thakur
Matangi Gowrishankar
Satwinder Singh

NOMINATION & RENUMERATION COMMITTEE
Matangi Gowrishankar
Nand Lal Kalra
Sunil Kumar Thakur
Kewal Handa
Satwinder Singh

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Sandeep Jain
Sanjeev Jain
Sunil Kumar Thakur
Matangi Gowrishankar
Nand Lal Kalra

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Satwinder Singh
Sandeep Jain
Sanjeev Jain
Kewal Handa
Nand Lal Kalra

RISK MANAGEMENT COMMITTEE
Sanjeev Jain
Sandeep Jain
Kewal Handa
Matangi Gowrishankar
Nand Lal Kalra
Sumeet Sood

STATUTORY AUDITORS
M/s. Walker Chandiok & Co LLP

COST AUDITORS
M/s. Balwinder & Associates

SECRETARIAL AUDITORS
M/s. AK Nandwani & Associates

INTERNAL AUDITORS
M/s. Vibhor Gupta & Associates

MANAGEMENT AUDITORS
Ernst & Young LLP
Protiviti India Member Private Limited

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

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

REGISTERED OFFICE
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L.S.C, C-Block, Saraswati Vihar
Delhi-110034

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E-mail: akumsho@akums.net

ABOUT US

Akums was established by two enterprising brothers, Shri Sanjeev Jain and Shri Sandeep Jain, in 2004 under the able guidance of their father, the late 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.

Over 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. Today, the company is 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, Himachal Pradesh, Punjab, and Haryana. 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 more than 16,000, Akums produces over 10% of the country's total domestically consumed medicines for more than 1,500 clients that comprise not just leading Indian pharmaceutical companies but also some of the biggest multinational corporations.

In the financial year 2023-24, Akums was the largest India-focused Contract Development and Manufacturing Organisation (CDMO) in terms of revenue, production capacity and clients served and had a 30% market share of the domestic CDMO market by value. In fact, in 2022-23, Akums manufactured formulations for 26 of the 30 leading pharmaceutical companies in the country. Our key clients include Alembic Pharmaceuticals, Alkem Laboratories, Cipla, Dabur India, Dr. Reddy's Laboratories, Ipca Laboratories, Mankind Pharma, and Sun Pharmaceutical.

In addition to our core CDMO business, we actively engage in marketing our own branded formulations in India and across global markets, and have established a domestic and international presence through our subsidiaries, Akumentis and Unosource, respectively.

In recent years, the company has made several strategic acquisitions like those of Parabolic Drugs (now merged with Pure and Cure) and bought the manufacturing facilities of Ankur Drugs & Pharmaceuticals Ltd and Origin Formulations Pvt. Ltd. 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 1,500 products in around 60 countries, and the company exports to nations across Africa, South and Southeast Asia, Latin America, Middle East

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. The company also engages in the marketing of trade generic and products through distributors and alternative channels across India.

As Akums closes another financial year successfully and starts a new one, the company is looking to enter a new era and plans to list on the stock market. Even as it does this, the next generation of the founding family is looking to find their feet. Ms. Arushi Jain and Mr. Kanishk Jain, who manage our business excellence at Akums and strategy at Akumentis, respectively, are being guided and mentored by the founders and other top executives at the group.

Akums rededicates itself to the nation and redoubles its commitment to keep serving the people and communities across the world that benefit from its medicines and other products.

Akums will continue to strive towards its stated mission of becoming one of the most globally admired pharmaceutical companies, providing research-based, affordable and quality products for people all over the world.

MANAGEMENT'S MESSAGE

Dear Shareholders,

We are delighted to present the Annual Report for fiscal year 2023-24. This marks the 20th year since the incorporation of our company on April 19th, 2004. It was an incredible journey and we would like to thank all of those who have been part of this, including our partners, board members, clients, suppliers, and employees. This has been one of the most exciting years for us at Akums. Not only did we deliver strong performance compared with FY2022-23 when growth in the overall market had stalled, we also filed our draft red herring prospectus in February 2024 for our initial public offering.

Talking about the CDMO business first, we continued our leadership position in our flagship business. We delivered more than 17% CDMO revenue growth compared with the last fiscal year. The growth was broad-based across all plants and dosage forms. Since most of this growth is volume-based, we are confident of a better fiscal 2024-25.

We served over 1,500 clients across pharmaceuticals, nutraceuticals, cosmetics, AYUSH, and wellness products. We are manufacturing partners to 26 out of the top 30 players in the Indian pharmaceutical market. Akums' portfolio today consists of more than 4,000 formulations, for which we manufacture over 18,000 SKUs. Akums commands almost 30% market share by value in the Indian domestic CDMO market.

This fiscal year also saw a significant expansion of our operations. We kick-started our Pure and Cure facility at Baddi in Himachal Pradesh and expanded operations at Akums Healthcare Ltd facility at Kotdwar, Uttrakhand. We introduced new dosage forms including nasal sprays (at Plant 3) and gummies (at Maxcure). We further expanded our capacities for eye drops (Plant 3), respules (Pure & Cure-Haridwar) and bi-layered / tablet (at P&C-Haridwar).

The CDMO market in India is evolving. We are seeing CDMOs increasingly expanding capacities and capabilities, which is an indication to the growing potential in this segment. In 2023, for instance, US-based private equity firm TA Associates acquired a majority stake in Synokem. Also in 2023, we saw Innova Captab getting listed. While Synokem acquired Nitin Lifesciences, Innova is planning to expand capacities in Jammu. With several marketing players preferring to remain asset-light, and demand for better quality products and cost-efficient sourcing increasing, the CDMO market in India is set to grow faster than the overall market. Akums, being the leader in this space, is expected to gain significantly from this trend.

The Active Pharmaceutical Ingredient (API) vertical is also performing well. While we have more than 25% API revenue growth compared with last year, our losses have been significantly trimmed. We now have sticky customers in the domestic market and have also started exports. We expect exports to be a significant driver of our growth in the coming years. Today, we serve over 100 customers and have a robust portfolio of more than 10 APIs. We'll continue investing in R&D and infrastructure to become a prominent API manufacturer in India.

Our marketing business also performed better than the previous fiscal year. The exports business was the pick of the segment in this vertical. It grew by over 30% in revenue and expanded its reach to newer territories and product portfolio. With a muted overall domestic pharma market in 2023, the prescription business could grow faster than the market but only achieved single-digit growth.

Akums is a 16,000-member strong team across various divisions and verticals. As we think of the coming year, we couldn't be more excited. We are working across multiple high-growth opportunities to grow our business and consolidate our leadership position. We thank everyone who is part of this exciting journey with the single motto – "Patient First".

Warm regards,

Shri Sanjeev Jain
Managing Director
Akums Drugs & Pharmaceuticals Ltd.

Shri Sandeep Jain
Managing Director
Akums Drugs & Pharmaceuticals Ltd.

IN MEMORIAM

A Tribute to Late Shri D.C. Jain

On March 19, 2024, the Akums Group lost a father figure and its guiding light with the passing of Shri D.C. Jain. Shri D.C. Jain was not just a father to the group's founders, Shri Sanjeev Jain and Shri Sandeep Jain, but was also a mentor to the thousands of employees who make Akums a force to reckon with in the pharmaceutical industry.

To say that Shri Jain was a pioneer would be an understatement. Not only did he help lay the foundation for a business that has now become one of the largest manufacturers of generic drugs in India, but he also emerged as a visionary leader of India's pharmaceutical industry as a whole.

Shri Jain's commitment to excellence and innovation transformed Akums into one of India's leading pharmaceutical companies. Through the last couple of decades, he helped put in place robust systems of management at Akums. The entire workforce at the group has imbibed the value systems and will continue to be guided by these values.

Shri Jain was an excellent strategist and was well known in the pharma industry for his strong business acumen. In fact, his sense of professionalism stemmed from a sound academic foundation. Shri Jain, who was born in 1940, had impeccable academic credentials in the areas of finance, taxation, company law, pharmaceuticals, and food safety standards.

On top of that, he was also an active member of several pharma and food industry bodies including the Indian Drug Manufacturers' Association, the Federation of Pharma Entrepreneurs, the Confederation of Indian Pharma Industry and the Indian Federation of Pharma Generics. He effectively used his voice at these forums to represent the interests not only of Akums but of the entire pharma industry.

His work had an undeniable impact on the company as well as the industry, leaving a legacy that has touched countless lives. Still, he did not wear his achievements on his sleeve and was known for his humility, choosing to keep a low profile. The Akums Group will forever be indebted to Shri Jain for all that he did for Akums and the pharma industry. His kindness, wisdom and entrepreneurial spirit will continue to inspire us to reach new heights.

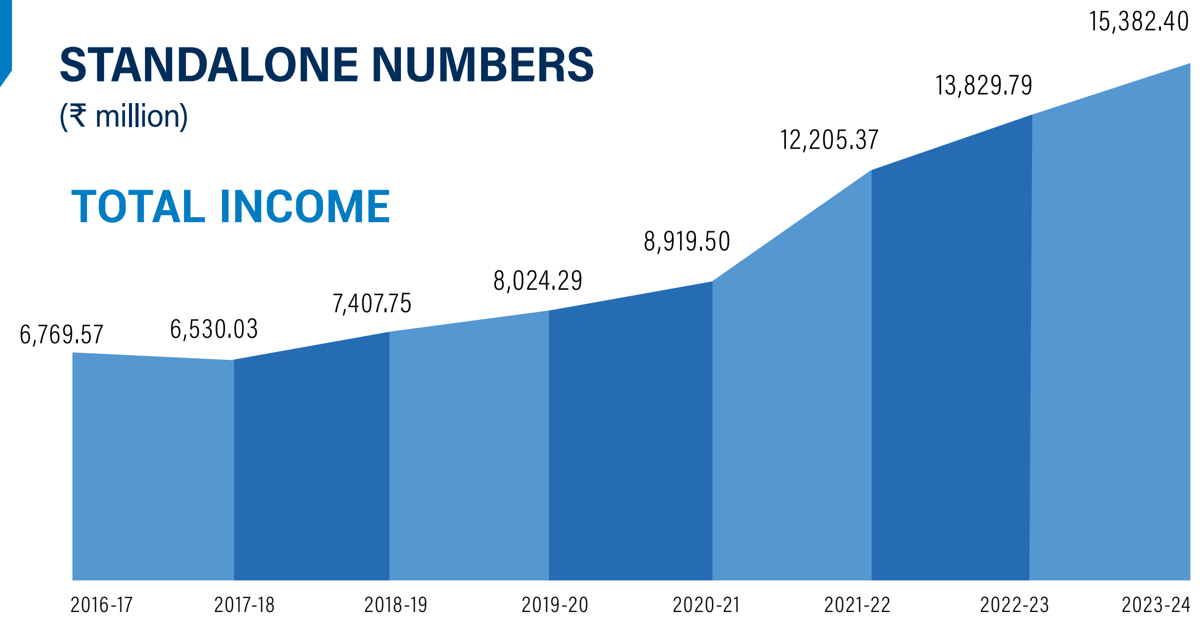
PERFORMANCE HIGHLIGHTS

AKUMS DRUGS AND PHARMACEUTICALS LTD

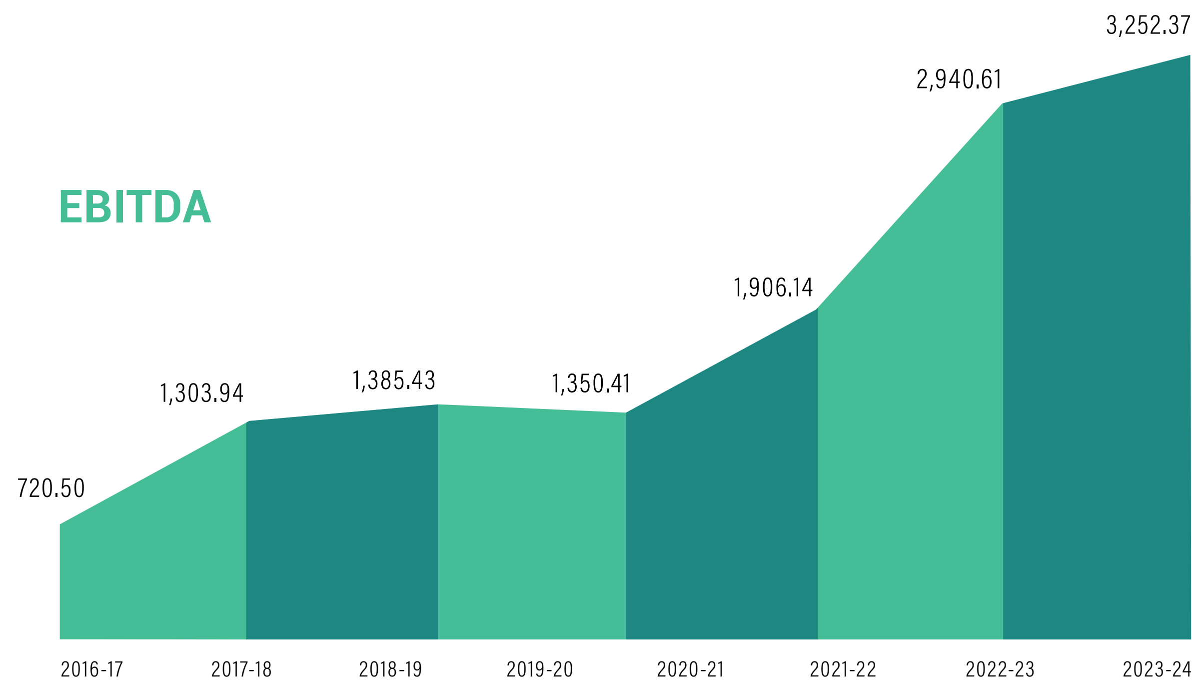
STANDALONE NUMBERS

(₹ million)

TOTAL INCOME



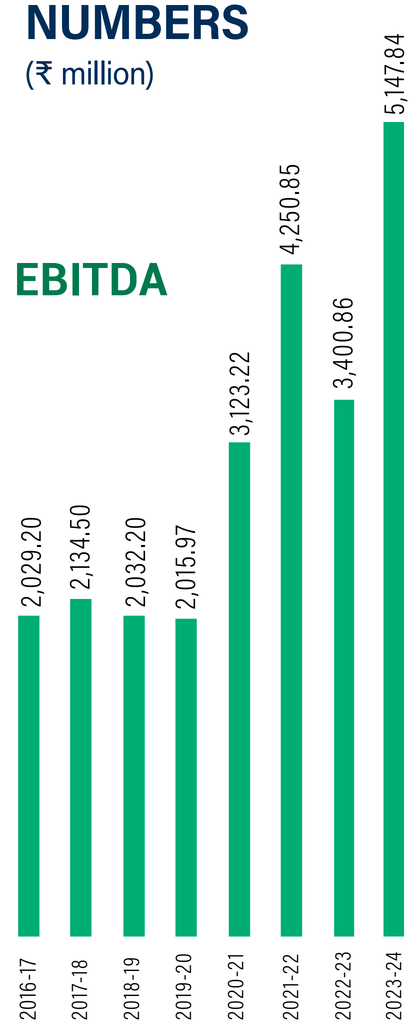
EBITDA



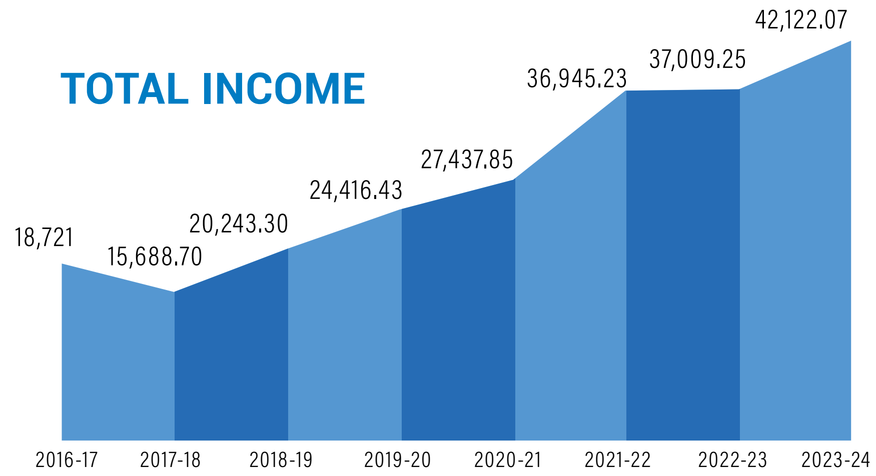
CONSOLIDATED NUMBERS

(₹ million)

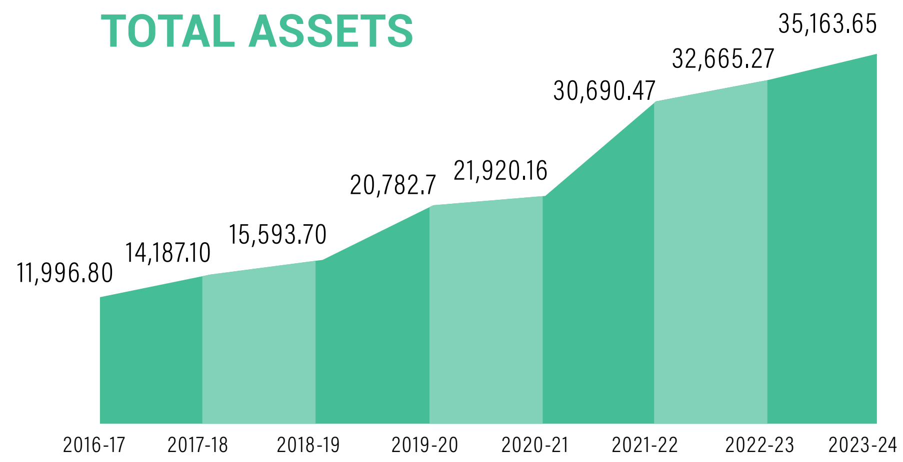
EBITDA



TOTAL INCOME



TOTAL ASSETS



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

2019-2024

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 15

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 when they were just 18 and 16 years old, respectively.

The brothers set up the foundations of their business, along with their father, Mr. D.C. Jain, who passed away in March 2024. 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 industry. He is a visionary leader and mentor. He has been guiding not just Akums but the industry as a whole to greater heights over the last two decades.

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 years.

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).

SANJAY SINHA

Whole Time Director

Mr. Sinha joined Akums with effect from November 26, 2022, and is currently President, Operations of the company. Mr. Sinha previously worked with Ipca Laboratories Ltd as President, Operations (Formulations). He has also served as President, Operations at the Ahmedabad plant of Famy Care Ltd.

He holds a bachelor's degree in pharmaceutical sciences from Ranchi University and a master's degree in pharmacy from the University of Delhi.

BOARD OF DIRECTORS

SUNIL KUMAR THAKUR
Non-Executive Director

Mr. Thakur is Partner and member of the investment committee at Quadria Capital, a leading healthcare-focused private equity firm. He serves on the Akums board as a representative of Quadria, which invested in Akums in 2019.

Mr. Thakur has more than 21 years of experience in healthcare investments and transactions across the Asia-Pacific region. He has led and executed multi-billion-dollar deals in the healthcare sector across the region.

Mr. Thakur has been a part of the leadership team and committees of several healthcare and pharmaceutical industry bodies. Before joining Quadria, he was a director in Religare Capital Markets' Southeast Asia investment banking team, executing merger and acquisition, and equity capital market transactions.

He holds a bachelor's degree in business administration from Thames Valley University and a master's degree in international business from the Delhi School of Economics.

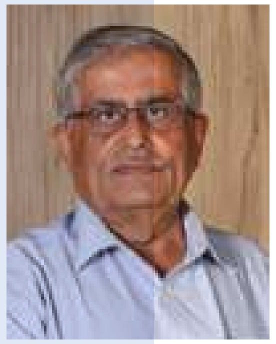
KEWAL HANDA
Independent Director

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 also served on 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.



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 graduated in science from Kurukshetra University with a gold medal. He holds a master's degree in science from Panjab University and a law degree from Jodhpur University.

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, IDFC First Bank, Suven Pharmaceuticals, Gujarat Pipavav Port, 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.

SATWINDER SINGH
Independent Director

Mr. Singh is a fellow member of the Institute of Company Secretaries of India (ICSI). He was the past chairman of the Expert Group on Secretarial Standards and Secretarial Standards Committee for 2021 and 2022.

Mr. Singh was the chairman of the Task Force on the National Company Law Tribunal and the National Company Law Appellate Tribunal for 2023. He has also held the chairmanship of the Secretarial Standards Board for 2019 and 2020. He holds a bachelor's degree in commerce and a bachelor's degree in law from Guru Nanak Dev University, Punjab.

A CONVERSATION WITH

SANJEEV JAIN AND SANDEEP JAIN
CO-FOUNDERS, AKUMS GROUP

"ACTIVELY FOCUSING ON EXPANDING TO NEWER MARKETS, FULLY PREPARED FOR LISTING"

Akums co-founders Sanjeev Jain and Sandeep Jain have led the company for two decades and made it one of India's foremost contract drug manufacturers. As the company gets set for a new phase of growth, the co-founders talk about their vision for Akums, the importance of ethical and sustainable practices, and the challenges ahead.

A CONVERSATION WITH THE FOUNDERS

What inspired you both to establish Akums Pharmaceuticals? What core values and principles guide Akums Pharmaceuticals in its operations and decision-making processes?

We were in the pharmaceutical trading business prior to incorporating Akums. As we progressed with that business in the 1980s and 1990s, we felt that the pharmaceutical profession is one of the closest to serving mankind. Rising demand for made-in-India quality medicines motivated us to establish Akums and kickstart manufacturing.

We, at Akums, are guided by the philosophy of "Patient-First". Everything we do is inspired by what's best for the patients, ranging from a focus on quality, diversification of dosage forms to meet unmet needs, operating at scale to meet growing demand, and robust R&D to cater to unique patient needs.

What is your vision for the company? Where do you see the company five years down the line?

Products manufactured by Akums are likely present in most, if not all, of pharmacies in India today. We wish to further strengthen our presence in the Indian market with enhanced capacities for dosage forms and products we currently manufacture, and capabilities for newer dosage forms. As part of our vision, we also wish to expand globally and envisage global operations to contribute significantly to our revenues in coming years.

How do you see the growth of India's pharma sector in the coming years?

The Indian pharmaceutical industry is rightly called the sunshine sector in India. While the market went through a stagnation phase recently in terms of volume, this is expected to grow in the coming years with a healthy growth rate. This will be driven by the growing patient pool, better diagnosis, an ageing population, improving affordability, and rising government and private healthcare insurance.

What innovative approaches has Akums taken that differentiates the company from other firms in the sector?

Talking of innovation, Akums has led innovation on multiple fronts. We have an R&D team of more than 330 people across four R&D centres conducting research and development across pharmaceutical formulations, APIs, cosmetics, nutraceuticals, and ayurvedic formulations.

Akums has introduced more than 200 niche products for the first time in India. Further, Akums was an early mover in several innovative dosage forms in India, including bi-layered tablets, tablet-in-tablet, form-fill-seal (FFS) Infusions, among others. The annual R&D expense of Akums is more than 10 times the R&D expense of other domestic contract drug manufacturing organisations (CDMOs), which is reflected in the portfolio and technology. In March 2024, we received approval for hydroxyurea oral suspension to prevent sickle cell disease, a rare illness, which is priced at less than 1% of the global price. This shows our commitment to provide affordable medicines to patients.

How does Akums prioritize ethical and sustainable practices in its business operations?

Akums has a strong focus on all aspects of ESG. Talking of environment, our operations are in accordance with ISO 14001:2015 certification and applicable laws and regulations pertaining to environmental responsibility. We have a strong focus on biofuel, water consumption, energy efficiency, and effluent treatment, among others.

We invest most of our CSR funds towards environment, health, and education initiatives. The 'Clean Ganga' and 'Green Belt' initiatives in Haridwar are our major initiatives towards environmental sustainability. On social, we are an equal opportunity employer with high representation from all sections of society. We have a strong representation of female employees. At Akums, all operations and management decisions are made by a competent board, driven by strict audits, board committees, and compliances.

Akums has a presence in many counties. Are you looking to expand your footprint in other geographies? How are you planning to tap the potential in new territories?

Today, Akums has a presence in over 60 countries. Exports is a key focus area and we are actively focusing on newer markets as well as penetrating deeper into existing markets. We are actively getting our manufacturing facilities accredited by various global regulators and actively filing dossiers in international markets to expand presence.

What do you see as the biggest challenges in the pharmaceutical industry? How do you keep pace with technological changes and innovation in the sector? What steps has Akums taken in this direction?

The pharmaceutical industry in India is evolving. The current challenges include ensuring enforcement of quality norms to prevent spurious or substandard medicines, ease of regulatory compliances, fostering industry-led innovation, adoption of advancement in technology, and providing quality medicines in Tier-III towns, amongst others. Akums has always strived to address the industrial challenges, be it through collaboration with government authorities, industry stakeholders or academia, investment in cutting-edge technology, and skill development etc.

To increase exports and boost domestic manufacturing, India has recently signed a free trade agreement with the European Free Trade Association (EFTA). How do you see the pact helping the Indian pharmaceutical industry in general and Akums in particular?

The pact with EFTA will bring out new opportunities and help build resilient businesses. The pharma industry will benefit from newer and enhanced trade agreements, investment in capabilities and skillset, and robust operations. As part of us going global, European markets are our focus, and EFTA might help Akums penetrate these markets efficiently.

Akums has decided to ring the stock market bell and has filed papers with capital markets regulator SEBI for an initial public offering (IPO). What is the objective of this IPO?

As we aspire to grow ahead, the objective of this IPO is to fund our incremental working capital requirements, pursue inorganic growth initiatives, repay certain borrowings of our company and subsidiaries, and general corporate purposes.

A public market listing often requires companies to make significant changes in business processes, corporate governance, regulatory compliance, and several other areas. How are you gearing up for the IPO?

At Akums, we always pursued strict adherence to corporate governance and regulatory compliances. Our team is highly capable and we are fully prepared for listing.

You started Akums from scratch and made it one of the biggest pharmaceutical companies in India. What advice would you give to budding entrepreneurs in this sector?

Hard work and the unwavering will to succeed are the two open secrets to succeed in any sector. Adding onto it, a singular focus on patients will help the entrepreneurs succeed in this sector.

THE NEXT-GEN LEADERS

As a family-owned company, Akums is acutely aware of the need to groom the next set of leaders to take the company to greater heights. In 2016, Ms. Arushi Jain and Mr Kanishk Jain—who are part of the third generation of the Akums' founding family—joined the company as management trainees. Since then, they have grown within the group.

Arushi is a qualified chartered accountant and is looking after the company's business strategy as Director - Corporate Growth and Excellence. Kanishk is an MBA from SP Jain School of Global Management and is looking after operations and business affairs of Akumentis Healthcare Ltd, a subsidiary of Akums, as Director - Operation Marketing. Recently, he was selected as the Chairman of the Confederation of Indian Industry (CII) Uttarakhand State Council for 2024-25.

The two young members of the Akums family talk about their vision for the group.

ARUSHI JAIN

As we close yet another successful year at Akums Drugs and Pharmaceuticals, I am honored to reflect on the strides we have made together in advancing our organization's mission and vision. In the realm of process improvement, our collective efforts have helped fostering a culture of continuous enhancement.

Digitalization has been a cornerstone of our journey towards modernization, empowering us to adapt swiftly to evolving market dynamics and emerging technologies. We are harnessing digital tools and platforms for improved efficiencies, sustainable growth, and innovation.

At the heart of our commitment lies the pursuit of addressing unmet medical needs. Through dedicated research and development initiatives, we have made significant strides in advancing therapies for those most in need, embodying our ethos of compassion and progress. We will also continue to focus on addressing orphan diseases, ensuring that no patient is left behind in our quest to improve healthcare outcomes for all.

Our commitment to new product development underscores our dedication to innovation, as we strive to bring innovative therapies to market, addressing evolving healthcare needs with agility and foresight.

Our vision of becoming a global Contract

Development and Manufacturing Organization (CDMO) continues to drive our endeavors, as we expand our footprint across borders and forge strategic partnerships to broaden our reach and impact.

In tandem with our global aspirations, we have intensified our focus on enhancing exports and venturing into untapped markets, bolstering our presence on the international stage while fortifying our position as a trusted supplier of quality pharmaceuticals.

Above all, our unwavering commitment to customer-centricity remains the cornerstone of our ethos as we continue to prioritize the needs and expectations of our partners and stakeholders, ensuring unparalleled service and satisfaction.

As we embark on the next chapter of our journey, I am confident that our collective resolve and ingenuity will propel us to even greater heights, reaffirming our position as leaders in the pharmaceutical sector.

KANISHK JAIN

As we reflect on the milestones achieved and challenges overcome, I am honored to share my thoughts with you as we mark the end of another fruitful year. Our journey has been one of dedication, innovation, and commitment to enhancing patient well-being and nurturing customer-centricity.

In my role at Akumentis Healthcare, I have been privileged to contribute to our growth trajectory by innovation and driving initiatives aimed at addressing the evolving needs of our patients. Our focus on research and development has allowed us to introduce solutions that positively impact patient outcomes and elevate the standards of healthcare delivery. In addition to our overarching commitment, significant emphasis on addressing rare diseases, neurology and pediatrics etc. will be made for specialized attention and tailored solutions for the patients.

Furthermore, I am humbled by the opportunity to serve as the Chairman of CII Uttarakhand, a responsibility that I undertake with great enthusiasm and a deep sense of duty. I extend my heartfelt gratitude to the members of CII Uttarakhand for their confidence and support in entrusting me with this role. Together, we will persist in our collaborative efforts, identifying growth opportunities, nurture learning initiatives, advocating for industry interests, and contributing to the socio-economic development of the state, ensuring a brighter future ahead.

As we look ahead, we reaffirm our commitment to excellence and innovation, guided by the principles of integrity and compassion. We will strive to enhance patient well-being, nurture customer relationships, and drive sustainable growth that leaves a lasting impact on society.

I am confident that with our collective efforts and unwavering resolve, we will continue to achieve new heights of success and make meaningful contributions to the healthcare landscape.

Review of Business Divisions 2023-2024

At Akums, we have added new lines of businesses over a period of time either through organic means or through acquisitions to transform into a vertically integrated player in the pharmaceuticals industry. This makes us less dependent on third-party suppliers and provides more control over the processes and systems.

OUR BUSINESS CONSISTS OF THE FOLLOWING FOCUSED UNITS:

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

PHARMACEUTICAL FORMULATION CONTRACT MANUFACTURING

Contract manufacturing of pharmaceutical formulations is the flagship business of Akums. This division contributes over three-fourth of the group revenue. Akums caters to more than 1,500+ pharmaceutical companies as their trusted partner for formulations, including 26 of the leading 30 pharmaceutical companies in terms of sales in India. R&D forms the core of product offerings and Akums has manufactured 4,025 commercialized formulations across over 60 dosage forms for our partners. The company operates 10 manufacturing plants for its CDMO business with a cumulative capacity of 49.21 billion units per year. Two additional manufacturing units for our CDMO business is expected to become operational in 2024-25.

CDMO is expected to remain the primary driver of business for the group considering the global growth recorded by the pharmaceutical industry and the continued trend towards outsourcing by pharmaceutical

NUTRACEUTICALS AND COSMECEUTICALS CONTRACT MANUFACTURING

Nutraceuticals and cosmeceuticals are burgeoning sectors in India, experiencing rapid growth. The demand for cutting-edge and high-quality products is soaring, fueled by a desire for superior nutritional offerings, a proactive approach to disease prevention, heightened health consciousness, the expanding e-commerce landscape, and the burgeoning middle class.

Akums operates a dedicated wholly-owned subsidiary, Maxcure Nutravedics Ltd, specializing in the development and manufacturing of nutraceuticals and AYUSH products. This unit was established in 2009. Additionally, Akums has allocated a specific block within Plant 5 for the production of cosmeceutical products, accommodating various delivery formats. With a client base exceeding 100, Akums serves a wide range of customers seeking nutraceuticals and cosmeceuticals.

BRANDED FORMULATION MARKETING

The estimated size of the prescription pharmaceutical market in India is over US$20 billion and is expected to grow in double digits in the medium term.

Akums has two dedicated branded marketing companies to market our own branded formulations in India and across global markets, and have established a domestic and international presence through Akumentis and Unosource, respectively. Through Akumentis, we focus on therapy areas such as gynaecology, cardiology, orthopaedic and paediatric.

Utilizing our field force of over 1,500 individuals we have established a domestic marketing and distribution network of medical representatives, field managers, distributors and retailers and sell over 200 brands.

GENERIC FORMULATION MARKETING

Generics are experiencing rapid growth in India, propelled by channel dynamics that ensure widespread availability in retail outlets, primarily within the acute portfolio.
This category constitutes approximately 15% of the pharmaceutical market and is witnessing robust double-digit expansion. Akums boasts several wholly-owned subsidiaries dedicated to delivering high-quality generic products, including Plenteous Pharmaceuticals Ltd and Medibox.

FORMULATION EXPORTS

India's pharmaceuticals exports stood at US$27.9 billion in 2023-24. This was higher than FY23 exports of US$25.3 billion.
The Indian pharmaceutical sector caters to over half of global demand for various vaccines, 40% of generic medicines demand in the US, and a quarter of all medicines in the UK. Globally, India ranks third in terms of pharmaceutical production by volume.

Akums, via its dedicated export marketing company Unosource, focuses on therapy areas such as anti-infectives, analgesics, central nervous system, and gynaecology. Our international presence spans across 60 countries, and our key clients include Allegens (Vietnam), Ambica International (the Philippines), Caferma SAC (Peru), JDS (Myanmar), Master Pharma (Cambodia), Olainfarm (Latvia), Pharma Apex (Myanmar), Planet Pharmaceutical (Tanzania), and Unisel (Kenya), among others.

API MANUFACTURING

The fiscal year 2023-24 marked the second full financial year of operations for Akums Lifesciences, the subsidiary responsible for manufacturing Active Pharmaceutical Ingredients (APIs). Following the acquisition of Parabolic Drugs Ltd. through the National Company Law Tribunal route, Akums made substantial investments in upgrading manufacturing facilities to adhere to global regulatory standards.

Leveraging extensive research and development efforts and a meticulously crafted portfolio, Akums' API division is poised to cater to both domestic and global clients across regulated and semi-regulated markets.

The growth prospects for the API business are bolstered by several factors, including the expansion of pharmaceutical markets, a resilient supply chain, a robust risk-mitigation strategy, the Indian government's Production-Linked Incentive scheme, and the burgeoning Indian formulation market.

INSTITUTIONAL SALES

Akums is actively engaged in both government and private tenders for institutional supply.
In government procurement, Akums directly engages through its manufacturing arm to supply to state hospitals, central hospitals, defense organizations, and the Bureau of Pharma Public Sector Undertakings of India. Akums fulfills supply needs through its subsidiary, Nicholas Healthcare Ltd.

CONTRACT RESEARCH AND DEVELOPMENT

Akums boasts a robust research and development (R&D) team comprising over 300 scientists specializing in API, formulations, and analytical development. Actively collaborating with prominent innovators and branded formulation companies, the company engages in global contract research initiatives.

With four state-of-the-art R&D centers strategically located across different regions, Akums possesses extensive capabilities spanning multiple therapeutic areas, dosage forms, and product chemistry. Two centres situated in Haridwar focus on domestic formulations, while another center in Mumbai specializes in export formulations. Additionally, there's an R&D facility in Barwala, Haryana, dedicated to API research. Notably, the Mumbai centre holds approval from the Department of Scientific and Industrial Research (DSIR).

MANUFACTURING PROWESS

Manufacturing is the cornerstone of expertise at Akums. Through a blend of organic growth and strategic acquisitions, we operate 15 cutting-edge facilities that produce approximately 13% of all medicines consumed in the country, making Akums India's leading Contract Development and Manufacturing (CDMO) organization.

We specialize in the manufacturing of formulations encompassing a wide range of dosage forms and therapeutic categories. Our state-of-the-art manufacturing facilities are technologically advanced and capable of producing a diverse array of pharmaceutical products. These include oral solid dosage forms, oral liquid dosage forms, sterile dosage forms, and topical formulations, covering therapeutic areas such as analgesics, anti-diabetics, anti-infectives, gastro-intestinal and gynaecology, as well as ayurvedic formulations, food supplements, nutraceuticals, and animal healthcare products.

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CUTTING-EDGE FACILITIES

PLANT 1

MANUFACTURING

Akums is the largest CDMO in India by production capacity. It has 10 manufacturing plants with a total formulations production capacity of 49.21 billion units annually (as of September 2023) in various dosage forms, including tablets, capsules, liquid oral solutions, sachets, vials, ampoules, eye drops, dry powder inhalers, and gummies. This is 4.5 times the capacity of the second-largest CDMO player. Additionally, Akums is expected to add two manufacturing units for the CDMO business soon. Since our establishment, we have produced 4,025 commercialized formulations spanning over 60 different dosage forms.

Additionally, we have successfully ventured into the Active Pharmaceutical Ingredients (API) business, facilitated through our subsidiary, Akums Lifesciences Ltd. Our API manufacturing units boast a production capacity of 737.38 MT for APIs, fulfilling both our internal manufacturing needs and external sales. This strategic move facilitates backward integration, addressing the escalating market demand for APIs. Our API manufacturing units boast state-of-the-art technologies and adhere meticulously to the most stringent quality standards.

Our facilities are tailored to meet global regulatory standards and uphold stringent quality guidelines. We've established a specialized unit for manufacturing hormonal products in diverse forms including tablets, capsules, sterile, and topical dosage formats. Moreover, we've recently inaugurated a dedicated facility in Kotdwar, Uttarakhand, exclusively for producing penem products in oral, dry syrup, and injectable forms. This initiative aims to minimize the risk of cross-contamination with other beta-lactam and non-beta-lactam products.

We prioritize stringent quality control measures to ensure the ongoing success and growth of our enterprise. Our quality control policy, meticulously crafted and implemented, sets the standard for optimum quality across our product line. Leveraging cutting-edge technology, we maintain rigorous

Q&A

'Well prepared to manage complex compliance issues, listing norms'

DHARAMVIR MALIK
Company Secretary and Compliance Officer

Akums has a large and diverse product mix that gives rise to major compliance issues. On top of this, Akums is now looking to list on stock exchanges. A listed company must also adhere to several other regulations. **Dharamvir Malik,** Company Secretary and Compliance Officer, says Akums is in a good position to manage all these challenges as it has adopted the latest technology to keep up with all regulatory and governance issues as well as follow all compliances.

What is Akums' approach to issues related to compliance?

Akums has always focused on good governance and compliances. The credit for this unwavering focus goes to the late Shri D.C Jain, who was also Company Secretary. He ensured that good governance practices and the established standard operating procedures were followed at every level and that all compliances were adhered to.

In fact, even when it was an unlisted company, Akums voluntarily followed many such governance practices that are applicable only to listed public companies.

What are the new regulatory requirements that Akums will have to adhere to when it is listed on the stock markets? How is the company preparing for such changes?

Akums is looking forward to getting listed on the National Stock Exchange and the BSE. Once this happens, the provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (LODR regulations) will become applicable to the company.

In the run-up to the proposed listing, Akums has embraced new technology and implemented a tool called 'CimplyFive' exclusively for compliance of LODR regulations. We have also implemented a tool called 'Insider Lens' exclusively for compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015. The company has also deployed more resources and expanded its compliance team. So, in all, Akums is well prepared for the new regulatory requirements.

How is Akums managing its compliance framework since the pharma sector is heavily regulated?

These days, the quantum of compliances is very high in any given industry. But this is especially true when it comes to the pharma sector. To cope with the challenge, we have taken to the latest technology and, in 2021, implemented 'Complinity,' a governance, risk and compliance management tool. This will help us cover the entire gamut of statutory compliances as applicable in India.

We regularly conduct training sessions for the users and managers of this compliance tool and resolve their issues. To make it more effective, we have implemented a system to obtain a quarterly compliance certificate from each functional head.

What are the major risks of regulatory non-compliance that Indian pharma companies might have to contend with in the times ahead?

In the pharma sector, compliances have been evolving frequently, and Akums has kept pace with these changes over the past two decades. To cater to the several compliances related to the Drugs and Cosmetics Act, 1940, the company has in place a dedicated 'Drugs & Regulatory Affairs (DRA) department. The DRA team is well connected with the sectoral regulators and authorities to gauge their views and implement any proposed amendments in the regulations.

Since pharma is one of the top exporting sectors, it is critical to keep up the momentum on exports and to increase the export share of quality pharma products. Pharma regulators are now focused on maintaining product quality and their stringent regulations could be challenging for small and marginal pharma manufacturers.

On the flip side, these regulations have the potential to generate more business for bigger companies like Akums that have the necessary systems in place to manage these complex rules.

How does Akums plan to ensure continued compliance as it grows in size and adds more products to its stable?

Akums has more than 4,100 products in its portfolio. Although this portfolio is quite big, with the adoption of automation and implementation of standard operating procedures, the company has been able to manage it quite well. In fact, this product portfolio has been growing every year and Akums is well prepared to manage the complex compliance issues that such a diverse product mix could bring.

MANUFACTURING

control and compliance throughout our operations. Regular audits of our manufacturing facilities and continuous review and enhancement of procedures guarantee alignment with international regulatory standards. Additionally, our contractual agreements include provisions for client-conducted inspections to verify adherence to quality benchmarks and specifications. Furthermore, our manufacturing units undergo periodic audits by regulatory bodies.

Internally, we implement robust controls and standards to maintain consistency, quality, and compliance with regulatory and contractual obligations. This entails meticulous process delineation, establishment of quality benchmarks for each process element, and the development of metrics to assess process efficiency and outcomes. Batch manufacturing and production records are meticulously maintained to ensure accuracy.

Our stability centres adhere strictly to the guidelines outlined in 'ICH Q1A (R2) – Stability testing of new drug substances and drug products', as mandated by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH). As of September 30, 2023, our quality assurance and quality control departments collectively comprise 2,132 employees. Moreover, three of our laboratories have received accreditation from the National Accreditation Board for Testing and Calibration Laboratories.

In the periods ending September 30, 2023, and the financial years 2023, 2022, and 2021, we conducted a total of 303 audits and inspections at our suppliers' facilities. Additionally, during the same periods, our manufacturing units underwent 31 regulatory inspections and 517 client audits.

At Akums, we place the highest priority on the safety and welfare of our employees. To ensure their safety around the clock, our manufacturing facilities are equipped with state-of-the-art security systems. We demonstrate our commitment to the health of our workforce by offering an in-house dispensary staffed with medical

professionals who provide comprehensive medical assistance, ensuring their well-being is upheld at all times.

Our operations are exposed to various inherent hazards commonly associated with manufacturing units. These risks encompass equipment failures, workplace accidents, fires, earthquakes, floods, and other force majeure events, as well as acts of terrorism and explosions. Such hazards may result in injuries, loss of life, extensive property and equipment damage, and environmental harm. Additionally, there is the possibility of facing product liability claims if the products we manufacture fail to meet regulatory standards or contractual obligations.

To mitigate these risks, we maintain comprehensive insurance coverage tailored to our industry's requirements. Our insurance portfolio includes policies covering fire, burglary, loss of profit, money, group mediclaim, group personal accident, workmen's compensation, boilers, comprehensive liability, crime, cybercrime, director liability, standalone terrorism, clinical trials, and marine risks. Akums operates manufacturing plants across four states, encompassing six locations: Haridwar and Kotdwar in Uttarakhand, Baddi in Himachal Pradesh, Mohali in Punjab and Barwala in Haryana. The majority of our plants, nine in total, are located in Haridwar, while two each are situated in Mohali and Baddi. Additionally, there is one plant each in Kotdwar and Barwala. Haridwar stands as the central hub for our manufacturing operations nationwide.

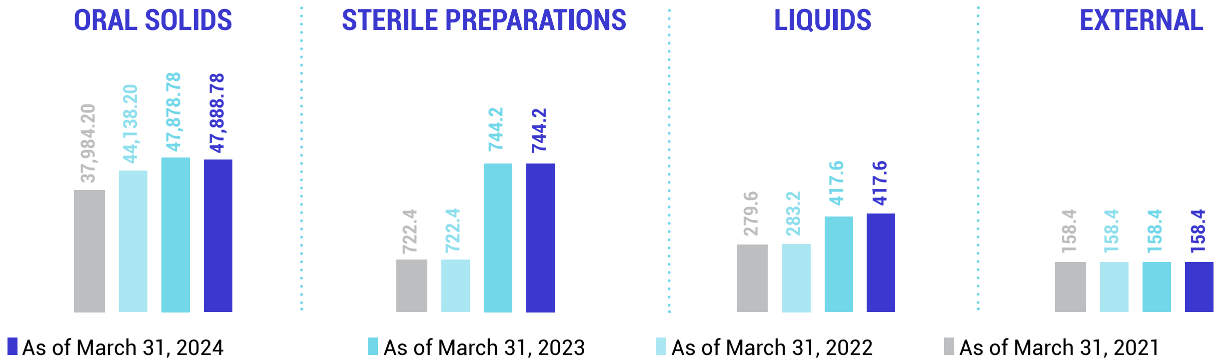
PLANT 1: The first plant was designed and constructed in 2004 and is spread across 12,200 sq. metres area to manufacture tablets, hard gelatin capsules, soft gelatin capsules, dry syrups and sachet. It specialises in solid orals.

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.

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.

MANUFACTURING CAPACITY

Installed capacity (production volume in million)



MANUFACTURING

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.

Plant 7 is spread over an area of 36,084 square metres. It manufactures oral solids, injections, ointment & cosmetic, eye drops, creams, lotions.

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 10 is under Malik Lifesciences Pvt Ltd and manufactures various dosage forms in general, Beta-Lactam injectables and penam.

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.

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 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.

In 2023-24, the company added five new destinations—Indonesia, Iraq, Georgia, Bahrain and Venezuela.

GLOBAL FOOTPRINT

EXPLORING NEW HORIZONS

GLOBAL FOOTPRINT

When India gained independence in 1947, its drug market was dominated by multinational corporations (MNCs) headquartered in developed countries, controlling as much as 80-90% of the total market. The situation improved slightly in the 1960s when government policies led to the emergence of a few local manufacturers.

However, the scales were still tipped in favour of overseas companies, to the extent that eight of the top 10 drugmakers were subsidiaries of such MNCs. To reduce this reliance on MNCs, the government formed five drug companies. A more concrete measure was the easing of patent rules, prompting MNCs to move out of India. Local companies filled the gap with generics that not only helped bring down costs but also improved self-reliance.

By the time India passed the Patents (Amendment) Act 2005, which brought many drugs under patent control, local companies had started dominating the generics market worldwide and India came to be known as the 'pharmacy of the world'. Now, India now produces every fifth generic drug consumed globally and one of the two vaccines administered worldwide. Formulations and biologicals form nearly three-fourths of India's exports, followed by bulk drugs and drug intermediates.

India now exports medicines to over 200 countries. It supplies over 50% of Africa's generic medicine needs, almost 40% of the generic demand in the US, and about 25% of all medicines in the UK. Government data show that India's pharmaceutical exports grew by 9.67% to $27.9 billion during the financial year 2023-24.

Government support, medical tourism, infrastructure development, strong drug manufacturing facilities, and healthy domestic and global demand have been key growth drivers for the sector. Still, there are areas India can improve upon, such as branded drugs, and areas that India must improve upon, like bulk drugs. Hence, the government is encouraging industries to focus their efforts on these sectors. The government has extended its Production-Linked Incentive (PLI) Scheme to bulk drugs (with an outlay of Rs 6,940 crore) and pharmaceuticals (with an outlay of Rs 15,000 crore). The aim is to boost domestic manufacturing capacity, including for high-value products within the global supply chain.

According to government data, the 48 PLI beneficiary companies in the bulk drugs segment had invested Rs 3,586 crore up to December 2023, and 26 firms in the medical devices sector had made investments worth Rs 864 crore.

Akums' export journey

Akums exports its products, spanning various dosage forms and therapeutic areas, to nearly three dozen countries across both developed and developing economies.

Akums channels most of its overseas shipments through a dedicated export marketing company, Unosource Pharma Ltd. Set up in 2014, Unosource's product portfolio includes generic and branded formulations for emerging markets. Unosource focuses on therapy areas such as anti-infectives, analgesics, central nervous system, and gynaecology.

The company's key international clients include Allegens (Vietnam), Ambica International (Philippines), Caferma SAC (Peru), JDS and Pharma Apex (Myanmar), Master Pharma (Cambodia), Olainfarm (Latvia), Planet Pharmaceutical(Tanzania), and Unisel (Kenya).

The company has more than 1,250 productsregistered in around 87 countries, including a range of about 95 CTD (Common Technical Document) dossiers.Two of our plants in Haridwar, Uttarakhand are accredited with the EU-Good Manufacturing Practices, qualifying for exports to European markets. In addition, the company aims to get the prestigious EU GMP (good manufacturing practices) accreditation for its Unit - 4 (hormonal facility).

'IPO AN IMPORTANT MILESTONE, TO HELP FUND GROWTH INITIATIVES'

Akums is preparing to float its IPO and get listed on stock exchanges. **Sumeet Sood**, Chief Financial Officer, says the IPO will not only help the company provide an exit opportunity to its private equity investor but also lower its debt and fund organic as well as inorganic growth initiatives.

How important is the IPO for the company's growth?
The IPO is an important milestone for the company on multiple fronts. With a fresh issue of up to Rs 680 crore, the company will have reserves for future growth. Further, it will help gain corporate identity as well as attract talent. We'll bring in like-minded growth investors who are passionate about pharmaceuticals, manufacturing and patients. Also, Akums has a private equity partner whose period of investment is coming to an end and public markets are the best way to give the partner a fair exit.

Akums has made some acquisitions in the past. How have these acquisitions helped Akums?
Our recent acquisitions were in API as well as the CDMO segments. While the API acquisition opened a new business vertical for us, the CDMO acquisitions have helped us build capacities and capabilities. Given the enforcement of stringent regulations in the pharma market, increase in outsourcing of pharmaceutical manufacturing, and better penetration of healthcare services in India, we expect to build a long-term and sustainable business.

How do you envisage future inorganic growth opportunities shaping up?
The company is always keen to explore profit-making business with synergies to our existing business. We have not identified any specific acquisition as of now but will always evaluate any meaningful acquisition in future.

What kind of capex has the company lined up for the next two-three years and how will it be funded?
We see a maintenance, replacement, and modernization capex of Rs 100 crore every year for the next three years. We have planned investments in the CDMO business and foresee a further capex of Rs 350 crore in the next two years. The recently acquired API business may need another Rs 60 crore in the next three years. We will fund this from internal accruals.

The IPO would halve the total debt of the company via repayments. How would the balance sheet change as the debt-equity ratio improves?
The company is not leveraged as of now. The primary infusion in the company will help pay off the debts. The proceeds of the IPO would also help fund further organic and inorganic opportunities.

The company is also looking to enter Australia and is waiting for EU GMP approval from a European country which is accepted by the Therapeutic Goods Administration (TGA), Australia's regulatory authority for medicines,medical devices and diagnostic tests.

Accreditations Received

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

GLOBAL FOOTPRINT

Approvals from Various Countries

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**	Indonesian FDA

Sales Performance

Over the last three years, the sales trajectory has seen a remarkable upward trend, reflecting a robust performance in the market. From Rs 743.96 million in the fiscal year 2021-22, the company's export revenue increased significantly to Rs 1,125.81 million in 2022-23. This momentum continued into the fiscal year 2023-24, with overseas revenue reaching an impressive Rs 1,492.80 million.

Such steady and substantial growth underscores not only the effectiveness of the company's strategies but also the resilience of its market presence. This upward trajectory is indicative of strong consumer demand, effective marketing initiatives, and adept management practices, all contributing to the continued success and prosperity of the business.

Dossier Approvals and New Submissions

Securing regulatory approvals is paramount in the pharmaceutical sector, guaranteeing adherence to standards and facilitating market entry. Over the last three years, Unosource and Akums have achieved notable success in obtaining such approvals for dossier submissions. Overall, the company has filed more than 1,500 dossiers as per CTD, ACTD and guidelines of the health ministries or drug regulators of various countries. We have a total of 1,250 dossier approvals till date.

In 2023-24, the company received approval for 59 new dossiers, underscoring our unwavering commitment to regulatory compliance. About 276 (231 Unosource and 45 third-party) product dossiers are under approval, including 139 new dossiers filed in 2023-24. The company is confident about getting these approvals in 2024-25.

New dossier approvals	2023-24	2022-23	2021-22
Unosource	44	49	**61**
Third-party	15	16	**25**

The regular filing of new dossiers and the approvals from regulatory authorities highlight our proactive approach to diversifying our product offerings. We always put efforts towards regulatory adherence and fostering innovation in our product line, making us a major player of the sector in the country.

New Destinations

Expanding footprints into new geographies is a strategic imperative for Akums and Unosource. It is aimed at accessing fresh markets and broadening customer reach. These expansion underscores our agility in navigating diverse market landscapes and seizing emerging global opportunities.

In 2023-24, the company added five new destinations—Indonesia, Iraq, Georgia, Bahrain and Venezuela. The company is now planning to expand its business in Latin America, the Middle East, Europe and Australia. The company aims to tap into growing opportunities in Brazil, Colombia, Mexico, Iraq, Libya, Oman, Iran, Jordan, Saudi Arabia and Russia. Additionally, Akums is planning to open a representative office in Kenya. The company is also in discussions for possible joint ventures for secondary packaging in Oman and a joint venture for marketing in Vietnam and Russia.

New Initiatives

In addition to our remarkable sales growth, dossier approvals, submissions, and market expansion endeavours, Unosource and Akums have embarked on several strategic initiatives. We are deeply involved in technology transfer projects aimed at strengthening our presence in Europe, and utilizing our expertise and resources to establish collaborations and propel technological progress.

We have set up an R&D centre in Navi Mumbai, Maharashtra, with a primary focus on developing export-oriented branded formulations for regulated and semi-regulated countries. The centre's capabilities include tablets, capsules, ophthalmic products, lyophilized injectables, sterile products and hormones.

Accelerating Progress

Unosource and Akums have not only showcased impressive exports growth but have also excelled in dossier approvals, submissions, and widening our market reach. We have embarked on several key strategic endeavours, including tech transfer projects aimed at European markets. This leverages our profound expertise and capabilities, fostering partnerships and spurring technological progress.

Our efforts in supplying nutraceuticals and over-the-counter products to the US market underscore our dedication to addressing the dynamic needs of global consumers and tapping into niche markets.

Over the last three years, we have experienced notable growth and success, mirroring our expanding market influence and the strong demand for our offerings. The steady flow of dossier approvals and submissions signifies our commitment to regulatory standards and innovation. Moving into new geographical markets reflects our international aspirations and our forward-looking strategy to capitalize on emerging market opportunities.

With Indian drugmaker expanding their reach to regulated and semi-regulated global markets, the dependence on contract drug manufacturing companies like Akums will only increase since such organisations help manage the risk of supply chains and navigate heterogeneous regulatory environments.

Frost & Sullivan estimates India's export CDMO market can jump from $2.5 billion in 2022-23 to $4.3 billion by 2027-28, growing at a compound annual rate of 11.4%. This will provide opportunities for domestic market-focused CDMO players like Akums to expand its export presence.

CORE STRENGTHS

AND EMERGING OPPORTUNITIES

Over the past two decades, Akums has achieved remarkable growth, emerging as the largest manufacturer of generic pharmaceutical products in India. We have 21 production blocks, collectively offering a formulations manufacturing capacity of 49.21 billion units annually. Additionally, our API manufacturing units maintain a robust production capacity of 737.38 MT for APIs.

Furthermore, Akums maintains a considerable edge over its competitors through its commitment to innovation. The company leads the industry in adopting and developing innovative technologies, implementing structural drug design, devising innovative business strategies, expanding manufacturing capabilities, diversifying its product range, cultivating a vast client base, and conducting robust research and development. These factors collectively furnish Akums with competitive advantages over smaller, unorganized contract manufacturers.

MAJOR FACTORS THAT PROVIDE STRENGTH TO AKUMS

- Leading Contract Development and Manufacturing Organization (CDMO) catering to the Indian pharmaceutical sector.
- Extensive clientele with enduring partnerships in CDMO services.
- Robust and expanding Research and Development (R&D) capacities spanning our product spectrum.
- Strategic integration across the pharmaceutical value chain.
- Customized development of specialized products and novel formulations.
- Innovation through patenting of new drugs and protection of Intellectual Property Rights (IPR).
- Facilitation of clinical trials and bioequivalence studies.
- Seamless technology transfer, both in terms of acquisition and divestiture.
- Facilitation of product registrations for imported drugs.
- Collaboration in technical aspects and exploration of joint ventures.
- Persistent enhancement of product quality through continuous improvement efforts.

STRENGTHS AND OPPORTUNITIES

UNIQUE CHARACTERISTICS OF BUSINESS OPERATIONS

- Leading manufacturing capacity across all pharmaceutical sectors with unparalleled speed in product delivery.
- Proficiency in producing specialized products such as low-Rh and clavulanic acid preparations.
- R&D centres endorsed by the Department of Scientific and Industrial Research; laboratories hold NABL certification.
- Akums boasts the highest quantity of pharmaceutical products manufactured.
- Financially robust with strong backing from banking institutions.
- Extensive clientele comprising top multinational corporations and local pharmaceutical companies
.

Technology-driven innovative products

Our dedication to innovation and continual improvement has positioned us as leaders in the CDMO sector, both within India and on a global scale. With extensive R&D capabilities spanning various dosage forms such as oral solids, oral liquids, injectables, sterile products, and topicals, we drive advancements across diverse product categories including pharmaceuticals, cosmeceuticals, nutraceuticals, and ayurvedic products, both domestically and internationally.

Akums excels in developing and manufacturing innovative products, ranging from ready-to-use antibiotics and low-RH sachets and tablets to palatable medicinal jellies. Our relentless pursuit of breakthrough technologies is evident in our expanding research capacities. Moreover, we have introduced numerous specialized products to the market, many of which represent pioneering innovations in India and beyond.

Therapeutic segments and wide product range

The company operates across a broad spectrum of therapeutic segments, manufacturing a diverse range of products ranging from over-the-counter antacids and cold medicines to treatments for cardiovascular and central nervous system diseases. We forged a partnership with a pharmaceutical product innovation company to combine our capabilities, leverage research, and introduce products in India and abroad, particularly focusing on therapeutic areas such as central nervous system disorders, pain management, and hormonal disorders.

Strong manufacturing capability

Akums operates 15 advanced facilities manufacturing a wide range of pharmaceutical products, covering therapeutic areas like analgesics, anti-diabetics, and more. Their expertise spans oral solids, liquids, sterile and topical formulations, ayurvedic products, and nutraceuticals, with a capacity of 49.21 billion units annually. 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 earned accreditation from several prominent international bodies, including the World Health Organization's Good Manufacturing Practices (WHO-GMP), the Organization for Economic Co-operation and Development's Principles of Good Laboratory Practice (OECD-GLP), ISO-9001, ISO 14001, the Hazard Analysis Critical Control Point (HACCP) standard of the US Food and Drug Administration (FDA), and the National Accreditation Board for Testing and Calibration Laboratories (NABL), among others.

Additionally, it has obtained GMP-Ayush certificates following meticulous scrutiny of its quality standards and systems. Akums' manufacturing facilities have undergone audits and received approvals from regulatory authorities of various countries, such as 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. Adhering to global standards like ICH guidelines, UKMHRA, and USFDA norms, the company prioritizes health, safety, and environmental norms, as well as good industrial hygiene practices.

We have a robust product quality review system, conducts stability studies to ensure product quality throughout its shelf life, and its R&D activities have received approval from India's Department of Scientific Industrial Research (DSIR). With a dedicated stability study centre adhering to ICH guidelines for regular monitoring and a well-equipped quality control department fulfilling the requirements of the USFDA's Code for Federal Regulations (CFR), Akums ensures international guidelines are followed for documentation and practices. Quality assurance teams closely monitor all processes and compliances of the quality control department.

Vast client base

Akums has established a reputation for delivering top-tier pharmaceutical formulations, nutraceuticals, and cosmetic products to a diverse clientele, which includes renowned names like Sandoz, Dr. Reddy's Labs, Bayer, GSK, and many others. Backed by robust research and development (R&D) efforts, along with approvals from the Drug Controller General of India (DCGI), Akums ensures innovation and quality across its offerings. Its DSIR-approved R&D facilities boast dedicated scientists who develop unique and innovative products tailored to customer requirements, from pilot to commercial-scale batches.

Equipped with modern equipment, Akums' R&D facility has secured approvals from DCGI for new fixed-dose combinations and formulations, resulting in over 796 "New Drug Approvals". Additionally, its formulation development department has obtained 429 approvals from the Food Safety and Standards Authority of India (FSSAI) and has filed 61 patents, further cementing its position as a leader in the pharmaceutical industry.

Strong systems of product planning

Effective product development necessitates thorough planning. Akums has established a robust system for product planning, encompassing task scheduling, proactive procurement of Active Pharmaceutical Ingredients (APIs), process validation, equipment qualification, and more. This structured approach ensures enhanced customer service and enables prompt fulfillment of sudden customer demands.

STRENGTHS AND OPPORTUNITIES

Strong product development

Akums leads the industry in formulation development, utilizing a distinctive process and methodology for development and packaging. The company conducts comprehensive stability studies, including accelerated and real-time assessments, and specializes in creating customized products to meet specific needs. With nearly 60 patent applications for its innovative drugs, Akums maintains strong connections for organizing bioequivalence studies, clinical trials, and obtaining approvals from the Drug Controller General of India (DCGI). Furthermore, its commercial batches align seamlessly with trial batches, ensuring consistency and quality throughout the manufacturing process.

Akums divides its product development into two categories: internal and external sourcing of ideas. While some concepts originate within the company, others are suggested by customers. In cases where customer input is involved, products are tailored to meet their specific requirements. However, regardless of the source of ideas, Akums adheres to consistent procedures, standards, frameworks, and methodologies throughout the development process.

The product development process at the company is structured and thorough, following a systematic framework:

PRODUCT DEVELOPMENT PROCESS:

1. **PMT:** The product management team researches the latest innovative molecules globally, assessing their potential usage and benefits for the Indian market.
2. **MDT:** The medical team evaluates the product's impact on human health and its advantages.
3. **IMT:** The internal marketing team conducts market surveys to gauge the product's acceptability and demand.
4. **Test license:** Upon clearance by PMT, MDT, and IMT, a test license is acquired from the Drugs Control Office.
5. **R&D:** The raw material procurement team purchases inputs, while the formulation development team creates the product. Quality control ensures its analysis and stability.
6. **Regulatory department:** Collaborating with formulation development and quality control, this department prepares a dossier for submission to the DCGI.
7. **DCGI approval:** Application is made to the DCGI for approval, which may include clinical trials or bioequivalence studies.
8. **Commercial batches:** Upon DCGI approval, the product is launched for customers under their brand names.
9. **Patents:** Patent applications are filed for new innovations as needed.

Systems, audits, and communication

Akums has implemented advanced information technology systems, utilizing the international SAP system to oversee various functions such as finance, accounts, taxation, costing, material management, and sales distribution. Automation is prevalent across manufacturing processes, raw material storage, testing, color weight variations, coating, and finished goods storage. Additionally, Akums has automated its management information system, covering batch-wise production yield, wastage, product costing, rate revisions, and product-specific profitability, ensuring efficient and streamlined operations.

STRENGTHS AND OPPORTUNITIES

Dedicated management

Akums is overseen by a board of directors supported by a skilled team of professionals. The expertise, education, and experience of the company's founders shape its vision, while the corporate executives' efficiency and insight turn this vision into tangible outcomes. The management team is dynamic and comprises professionals proficient in various domains, including management, finance, law, marketing, pharmacy, and technical fields. These individuals, including management graduates, chartered accountants, company secretaries, and technical experts, possess proven capabilities in research and development, quality assurance, and manufacturing, ensuring Akums' continued success and innovation.

Dedicated export subsidiary

In 2014, Akums established Unosource Pharma as a subsidiary with the goal of expanding its global presence. Unosource specializes in generics and branded formulations tailored for emerging markets, boasting a product portfolio of over 1,250 registered items across approximately 53 countries, with a diverse range of dossiers. Unosource operates in various nations, including Libya, Nigeria, Ghana, and Kenya, along with presence in other regions like Southeast Asia, Africa, and Latin America, such as the Philippines, Vietnam, Venezuela, and Honduras, among others

Human Resources

Akums ensures its employees are well-compensated and provided with excellent facilities, recognizing and rewarding their contributions while fostering job satisfaction. With a minimal attrition rate, the company prioritizes meeting employees' needs, offering amenities such as residential accommodation and on-the-job training. As part of its corporate social responsibility (CSR) initiatives, Akums plans to introduce educational activities. Additionally, the company has implemented an employee stock option plan (ESOPs), further demonstrating its commitment to employee welfare and engagement.

Strong competitive advantage

The Akums Group has secured 796 approvals from the DCGI for new fixed-dose combinations and molecules, with several additional approvals awaiting processing. Additionally, the group companies have obtained 429 approvals from the FSSAI. Akums has filed over 61 patent applications, with numerous others pending. Both the DSIR and the NABL have endorsed Akums' R&D facilities. We take pride in our unparalleled position within the industry, as our closest competitors fall significantly short, manufacturing less than 20% of our output.

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 recognizes that expansion opportunities lie not only in the domestic market but also in international arenas. To this end, the company has been strategically growing its global presence through Unosource Pharma Ltd., its subsidiary. Unosource targets not only regulated markets like the US, Canada, and Europe but also semi-regulated markets across Southeast Asia and Africa.

With a dedicated research and development centre in Mumbai solely focused on export-oriented products, Unosource is actively registering an increasing number of products in various countries while pursuing accreditation and certification from regulatory agencies worldwide. With ambitious plans for significant overseas growth, Akums aims to establish itself as a global leader in manufacturing in the forthcoming years.

Brand building and marketing

In the contemporary business landscape, establishing a brand is paramount; without it, one risks being relegated to commodity status. Customers readily associate products and services with brands, fostering loyalty. For Akums, the brand itself is synonymous with excellence, standing as a pillar in the Indian pharma sector. Its products are ubiquitous across retail outlets nationwide.

After achieving prominence in contract manufacturing, Akums envisions substantial growth potential in marketing and distributing its own branded formulations. It has acquired or developed several brand names, utilizing its subsidiaries as marketing vehicles for these products.

Rise in outsourcing activities

India's cost-effective skilled labor makes it a favored outsourcing destination for pharmaceutical products. Numerous multinational and domestic pharmaceutical companies, both large and medium-sized, outsource manufacturing to streamline operations. Akums, well-equipped with infrastructure and efficient systems, is poised to capitalize on this trend, offering advantages over smaller competitors facing operational challenges.

Rising global demand for generic drugs

As the global elderly population increases, demand rises for high-quality formulations, an area of expertise for Akums. The company eyes significant export opportunities as patents expire on drugs worth billions in the US and Europe. This presents Indian firms, including Akums, with a lucrative market to tap into.

Other opportunities

A surge in over-the-counter product demand, coupled with expanding health insurance coverage and rising per capita income, fuels the need for pharmaceutical formulations. Akums stands at the forefront of leveraging these trends, positioning itself to benefit from the growing demand for healthcare products.

RESEARCH & DEVELOPMENT

At Akums, our mission is "Improving Life," with research and development (R&D) lying at the heart of this endeavour. Indeed, R&D is essential for a pharmaceutical company to promote innovation, expand the pipeline of potential drugs, secure patent protection, differentiate itself, address health challenges, and meet regulatory compliance.

Akums' R&D division is deeply committed to enhancing lives through innovative therapy options that tackle disease burdens. Our focus on developing treatments that are faster, more affordable, bioequivalent, patient-friendly, and value-added reflects a comprehensive approach to healthcare.

We place special emphasis on innovation because it fuels the discovery and development of new drugs and formulations and helps us establish ourselves as a leading pharmaceutical company in the country. Our innovative drugs distinguish our product portfolio from our competitors'. Our strong R&D capabilities are pivotal in developing solutions that are crucial for improving public health and enhancing the quality of life for people around the globe.

Akums' focus on securing rapid regulatory approvals, including groundbreaking "first time in India" authorizations, underscores a commitment to quickly delivering innovative therapies. This expediency is critical for patients, reducing wait times for new treatments and facilitating prompt access to healthcare. By prioritising affordability, we ensure that more people can benefit from these advances, significantly contributing to public health improvement.

Ensuring bioequivalence of our formulations is another cornerstone of our strategy, affirming the effectiveness of our treatments and providing patients with confidence in their healthcare choices.

A key aspect of our R&D strategy is the development of treatments that are both patient-friendly and convenient for healthcare providers. This focus streamlines healthcare delivery, enhancing efficiency and patient care.

Moreover, our dedication to integrating value-added features into our therapies reflects a forward-thinking approach aimed at enhancing therapeutic outcomes beyond mere efficacy.

Supported by a devoted team and cutting-edge research facilities, our robust and dynamic R&D department is adept at innovation, swiftly navigating the patenting and regulatory approval processes to introduce a range of novel products that significantly mitigate disease impact.

Akums boasts a diverse product portfolio that spans multiple therapeutic areas, including antidiabetics, cardiovascular agents, anti-infectives, pulmonary agents, centrally acting drugs, analgesics and anti-inflammatories, and gastrointestinal agents. This breadth of focus exemplifies our comprehensive approach to tackling a wide array of health challenges, reinforcing our commitment to improving patient health and well-being on a global scale.

R&D Team and Infrastructure

The R&D department of the company is powered by a dedicated team of highly qualified professionals who meticulously guide projects to meet established timelines and objectives. Our state-of-the-art R&D facilities employ about 350 scientists and are equipped to handle a vast array of dosage forms. Our expert teams across various research centres manage functions such as formulation development, analytical development and method validation, packaging development, project management, quality assurance, and regulatory affairs.

We are committed to expanding our research capabilities further. We plan to initiate R&D efforts focused on oncology projects and soft-chew pharmaceuticals in Haridwar, alongside a new solid oral formulation R&D facility to be established outside Haridwar, in a cosmopolitan setting. Our R&D infrastructure comprises four centres:

LOCATION	SEGMENT	DESCRIPTION
Haridwar, Uttarakhand	CDMO	For formulations across various dosage forms, including oral solids, liquids, injectables and topicals.
Haridwar, Uttarakhand	CDMO	For drugs and nutraceutical formulations, across dosage forms such as modified-release oral solids, injectables, nasal sprays, gummies, protein powders and oral liquids.
Mumbai, Maharashtra	CDMO	For export-oriented branded formulations for regulated and semi-regulated countries.
Barwala, Haryana	API	Dedicated to active pharmaceutical ingredients and intermediates.

AKUMS INSIGHTS

Dr Sunil Jaiswal, Vice President—R&D

Dr Sunil Jaiswal, who leads R&D initiatives at Akums, explains the key focus areas, how to foster innovation and improve performance, and the use of new technologies.

What are the focus areas of Akums' R&D division?

The R&D efforts focus on novel arenas of drug development. This includes developing differentiated dosage forms by adopting multilayer tablet technology to address drug release, absorption and stabilization challenges for furthering drug efficacy and improving clinical endpoint.

We will also focus on paediatric and geriatric formulations for diseases that often remain neglected. Another area of development is improving patient compliance by developing formulations such as soft chews of medications that suit people of all age groups. This concept will also be extended to veterinary drugs and nutritional products.

What is the role of emerging technologies like artificial intelligence (AI) in drug development?

By using AI, we intend to get insights into how various drug formulations behave during dissolution. This will enable the development of more efficient drug delivery systems and assist in the selection of ideal formulation approaches to enhance drug solubility and absorption.

How do you foster innovation within Akums?

One of the primary ways R&D fosters innovation is through the development of new and differentiated products. This often involves exploring new technologies or materials, testing different drug product designs, and refining prototypes until a market-ready product is achieved.

How are the four R&D centres performing?

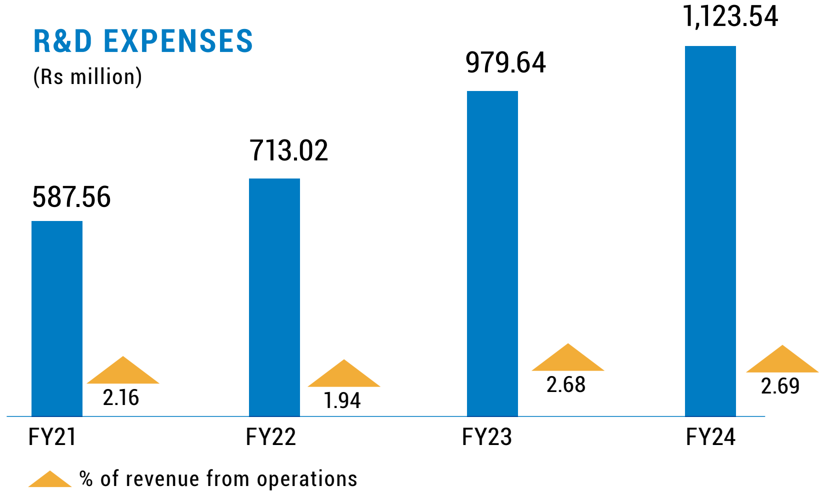
All the units are doing very well with regards to timely development and commercialization of products. We will deploy more resources to expand drug development horizons, especially by venturing into development of multilayer tablet technology, soft chews, drug products for orphan diseases, and oncology products for paediatric and geriatric population.

Akums has doubled its R&D budget over the last few years. How has that helped?

With increased spending on R&D, the team's performance and outcomes are primarily focused towards addressing the new and stricter regulatory requirements for India as well as export markets. Spending is also being increased in acquiring new formulation areas in which little or no competition exists while ensuring that the products that are developed have greater commercial potential and patentability and facilitate improved drug therapy.

RESEARCH & DEVELOPMENT

We dedicate considerable efforts, financial resources, and other assets to R&D for the development of new products, focusing on areas we identify as having substantial growth prospects. Here's a snapshot of our R&D expenses:



Embracing emerging technologies is pivotal in the pharmaceutical sector. We integrate cutting-edge technologies like blockchain and machine learning in our R&D processes to improve data management, efficiency, and closely monitor development projects from inception to commercialization through sophisticated project management software.

Our R&D facilities are consistently evolving, embracing new technologies and embarking on new development projects, including complex injectables, nasal drug delivery systems, high potent drugs, and nano-particulate delivery systems for cosmetics, topicals, and oral formulations that offer enhanced therapeutic benefits.

Patents

Innovation and novelty are our core principles. This commitment is evidenced by our recent patent filings across various therapeutic areas, underscoring our dedication to leading the industry with pioneering advancements. In the fiscal year 2023-24, we filed 16 patents, with five already granted. These include a range of novel formulations targeting different therapeutic categories, from lifestyle disease treatments and hormones to anti-infectives.

We aim to increase the number of projects filed with the Drug Controller General of India (DCGI), achieve more DCGI approvals, introduce novel formulations, and explore new therapeutic delivery systems, such as depot injections, peptide drug delivery, and nasal drug delivery systems, targeting at least a 20% increase in our project filings.

The list of filed patents includes:

- Treatment of thyroid disorders
- Orphan drugs used in the treatment of sickle cell disease
- Improved stability topical formulation of antiacne medications
- Improved delivery and stability of topical drugs for acne and psoriasis
- Novel delivery system of antianginal drug
- Preservative free ophthalmic solutions and suspensions (improved patient safety)
- Novel nanoparticulate delivery system of high dose oil soluble vitamins
- Water-based parenteral delivery system of oil soluble nutrient
- Novel anti-inflammatory agents for eye disorders

Building on the momentum of innovative formulation development, in FY24, we have successfully developed over **450 formulations** spanning a wide array of categories. This includes oral drug products (both solid and liquid forms), topicals such as creams, ointments, gels, and sprays, injectables (encompassing single dose, multi-dose, small volume, and large volume options), as well as nasal, ophthalmic, nutraceutical, cosmetic, and toiletry products.

We achieved a significant milestone recently when we received approval from the DCGI for a liquid oral formulation for sickle cell anaemia treatment. This formulation is distinguished by its stability at room temperature, a feature that sets a new benchmark for drug storage and accessibility. We have filed patents in recognition of this breakthrough.

Furthermore, our R&D team has been intensively focusing on the development of nasal sprays, showing significant progress over the past year. These efforts reflect Akums' dedication to diversifying our product portfolio and enhancing the effectiveness and user-friendliness of medical treatments.

Akums' R&D is at the forefront of integrating smart technology solutions across a variety of formulation areas. This strategic approach not only strengthens our position in the pharmaceutical, nutraceutical, and cosmeceutical markets but also sets new standards for innovation, quality, and patient care in the industry.

These include:

• **Modified release oral formulations** for delivering one or more drugs having different drug release profiles and/or having incompatibilities.

• **Multilayer tablet** (for extended-cum-immediate release and improving product stability). This technology is particularly useful for maximizing therapeutic efficacy of antidiabetics, antihypertensives and other products to treat lifestyle diseases.

• **Compression-coated tablets** (for delivering drugs with different site and delivery rates). With this modern technology, we have developed novel, patented formulations of drugs used in treatment of hyperacidity and gastric ulcers.

• **Pulsatile delivery systems** (PPIs, anti-inflammatories, etc.). Through this technology, Akums has developed delivery of drugs for treatment of ulcerative colitis, and inflammatory bowel disease.

• **Site-specific tablet or capsule delivery systems** (e.g. colon-specific delivery systems). This is a drug delivery platform which has enabled Akums to deliver drugs that treat bowel diseases.

• **Dual-release tablet or capsule delivery systems** (e.g. proton pump inhibitors). It has enabled the company to file couple of patents that facilitate improved therapeutic efficacy of antiulcer drugs and drugs used for reflux esophagitis.

Paediatric and geriatric products with improved patient compliance

• **Soft chews and gummies:** This is a novel drug delivery platform for multivitamins, mineral supplements and herbs that improve quality of life.

• **Taste masked/palatable orally disintegrating tablets, chewable tablets,** effervescent tablets and syrups of antibiotics and other therapeutic agents: Akums has the capabilities to enhance patient compliance of bitter drugs by effectively masking the taste of bitter medicaments which includes antibiotics, drugs acting on the respiratory tract, multivitamins, minerals, etc.

• **Oral sprays**: This specialized delivery system enables treatment of orthodontal diseases and oral ulcers.

Sterile products

• **Powder for injections of anti-infectives** and other agents that are labile to heat, moisture and oxygen.

• **Small volume parenterals**: It includes drug treatment options for several acute diseases.

• **Large volume parenterals:** Such products enable treatment options for hospitalized patients.

• **Parenteral dosage forms of penems,** cephalosporins, general dry powders.

• **Ophthalmic**s that are free of benzalkonium chloride and stabilized oxocloro complex and preserved with ionic buffer systems. Akums has filed several patents which are first in India.

• **Metered dose nasal sprays** and pre-filled syringes.

• **Respules/inhalation solutions and suspensions:** These products enhance the horizon of drug therapy for respiratory disorders.

• **UNIMs:** Single-dose, preservative-free eye drops.

Topical pharmaceuticals and cosmeceuticals

• **Ointments, creams, gels and lotions:** Akums has developed several novel creams, gels and ointments of various therapeutic agents for the first time in India.

• Shampoos, sunscreens, roll-ons, cleansers, toners, body and hair oils, serums, sprays, balms, body and intimate wash, conditioners, amongst others.

• **Dental and oral hygiene products:** Mouth wash, toothpastes, tooth gel, adhesives, mouth gel.

Nutraceuticals

• **Tablets, capsules, soft capsules, syrups, protein powders, chewables, probiotics:** Multiple drug delivery platforms have been used to effectively improve quality of life and improve longevity by enhancing the efficacy of various herbs and nutraceuticals.

Steroid and hormone delivery

• Akums has acquired the expertise to formulate novel steroidal drugs, offering enhanced treatment options for women experiencing hormonal imbalances. These formulations aid in fertility maintenance, target specific diseases, and provide tailored solutions to improve women's health.

Orphan drugs

• The company has pioneered a patented formulation, the first of its kind globally, for sickle cell disease. This will facilitate more cost-effective treatment options for this life-threatening condition.

Our R&D strategy reflects our commitment to not only advancing healthcare through the discovery of effective treatments but also ensuring these innovations are accessible, affordable, and patient-focused. This multifaceted approach is pivotal in elevating healthcare outcomes and enhancing the quality of life for individuals worldwide.

At the heart of our endeavours lies a steadfast dedication to innovation, which fuels our quest for excellence in the healthcare sector. By continuously pushing the boundaries of drug development, we aim to enhance drug efficacy, ensure safety, expedite the discovery process, and effectively address a myriad of health challenges.

INFORMATION TECHNOLOGY

IT: ENABLING BUSINESS GROWTH AND EFFICIENCY

Akums' IT department plays a crucial role in driving business success by ensuring the smooth operation and continuous development of the organization's technological infrastructure.

At the heart of our transformation strategy reside our stakeholders. Our company's culture is in complete alignment with the fast-changing pace of the digital era we live in. In fact, at Akums, there has been significant progress on digital adoption over the past few years.

A significant wave of digitization is well underway and this year, the IT department has been focused on several key areas. We have invested in, and implemented, many digital projects.

SAP SuccessFactors, a cloud-based and industry standard digital platform, is now powering Akums' business processes. SAP SuccessFactors is a complete 'Hire to Retire' digital employee engagement platform. It has been implemented across the group to transform HR digital practices at Akums.

The system is used to manage different elements of HR operations, such as employee on-boarding, employee performance management, succession planning, for setting up a validated learning management system, HR analytics and for payroll activities. Akums has deployed Planvisage, an advanced supply chain business solution that enables analytics and decision supporting systems and data visualization, to streamline supply chain. It also helps optimise shop floor efficiency and helps improve productivity and accuracy.

Akums uses Salesforce CRM, a Customer Relationship Management (CRM) platform that helps our businesses manage customer interactions. It acts as a centralised hub for tracking leads, contacts, and opportunities. It is also used for capturing and organising leads, managing customer inquiries and issues effectively and for uncovering new growth opportunities.

Further, Akums has automated its packaging lines and enabled them with online QR code printing. The packaging lines are also automated to reject finished packs to eliminate human intervention with 100% accuracy. Akums has implemented a QR code-supported Advance Warehouse Management System (WMS), that helps track material movement across the company's sites.

The Customer Invoice Management System (CIMS) at Akums offers a complete digital experience to process invoices. The system is fully paperless and allows for handling all compliance related matters with digital signatures, and is integrated with SAP Systems.The company has implemented a secure digital payment gateway which is integrated with banking systems to accept electronic payments for vendors and customers.

Project UDGAM, a complete workflow-driven digital experience, has been implemented at Akums to automate the manual process right from initiation to final submission of the products to the Drug Controller General of India (DCGI). This has helped the company in enhanced team collaboration, setting timelines, fixing accountabilities and escalations of complaints, and has also provided a dashboard for complete transparency and to track visibilities.

The intuitive visual nature of digital reports fosters swifter and more informed decision-making across all key functions. This allows companies like Akums to analyse and drill down into their functions, important metrics, and insights with ease.

Information Security

Akums' information security team is committed to protecting the organization by mitigating information risks. This is an integral part of information risk management.
Best-in-class and quality services have been deployed to overcome any cyber threat to protect any probability of unauthorized or inappropriate access to data or its unlawful use.

At Akums, we are focused on efficient policy implementation without hampering productivity. This is largely achieved through a structured risk management process including internal and external IT security audits.

The following new initiatives have been taken to strengthen IT security at Akums:

A. Deployment of Web Application Firewalls (WAFs) to detect and protect against dangerous security flaws that are most common within web traffic to protect sensitive data from unauthorized access.

B. Standardization of all network devices such as switches and routers across Akums with centralized managed protocol.

C. Data loss prevention (DLP) security solution to identify and prevent unsafe or inappropriate sharing, transfer, or use of sensitive data. To monitor and protect sensitive information across on-premises systems, cloud-based locations, and endpoint devices. This helps achieve compliance with regulations such as the Health Insurance Portability and Accountability Act (HIPAA) and General Data Protection Regulation (GDPR).

D. Secure SD WAN across the Akums network.

E. Network segregation based on criticality of IT application and such IT services.

F. In future, Akums plans to deploy Network Operations Center (NOC) and Security Operations Center (SOC).

HUMAN RESOURCES

The human element lies at our core at Akums. This is because we deal with products that are intrinsically linked to human wellness and well-being. Human resource as a discipline is critical as it is the bedrock of talent, corporate culture, and processes to develop, manufacture and deliver life-saving medicines.

This means not just attracting the right talent across all disciplines—be it research, clinical trials, regulatory compliance and processes, manufacturing, sales and marketing—but also to retain them with the right incentives and motivation to serve the greater good. We believe our workforce is a critical factor in maintaining quality and safety to strengthen our competitive position. As of March 31, 2024, we employed a total of 16,127 personnel, comprising 7,388 full-time employees and 8,739 personnel on a contractual basis across our business.

Our full-time employee base has risen by over 35% between March 31, 2021 and March 31, 2024, despite it being a difficult period in managing human capital

HUMAN RESOURCES

TOTAL EMPLOYEES: SPLIT OF PERMANENT AND CONTRACTUAL

PARTICULARS	FOR 2023-24	FOR 2022-23	FOR 2021-22	FOR 2020-21
Full-time employees	**7,388**	6,986	6,870	5,466
Contractual staff	**8,739**	7,545	7,547	5,728
Total number of employees	**16,127**	14,531	14,417	11,194

due to the onslaught of the Covid-19 pandemic.

Competition among pharmaceutical companies for employees is intense, and the ability to retain and attract employees is critical to our success. We have faced high attrition over the recent past but we have reined in employee turnover significantly.

Our attrition rate of full-time employees, for the year ended March 31, 2024, is the lowest in the last four years. We are working to build a more stable organisation and we aim to reduce the employee turnover rate further during the coming year.

As we expect to continue to expand our operations and develop new products, we will continue to attract and retain experienced employees. We will also increase our levels of employee compensation to remain competitive in attracting employees that our business requires.

At present, around 47% of our total employees are engaged in production and operations followed by quality assurance and control (13%); sales and marketing (12%); engineering (6%); HR, administration, legal (6%); R&D (4%); and others (12%).

Around one in eight of our employees is a postgraduate and more than one in three is a graduate. We believe in building managers of tomorrow and around 16%, or a sixth of our total permanent employees, are assistant managers or above in the organisation hierarchy. As much as 40% of our full-time employees are under the age of 30, making Akums a young organisation at heart and in agility.

We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

The organisation has a strong in-built programme for employee training and development to enhance the skill set of our human capital with technical training in addition to programmes for imparting soft skills to enhance communication, teamwork, and leadership capabilities.

We conduct training programmes straddling domains such as technical, good manufacturing practices, human resource, induction, behavioural attributes, environment, health, and safety management on a monthly basis. In total, Akums clocked overall training hours of 6,547 hours during 2023-24 with per person training hours pegged at 0.5.

We have also implemented SAP Success Factors, a cloud-based software for human capital management, to digitize the human resource management life cycle.

The organisation provides health check-up facility at the time of joining as well as periodically over the course of the year. Akums also conducts safety-related mock drills and has emergency preparedness and response monitoring and compliance obligations that have ensured zero fatalities during the year at workplace.

India has strict labour legislation designed to safeguard worker interests, particularly concerning dispute resolution, and the removal of employees. Presently, our workforce is not unionized. We are also compliant with laws and regulations governing various aspects of our relationship with our employees, encompassing minimum wages, working hours, working conditions, hiring and termination practices, and work permit authorization.

The company has a strong employee recognition system that goes beyond the annual assessment cycle and promotion system with various other programmes including a Long Service Award to our loyal long-timers and Merit Recognition as also Akums Health Award.

DIVERSITY CORRECT ORGANISATION

We are mindful of the need for an organisation to have gender diversity for the right balance for the society and provide opportunities to everyone irrespective of their gender. Although it is a work in progress, as of March 31, 2024, women accounted for nearly one in every four employees in the company.

This proportion rose from 23% to 25% over the last one year. The representation of women in our work-force is even more among the contractual headcount with around 37% of the total people on contractual rolls, providing flexibility to females to participate in the growth of the organisation while also allowing them to not being tied with long-term commitment.

The organisation also celebrates Women's Day, has implemented POSH practice across the organisation, and also has several other facilities for our female team members, including sanitary pads machines and bus facilities for commuting long distance.

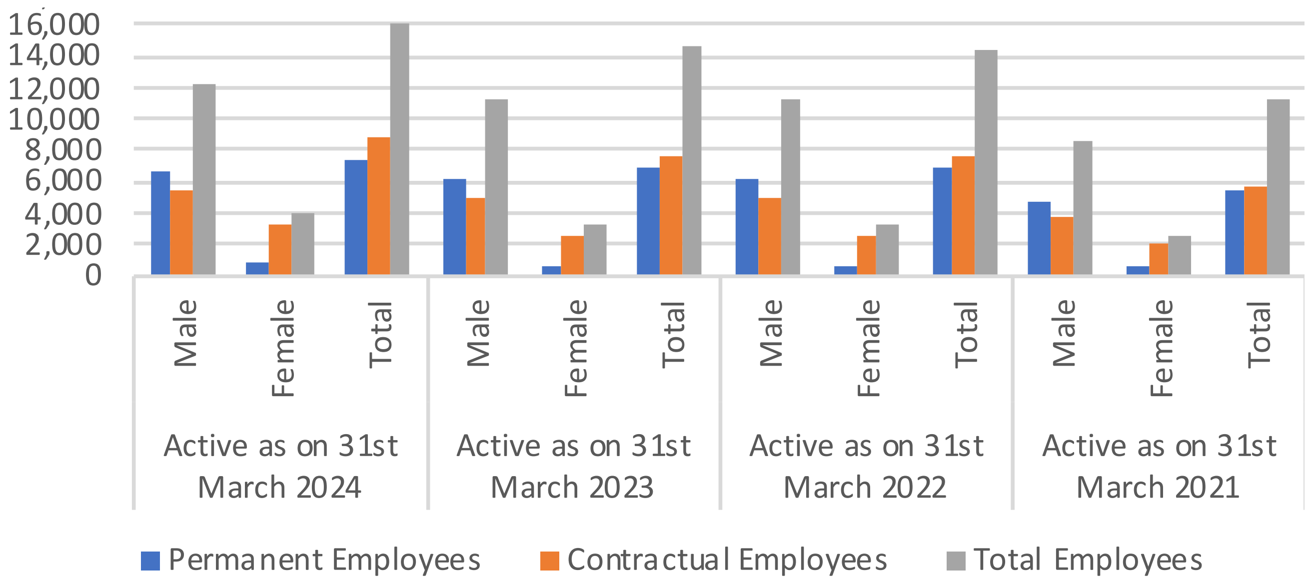
Akums also has 15 differently abled employees on its rolls as part of its diversity policy.

ESOP POLICY

Our Company, pursuant to the resolutions passed by our Board on March 16, 2022 and our shareholders on March 31, 2022 approved the "Akums Employee Stock Option Scheme 2022" ("ESOP 2022"). ESOP 2022 has been effective from April 1, 2022.
The ESOP 2022 was last amended pursuant to the resolutions passed by our Board on January 17, 2024 and our shareholders on January 17, 2024.

The purpose of ESOP 2022 is to
(i) attract premium talent from the market who align with the Company's objective of financial growth and quality products.; (ii) motivate and retain the best talent within the organization;
(iii) reward key employees for performance; and
(iv) tax optimal plan for both employee and the Company. The ESOP 2022 is in compliance with the SEBI SBEB and SE Regulations.

GENDER SPLIT OF WORKFORCE



HUMAN RESOURCES

The company had allotted 14,000 ESOPs to one employee during the year at an exercise price of Rs 1,010 per option. However, these options stand forfeited/lapsed/cancelled at the end of the year.

HR REPORT 2023-24

In today's continuously changing business world, it is human assets, not fixed or tangible assets, that differentiate an organization from its competitors. At Akums, our people matter most to us and our business. They are the most essential contributors toward profits and stakeholders value. The knowledge economy distinguishes one organization from a nother. So, when it comes to investing for growth, we believe in investing in our people by providing them with the best micro-learning training and development that we can.

Human Resources (HR) stands as the central department responsible for orchestrating and over-seeing all aspects related to personnel and employee operations within the company. As we believe that our human assets are the backbone of all businesses that leads the way for a company's success, we are not just responsible for recruiting them but we also cover every employee within the organization, to include training, mentoring, and guidance.

Our HR Priorities:
- HR Automation
- Enhancing Employee Experience
- Compliances
- Health, Safety & Security
- Women Empowerment
- Employees' contribution to Society
- Transparency
- Skill Development

HR AUTOMATION

We are enhancing the efficiency of the HR department through HR automation. We are implementing Success Factor for all HR Modules to strengthen HR processes and enabling the HR team to focus on complex tasks like decision-making and strategizing in place of tedious manual tasks.

With strategic automation, HR teams can reduce paper shuffling and focus the attention on more strategic roles of HR like talent forecast, pipeline succession. Through HR automation, organizations can design, streamline, integrate, and deploy necessary services swiftly at a considerably lower cost.

WENHANCING EMPLOYEE EXPERIENCE

Improving our company culture through an employee experience strategy to encourage employees to build relationships with one another and share each other's success. Employee experience is just as reliant on good interpersonal relationships as it is with the relationship between employee and employer.
To enhance employee experience, we are focusing on:
- Deliver Excellent Communication
- Respond to Feedback
- Focus on Employees
- Promote Diversity and Inclusion (D&I)
- Provide Meaningful Work
- Make Management Supportive
- Create a Positive Work Environment
- Offer Growth Opportunities

COMPLIANCES

To be compliant in all aspects is in our core value. It is not limited to follow statuary compliances but we also understand that following these rules will address the true needs of our company. This includes both country-specific laws and requirements from the regulatory authorities as well as internal company directives. We are using a range of tools and process to bring about good compliance.

HEALTH, SAFETY & SECURITY

It is in our top agenda to ensure compliance with our Health, Safety and Security policy, a written statement by us stating the company's commitment for the protection of the health, safety, and security of employees and to the public. It is not only important to comply with but to make each employee aware about it through regular training, via display posters, and skits by our own employees.

WOMEN EMPOWERMENT

We follow this in both letter and spirit. At Akums, women employment ratio has increased. It gives us access to a wider talent pool, increasing the profitability of your organization.

Regular mentoring sessions are being conducted for female employees to overcome the challenges related to gender inequality. Mentoring programmes help women to gain self-confidence and foster perspectives that support their career advancement.

EMPLOYEES CONTRIBUTION TO SOCIETY

Under our corporate social responsibility (CSR) initiatives, we encouraged and motivated our employees to help and improve various aspects of society like environmental, ethical, philanthropic, and financial responsibilities as well as promote a positive brand image for our company. We also motivated them to come up with innovative ideas on how to make a positive impact in the community and meet our business need at the same time. Our employees believe in the importance of their organization's CSR initiatives. As a result, they are even more committed to the organization.

TRANSPARENCY

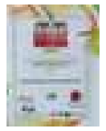
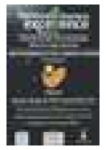
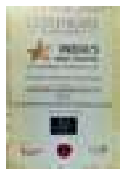
Transparency is one of our core values. We believe in establishing transparency in the workplace is key to creating a positive company culture and solidifying employee loyalty and engagement. Our employees understand the organization's expectations and goals, as well as their own. This clarity helps them work more efficiently. Transparency also allows for better decision-making because employees can see how their decisions will affect their teammates and the company.

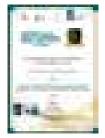
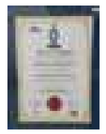
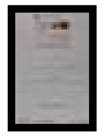
SKILL DEVELOPMENT

We conducted various skill development programmes to improve specific skills of employees to be more efficient and effective when they perform a task. We have a fully equipped Skill Development Centre where we train and groom our existing employees as well as external weaker section population who cannot afford to get admission in any training institute to generate livelihood and employability.

AWARDS AND ACCOLADES WON BY AKUMS

AKUMS DRUGS & PHARMACEUTICALS LTD.

S.NO.	DESCRIPTION	PRESENTED BY	AWARDS
1	BEST MANUFACTURER IN PHARMACEUTICAL FORMULATIONS AND PRODUCT INNOVATION	IPE	
2	INNOVATIVE R&D COMPANY OF THE YEAR	National awards for excellence in pharma	
3	MOST PREFERRED WORKPLACE IN MANUFACTURING 2023-2024	National awards for excellence in pharma	
4	BEST CORPORATE' AND 'BEST TECHNOLOGY ADOPTION' AWARDS IN CASH MANAGEMENT SERVICES	HDFC Bank	
5	EXCELLENCE IN INNOVATION & FORMULATION AWARD IN NUTRACEUTICALS & WELLNESS	Food Safety & Nutrition Summit and Awards	
6	BEST PHARMACEUTICAL COMPANY	National Business Excellence Awards	
7	EXCELLENCE IN INNOVATIVE FORMULATIONS IN NUTRACEUTICALS & COSMETICS	Brands Connect	
8	BEST MANUFACTURER FOR INNOVATION IN COSMETICS & WELLNESS	My Brand Better	
9	MOST ADMIRED QUALITY PHARMACEUTICAL MANUFACTURER OF INDIA	Super30 Healthcare	

S.NO.	DESCRIPTION	PRESENTED BY	AWARDS
10	BEST PHARMA INNOVATION AWARD	Financial Express	
11	LARGE SCALE ENTERPRISE	The Economic Times	
12	HEALTHCARE LEADER OF THE YEAR	Financial Express	
13	EXCELLENCE IN INNOVATIVE FORMULATIONS IN NUTRACEUTICALS & COSMETICS	IHW Council	
14	MOST ADMIRED MANUFACTURING COMPANY IN PHARMACEUTICALS	Business Star awards	
15	EXCELLENCE IN THE CATEGORY OF ICONIC CONTRIBUTION TO PHARMA SECTOR*	Radio Mirchi	
16	RENEWABLE ENERGY INITIATIVE OF THE YEAR - 2024	Brand Honchos	
17	EXCELLENCE AWARD FOR ESG	Global CSR	
18	EXCELLENCE IN HEALTHCARE	Elets	
19	SUSHRUTA AWARDS - SERVICE OF BHARAT IN THE FIELD OF HEALTH	Sushruta Samhita	
20	EXCELLENCE IN FORMULATIONS	ET HealthWorld	
21	EXCELLENCE IN PHARMA CONTRACT SERVICES - MANUFACTURING	ET HealthWorld	

Awarded to Shri Sanjeev Jain

& Sustainability

It is a time of upheaval and opportunity for the planet we live in. Catastrophic wars and wild swings of nature are leading to humanitarian crises around the globe, including our own country. This is precipitated by irreversible climate change and limited action by the actors around the world, though initiatives like COP28 attempt to arrest further deterioration. It is now well recognised that only the most resilient agendas for ESG (Environmental, Social, and Governance) will thrive and our initiatives, howsoever small in scope, to accelerate sustainable and inclusive growth were among those.

Akums as a group recognizes the profound impact our business holds on individuals' well-being, as well as its pivotal role in enhancing health outcomes and ensuring global health security through the development and distribution of drugs. We are committed towards ensuring sustainable growth and have a dedicated ESG & Sustainability team to ensure sustainable management of resources through target-setting and achievement, strategic stakeholder engagement, and sustainable resilience towards risks.

The mandate of the ESG & Sustainability team is to ensure that Akums Group delivers on the ESG targets and commitments. As a preliminary step, we have initiated ESG & Sustainability training session across the group for our employees to increase awareness and encourage participation of employees to embed environmental and social responsibility in our work culture. Moreover, a double materiality assessment is being conducted to identify ESG topics which impact our business and stakeholders.

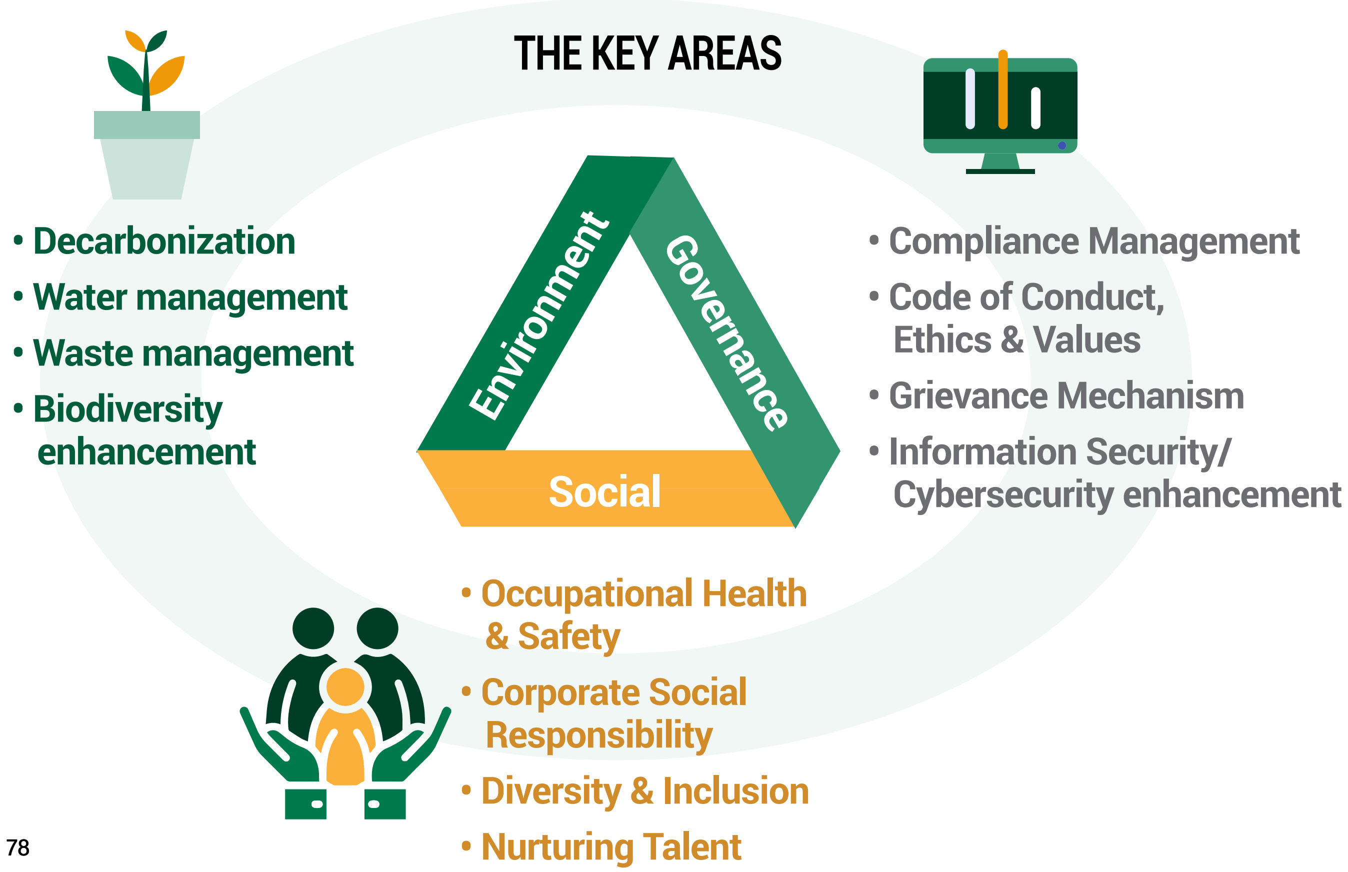
We are also focused towards optimizing our energy consumption and have increased our reliance on biomass fuels. Additionally, we are exploring new avenues for investment and have mapped areas for rooftop solar installation. A decarbonization strategy has been established to reduce our carbon emission footprint.

A majority of the ESG data have been assured by a third party to increase transparency and reliability. Ensuring health and safety is integral to our organizational principles and is a basic business need. We have strengthened our safety observations, restructured the safety committees, and have established the PPE (personal protective equipment) matrix to reinforce our commitment towards zero harm.

Our future plan of action entails alignment of ESG goals and targets with national and international requirements. Subsequent to successful development of a materiality matrix, a robust ESG roadmap will be developed to attain our targets of Net Zero, Zero waste to landfill, Zero effluent discharge and to conserve the native ecology through plantation following a scientific approach. We also aim to extend the circle of ESG by bringing in suppliers, customers and all other key stakeholders for shared learning and sustainable growth.

At Akums, we are committed to ensuring healthier, happier, and more sustainable lives by taking meaningful action to serve the society at large. With our long-standing commitment to protect the environment, we are working on solutions that help minimize the impact of our operations, driving improvements in multiple areas. We ensure that our actions are aligned to meet the social commitments while meeting local, national, and international compliances.

Our ESG goals are focused on balancing the fundamental pillars of sustainability. At Akums, we have identified the focus areas aligning with national and international goals of ESG in the pharmaceutical industry. The key areas are:
We are diligently crafting an ESG roadmap structured to encompass short, medium, and long-term targets. This comprehensive roadmap is curated to integrate invaluable insights and perspectives from a diverse array of stakeholders, including employees, customers, partners, suppliers, the local community, and other key entities identified through a stakeholder identification process.



This inclusive approach underscores our commitment to robust corporate governance and responsible business practices. By leveraging the collective wisdom and perspectives of various stakeholders, we aim to develop a strategic ESG roadmap that aligns with our organizational objectives and resonates with the aspirations and expectations of all involved parties. This concerted effort exemplifies our dedication to transparency, accountability, and sustainable value creation across all facets of our operations.

Environmental Stewardship

Akums has implemented Environmental Management Systems like ISO14001:2015 and ISO 50001:2018. Apart from this, we are preparing various Environmental Management Standards and Guidance Notes to further strengthen the internal systems. These standards will be aligned with various national and international guidelines. Our commitment towards environment is highlighted through our following policies:

- **Environmental and Social Responsibility Policy**
- **Energy Management Policy**

To meet our policy commitments, we have focused programmes on optimizing energy, responsible consumption of water and reducing waste to help shape sustainable progress. We will also maximize the usage of renewable energy sources while reducing our dependence on non- renewable energy sources.
Our leadership team periodically reviews the aspects in environmental landscape pertaining to water management, waste management, renewable and non-renewable energy utilisation, grid electricity consumption and greenhouse gas emissions through robust management systems which enable the company to take agile decisions to improve the environmental quotient with respect to our operations.

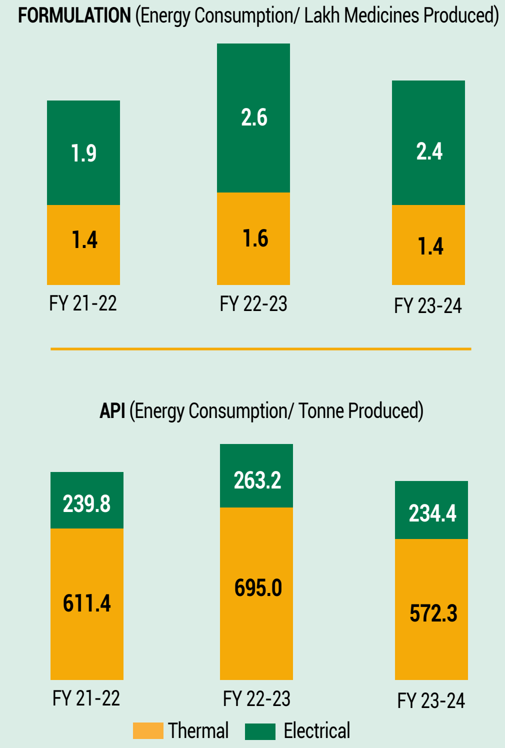
Energy Usage

Energy plays a pivotal role at Akums, serving extensively in both formulation and API processes. Our adherence to ISO 50001:2018 Energy Management Systems underscores our commitment to maintaining robust energy management practices. This system ensures a conscientious reduction in energy consumption and environmental impact, achieved through a judicious blend of conventional and renewable energy sources across all our operations.

Our focus remains steadfast on adaptive management, underscored by regular review meetings. These sessions are instrumental in identifying the imperative for both capex (capital expenditure) and opex (operating expenditure) investments, specifically targeted at technological advancements in our energy infrastructure. Furthermore, our dedication to optimal resource utilization is evidenced by our routine energy audits, ensuring maximum efficiency across our operations.

SPECIFIC ENERGY CONSUMPTION

(GJ/ unit of production)



Our dedicated efforts and strategic initiatives aimed at enhancing operational sustainability and optimizing energy consumption within our Formulation Business shows the result in the form of significant reduction in the energy intensity over the years. The noteworthy reduction in Specific Energy Consumption within our Formulation Business up to FY23-24 demonstrates improvement and efficiency within our operations. Compared to FY22-23, we have achieved a significant decrease of 11.42%.

We have stabilized the operations at API plants during FY22-23. Stable operations and continual energy efficiency measures have enabled us in reducing Specific Energy Consumption by 15.8% from FY22-23 to FY23-24. This highlights our ongoing commitment to optimizing energy usage across our operations. Concurrently, efforts toward stabilizing API plants are in progress, signifying our proactive approach to enhance operational efficiency and sustainability within this segment of our business. This steady progress aligns with our overarching objectives to continually refine and streamline energy consumption practices within our API operations.

We are committed to enhancing our energy mix with the increased usage of renewables to achieve our goal of decarbonization. Our dedicated focus also involves a strategic shift from conventional fuel sources to renewable alternatives for thermal energy requirements.

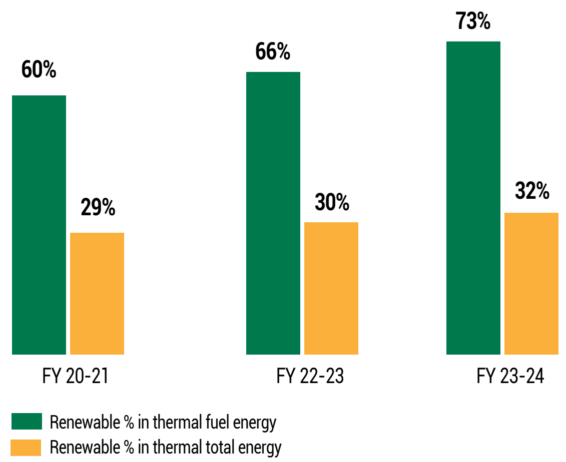
The pilot project initially introduced at the Pure & Cure plant in Haridwar involved the replacement of conventional coal with renewable biomass fuels in boilers. Following the successful pilot phase, Akums has expanded this initiative, and presently, 73% of our thermal energy needs are fulfilled using renewable sources at four of our facilities. We are in the process of further increasing our boiler capacities from 25 TPH to 45 TPH. We have also initiated the usage of piped natural gas to meet our energy requirements, which will help us to phase out other fossil fuels.

Our adoption of diverse resources such as rice husk, briquettes, and pellets across our facilities reflects our commitment to utilizing locally available options. This strategic choice not only bolsters our sustainability endeavours but also contributes to empowering indigenous communities and bolstering local economies across our locations.

GHG Emissions

For Akums, the predominant contributors to Greenhouse Gas (GHG) emissions stem primarily from Scope 2 emissions from grid electricity consumption. Scope 1 emissions are majorly from fossil fuel combustion and the utilization of refrigerants in our formulation chiller systems. For offsetting Scope 2 emissions we have developed a roadmap for installation of rooftop solar systems, while for Scope 1 emissions we have implemented using renewable sources like biomass fuels.

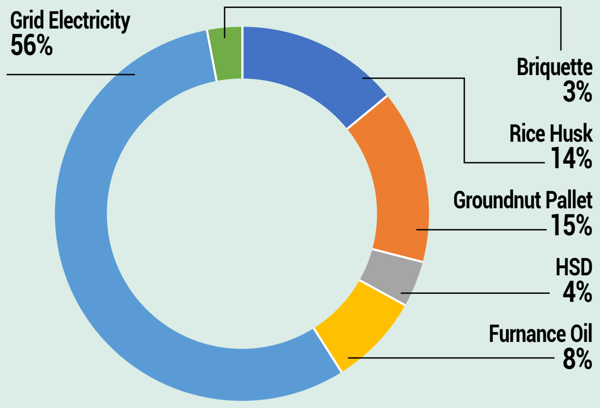
ENERGY MIX(%)



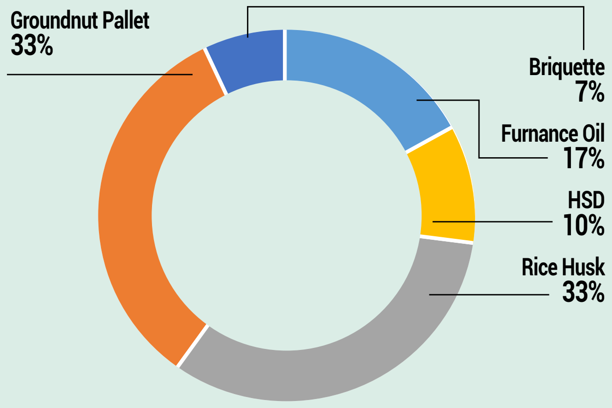
In alignment with our overarching decarbonization strategy, we have formulated a comprehensive roadmap aimed at offsetting these emissions. Our plan entails the implementation of native tree plantation initiatives strategically designed for carbon sequestration. This proactive approach demonstrates our commitment to not only identify and address emission sources but also to actively mitigate our carbon footprint through tangible actions aimed at environmental restoration and sustainability.

SPECIFIC ENERGY CONSUMPTION (GJ/ unit of production)

TOTAL ENERGY MIX(%)



ENERGY MIX FROM FUELS(%)

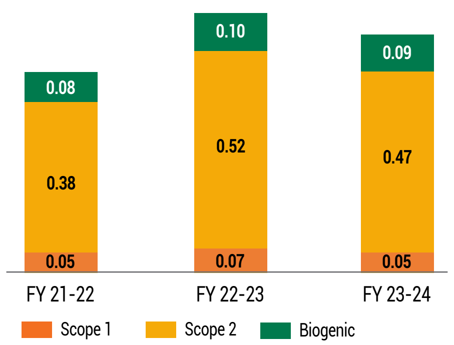


Emission Intensity (Metric Tonne/ unit of production)

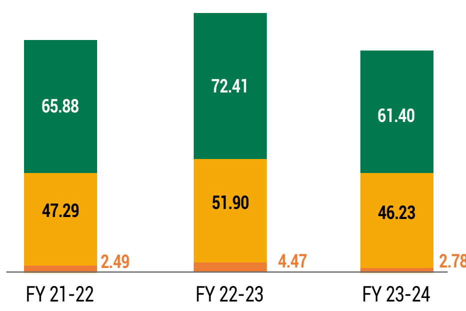
The escalated integration of renewable energy sources, notably groundnut pellets, briquettes, and rice husk, serves as a resolute testament to our commitment to achieve carbon neutrality within our operations.

Remarkably, our conscientious efforts have resulted in total biogenic CO2e Emission to be 30,000 tons annually from the entire emission mix, for both API and formulation business segments. Furthermore, our proactive measures have led to a substantial reduction equivalent to about 16% in formulation and about 38% in API for Specific Scope 1 emissions, as observed from FY22-23 till FY23-24. As part of our ongoing decarbonization programme, there exists a focused endeavour on expanding our solar portfolio. This deliberate expansion serves as a pivotal component of our strategy, aiming to further mitigate our environmental footprint and advance our commitment to sustainable practices.

FORMULATION-CO2e Emissions Intensity (Metric Tonne/ Lakh Medicines Produced)



API-CO2e Emissions Intensity (Metric Tonne/ Tonne Production)



IMPROVING RENEWABLE ENERGY PORTFOLIO
Percentage of Bioenergy in Direct Energy Consumption ~ 73.0%

Decarbonization Strategy

At Akums, our steadfast emphasis lies in the prioritization and implementation of renewable energy and other initiatives, a step towards decarbonization encompassing various strategies:

1. **Biomass utilization as a substitute for fossil-based energy sources.**
2. **Harnessing of solar energy through the installation of rooftop PV systems.**
3. **Power Purchase Agreements (PPAs) for solar and wind to replace grid energy.**
4. **Introduction of natural gas in energy portfolio.**
5. **Establishment of biogas plants catering to cooking and other operational needs.**

These renewable energy avenues have been meticulously identified and implemented across all our plants. They stand as robust alternatives, offering clean and sustainable energy options. Our concerted efforts are aimed at significantly curbing carbon emissions, aligning our targets with the Nationally Determined Contributions (NDCs) of India. This dedicated pursuit of renewable energy not only underscores our commitment to sustainability but also contributes to national objectives focused on environmental preservation and carbon reduction.
Water Stewardship

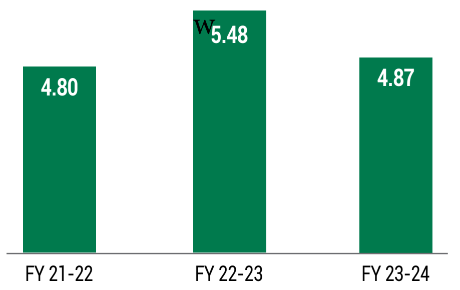
Water being one of the crucial natural resources for our business, we strongly believe in maintaining equity between the business as well as indigenous communities. We have conducted water risk assessment using online tools like India Water Portal and Aqueduct for our operational plants. Based on the assessment, we set our strategy and targets for strategic water utilization and minimize the wastage. On the path to water stewardship we have developed a Reuse, Reduce, Recycle and Recharge (4R) approach. This enabled us in reducing our water footprints over the years.

The total water withdrawal across Akums stands at 9.8 lakh KL annually, with a breakdown of 9.15 lakh KL for water usage in formulation plants and 67,506 KL consumed at API plants during FY23-24.

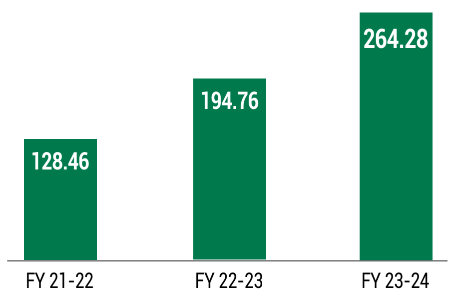
Over the years, spanning from FY20-21 to FY23-24, we have achieved a notable reduction in specific water consumption, resulting in a 14% decrease in withdrawals per unit of production for formulation plant. The API plants were under stabilization and water consumption is majorly dependent on type of products being produced. During FY23-24, there were certain products being produced in API plants having higher water consumption requirement.

We are actively developing a programme aimed at achieving water positivity in the coming years, primarily leveraging rainwater harvesting and

FORMULATION-SPECIFIC WATER CONSUMPTION (KL/ Lakh Medicines Produced)



API-SPECIFIC WATER CONSUMPTION (KL/ Tonne Production)



OUR TARGET: Water Positivity by 2030

storage initiatives. In Haridwar, we have installed Effluent Treatment Plants (ETPs) and these are connected with Common Effluent Treatment Plant managed by SIDCUL authority.

For plants at other locations, wastewater is being treated through ETP and through responsible water management practices as well as adoption of 4R approach, we are utilizing maximum treated water within our premises.

Waste Management

Our unwavering commitment lies in the continual internalization of our waste management processes, aiming for a comprehensive understanding and effective control of our waste streams. Within Akums, a segregation process is in place for hazardous, biomedical wastes and other wastes right at their point of generation. These segregated wastes are then stored in designated areas and subsequently hazardous and biomedical wastes are disposed-off through authorized vendors, strictly adhering to regulatory guidelines and r equirements. This systematic approach underscores our dedication to responsible waste management practices while ensuring full compliance with regulatory standards.

In FY23-24, the total waste disposed, inclusive of hazardous as well as biomedical waste was 664.52 metric tonne and 541.3 metric tonne for formulation and API plants, respectively. These hazardous and biomedical waste are being disposed of through authorized recyclers/vendors.

We follow and adhere to national compliances for waste management. As per our commitment towards reduction of waste generation and the target to achieve zero waste to landfill, we are developing specific waste management plan at each site with a focus on proper collection, segregation, storage, and disposal using waste management hierarchy.

Biodiversity Enhancement

Our commitment to native biodiversity enhancement is a vital strategy engraved in our core value of sustainability. We have successfully evaluated the present carbon storage capacity across our plants situated at Haridwar, Lalru, Derabassi, Barwala and Baddi. We have also developed a native biodiversity enhancement plan to promote species and habitat diversity and safeguard essential ecosystem services crucial for all life forms.

Biodiversity enhancement is not merely an ecological endeavour; it is an investment in our shared future, ensuring the continued provision of vital ecosystem services and bolstering our collective resilience in the face of global challenges. We currently have more than 8,500 trees and have planned for enhancement of biodiversity through native tree plantation having higher carbon sequestration potential.

Social Accountability

Community Engagement

Akums remains steadfast in its commitment to fostering a sustainable business model that extends beyond commercial success, emphasizing social relevance and inclusive growth. Our dedication to societal betterment is evident through our community engagement programmes which support diverse causes encompassing education, healthcare, cleanliness drives, environmental sustainability, and various other initiatives geared towards social development and upliftment.

Aligned with our vision to become a company that aligns with society's needs and aspirations, Akums is unwavering in its pursuit of social objectives through robust Corporate Social Responsibility (CSR) activities. We strive to proactively impact and contribute positively to society, catalysing sustainable development for the betterment of communities. This steadfast dedication underscores our ethos of responsible corporate citizenship and our commitment to shaping a more inclusive and prosperous society.

Our programmes are categorized into three major areas:

- **Community Involvement**
- **Environmental Actions**
- **Economic Growth**

Corporate Social Responsibility

Akums is profoundly aware of its responsibilities towards society and the environment. As a result, Corporate Social Responsibility (CSR) is ingrained seamlessly within its business model and overarching policies. The company's CSR initiatives are purposefully directed towards community development, emphasizing primary education, fundamental healthcare, livelihood generation programmes, and the enhancement of employability among women and local youth.

Aligned with regulatory guidelines delineated in the Companies Act of 2013, the company remains steadfast in its commitment to fulfil its corporate social responsibilities. These endeavours are not only an integral part of our ethos but also a testament to our unwavering dedication towards catalysing positive societal impact and nurturing sustainable community development.

Employee Development

Akums places significant emphasis in ensuring that its workforce is well-informed and comprehends our goals, core values and expected conduct. We are also devoted to nurturing young talents and have established mechanisms for identifying and grooming high-potential personnel. Career development is at the heart of our human resource strategy.

To upskill employees and make them future ready, we have launched Akums Skill Development Centre—an employee development initiative that caters external

COMMUNITY INVOLVEMENT

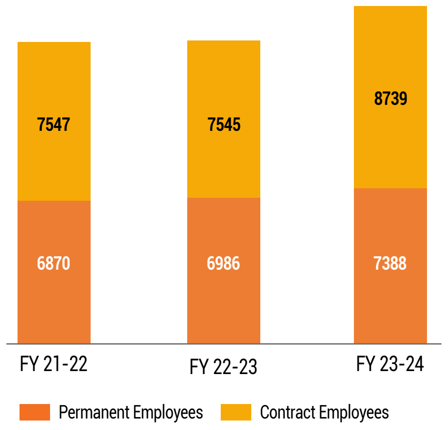
- Installation of drinking water coolers
- Donation of blankets, sweaters
- Infrastructural development as per community requirements
- Blood donation camps
- Medical camp at Kawar Mela
- Donation of food items to Joshimath disaster victims
- Contribution to *"Pradhan Mantri TB Mukt Abhiyaan"*
- Medicines donated to Jagriti Foundation and Ram Janambhoomi Tirth Shetra
- Donation 0f 13 gifts to Provincial Armed Constabulary (PAC)
- Support to Veer Bhagat Singh Seva Mission Trust for injured cows and bulls.

CSR & SUSTAINABLE DEVELOPMENT

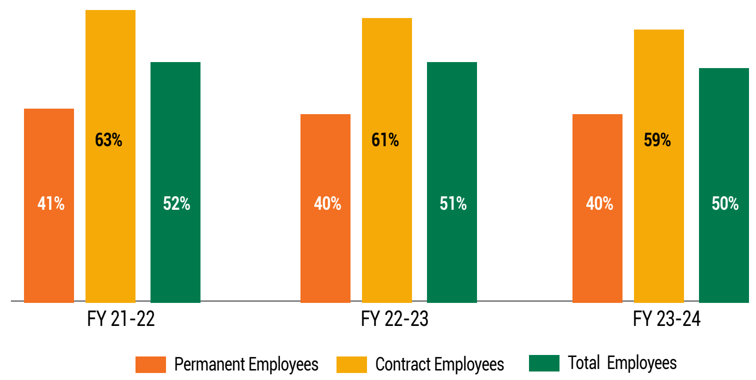
ENVIRONMENTAL ACTION

- *Ganga Safai Abhiyan*
- Plantation drives at SIDCUL & nearby community areas
- Infrastructural development as per community requirements
- Eco friendly garden initiatives
- Plantation of native species within the company boundary

TOTAL WORKFORCE (Numbers)



YOUNG WORKFORCE (Less than 30 years)



stakeholders as well and help to transform, learn and grow with us.

Our commitment to fostering a diverse and inclusive workforce, comprising both contract and permanent employees. We take pride in the wealth of talent that enriches our organization, embracing professionals from various backgrounds, experiences, and skill sets. Our strategy not only focuses on attracting young talent but also on nurturing their growth within our workforce.

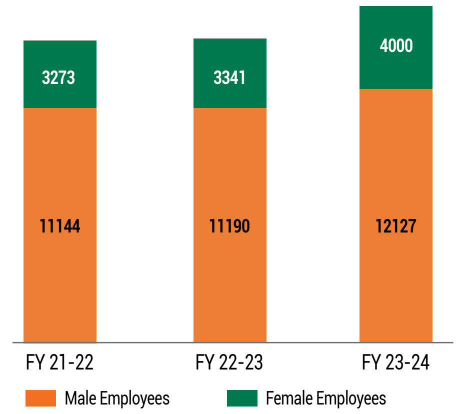
By fostering an environment that values diversity and invests in the development of our employees, we aim to create a sustainable and vibrant workplace that drives innovation and long-term success.

Diversity, Equity and Inclusion

Strategies for Advancing Gender Diversity and Inclusion in our Workplace:

- Implementation of robust policies specifically designed to enhance gender diversity within our workforce.
- Promotion of equal opportunities, diversity, and inclusion to effectively eliminate all forms of discrimination.

GENDER DIVERSITY (Numbers)



- Maintaining a female workforce representation of 24.8%, which stands among the highest in the pharmaceutical sector.
- Sustaining a secure, nurturing, and conducive work environment prioritizing safety and well-being for all employees.

Skill Development and Trainings

Akums Skill Development Centre: Enhancing Internal and External Employability Outlined below are the key facets of our program, duly registered and recognized by the Life Science Sector Skill Council:

- Comprehensive provision of eight certification programs spanning diverse modules.

• Leveraging the expertise of 104 seasoned p harmaceutical professionals serving as trainers.

• Facilitating training for approximately 521 internal operators across distinct modules: Compression, Coating, Warehouse, Granulation, and Packaging.

• Enrollment of 122 external trainees in two specialized modules: IPQA and Granulation.

This initiative underscores our commitment to fostering skill development, both internally for our workforce and externally for aspiring professionals, contributing significantly to enhancing employability in the pharmaceutical sector.

Nurturing Talent

Akums has a culture to nurture talent through on-the-job and cultural trainings which has enabled us with the leaders having deep experience in both functional and behavioural competencies.

• More than 28% of middle and top manage-ment working from more than 10 years.

•Preparing future leaders for the industry/ Nurturing talent through structured L&D programmes.

Employee Engagement

At Akums, employees are one of the critical stakeholders and every effort is being taken to instil inclusivity and trust through activities as mentioned below:
Wellbeing – Strengthening physical, mental, emotional wealth and social connect of employees
• Yoga Day celebrations
• Birthday and anniversary celebration
• Annual Day Celebration (Family Day)
• Festival celebrations
• Health awareness campaign
• Blood donations
• Health checkup
• Ganga Safai Abhiyan

Awards & Recognitions

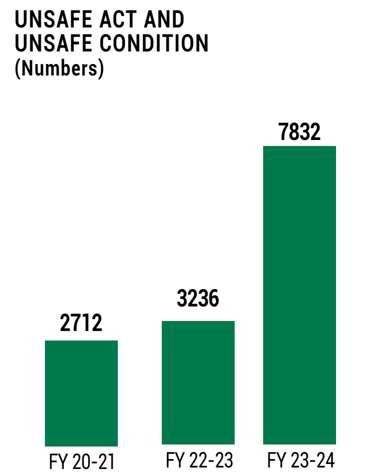
• Long Service
• Merit Recognition (for employees' children)
• Akums Health Awards

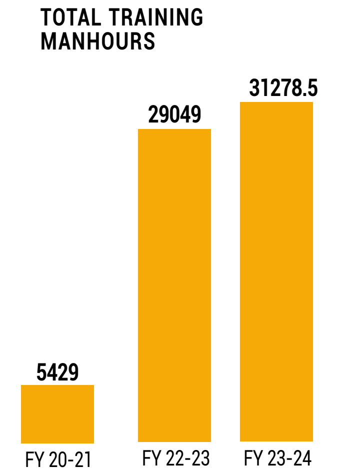
Occupational Health and Safety (OH&S)

At Akums, our foundational commitment to health and safety is integral to our organizational principles, underscored by a robust Occupational Health and Safety policy. This policy stands as a testament to Akums' unwavering dedication to preserving the welfare of our employees, contractors, and all stakeholders. Continuous reviews and updates ensure its ongoing relevance and effectiveness in safeguarding our workforce.

Aligned with the esteemed International Organization for Standardization (ISO) 45001 standard, Akums has implemented an Occupational Health and Safety management system. This system serves as a yard stick in identifying, evaluating, and managing inherent operational risks. Spearheaded by EHS professionals, the Occupational Health and Safety management system enables round the clock and dependable checks and balances to improve the EHS performance.

This is supported by adequate training to make the workforce future ready, so that they are able to handle the toughest EHS challenges.





Our commitment to a 'ZERO HARM' philosophy urges the integration of safety protocols with operational requirements. We envisage a safe working environment through establishment of state-of-the-art Fire and Process Safety Management Systems outlining protocols and procedures for risk mitigation and emergency response. Additionally, Standard Operating Procedures (SOPs) provide a comprehensive guide across every operational aspect to strengthen our infrastructure against potential risks.

Our safety framework is the strategic implementation of Hazard Identification & Risk Assessment (HIRA) methodologies, proactively addressing potential risks. Our tailor-made Emergency Preparedness Plan ensure swift and coordinated responses during unexpected events.

Moreover, fostering cultural transformation remains pivotal, nurturing a safety-first mindset among our workforce. Extensive training and awareness programmes empower employees and contract workers with the necessary skills and knowledge to uphold safety standards. Engaging campaigns during Safety Weeks reinforce these principles, fostering active participation and understanding throughout the organization.

Encouraging employee participation in EHS committees and promoting a culture where safety reporting is encouraged further strengthens our commitment to a safe workplace.

During FY2023-24, a total of 7,832 number of unsafe acts and unsafe conditions have been captured, and CAPA(s) have been configured and implemented to reduce reoccurrence of reported unsafe acts and unsafe conditions. Safety committee meetings have witnessed more than 500 active participations which includes both, blue- and white-collar employees.

Comprehensive Employee Health Programmes

Akums places paramount importance on employee health and well-being. Our on-site doctors provide regular check-ups and spe-cialized care for individuals diagnosed with various ailments. Within our comprehensive employee health tracking system, records of chronic diseases are maintained, ensuring personalized care through periodic follow-up programmes. This dedicated approach aims to facilitate healthy lifestyle transitions for Akums employees.

ESG & SUSTAINABILITY

We offer extensive medical insurance coverage for employees and their immediate families, further supporting their health needs. Annual medical health checks are conducted for all employees. Additionally, our OH&S programmes comprehensively address work-related health risks, aiming to eliminate potential losses to life, property and environment, thereby ensuring a safe and healthy work environment for all.

Governance

Akums has maintained its upward trajectory since its inception while keeping best-in- class governance. Akums places a high value on inclusive and purpose-driven growth, resulting in becoming a well-known brand in the pharmaceutical sector. This is also led by an effective governance framework and systems that remain in place.

Board

An experienced set of directors, bringing in their technical and management expertise have set the tone for the Company and ensure sustainable practices and strategic oversight. The Company's Board is made up of a diverse group of directors including one woman director.

Effective Policies

Akums has a code of business conduct and policies to ensure its operations are guided by trust, respect, responsibility, and accountability. Staying ethical also helps us to navigate any difficulty that arises in the workplace, eventually leading to a more trustworthy place to stay and work. The Company has a code of conduct and prescribed guidelines that ensure the prevention of bribery and fraud. It also has an internal mechanism for the Prevention of Sexual Harassment (POSH) and whistleblower policies, amongst others. These processes help us stay true to the purpose and ensure Healthier Happier and Sustainable Lives.

Stringent Internal Controls

At Akums, robust internal audit team and auditing procedures ensure highest level of transparency. A third party internal auditor conducts the internal audits while the Audit Committee reviews the internal audit reports on periodic basis. The Audit Committee reviews the reports with statutory auditors on a quarterly basis. The committees, along with their chairpersons, hold productive talks to reach a consensus on high-level decisions.

Strong review mechanism on ESG performance

At Akums, we have a review mechanism on Environment Social Governance (ESG) and Sustainability performances on the monthly basis. The review outlines the initiatives, identified bottlenecks and its course of action to the implementing teams.

Commitment to SDGs

Akums being a leading Indian contract drug manufacturer is committed to contributing to the UN's Sustainable Development Goals (SDGs). We have incorporated the SDGs into our core strategy and implemented various initiatives across our operations to address

1 NO POVERTY — Providing employment opportunities to locals, this helps in enhancing their economic status and ensures healthy and safe living conditions.

Managing Director
ESG Performance & Systems, Governance Structure & Tenets (Monthly)

Executive Committee
EHS, Quality, HR & Labour Ethics (Monthly)

Vice President & Group Head-ESG & Sustainability
ESG Performance (Monthly)

President-Operation
OE, EHS, Energy, Quality (Monthly)

President-Quality
Quality & Customer Centricity (Monthly)

President-HR
Labor Ethics, L&D (Monthly)

Plant Heads
Quality, Security, HR, EHS (Monthly)

Quality, HR, Operation Teams
Quality, Labor Ethics, L&D, Energy, OE (Monthly)

EHS & Sustainability SPOCS
ESG Performance (Monthly)

3 GOOD HEALTH AND WELL-BEING — We ensure that everyone, regardless of their location or socioeconomic status, has access to essential healthcare solutions, ultimately working towards a Healthier, Happier & more Sustainable lives.

5 GENDER EQUALITY — At Akums, we prioritize gender equality through policies ensuring representation at all levels and supporting work-life balance. Currently, 24.8% of our workforce comprises female employees, reflecting our ongoing

6 CLEAN WATER AND SANITATION — We prioritize responsible water usage, minimizing consumption in manufacturing and implementing efficient wastewater treatment and achieve Zero Liquid Discharge.

7 AFFORDABLE AND CLEAN ENERGY — We implement energy-efficient technologies across our operations, reducing our carbon footprint by reliance on renewable energy sources like biomass fuels in boilers.

8 DECENT WORK AND ECONOMIC GROWTH — We prioritize creating quality employment opportunities, ensuring fair labour practices, and providing a supportive work environment that encourages professional development.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — We prioritize innovation in research and development, constantly seeking groundbreaking solutions to address healthcare challenges. With four approved and 85 applied

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — We prioritize responsible consumption and production practices by implementing stringent measures to minimize waste generation and optimize resource utilization throughout our operations.

13 CLIMATE ACTION — We prioritize climate action by reducing our carbon footprint by proactively mitigating climate risks by investing in utilization of renewable energy sources, and implementing initiatives to set a

15 LIFE ON LAND — We prioritize preserving land-based ecosystems by implementing responsible strategies. Our initiatives include a detailed carbon sequestration study to identify native species with

17 PARTNERSHIPS FOR THE GOALS — We actively engage in cross-sectoral partnerships with governments, conventions, academia, and other stakeholders to drive collective action toward sustainable development.

BOARD'S REPORT 2023-24

To
The Members,
Your directors have immense pleasure in presenting their 20th (Twentieth) 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, 2024.

FINANCIAL RESULTS

(In ₹ million)

		STANDALONE	
S.NO.	PARTICULARS	31 MARCH 2024 AUDITED	31 MARCH 2023 AUDITED
I	**Income**		
	Revenue from operations	14,441.19	12,868.26
	Other income	941.21	961.53
	Total income (I)	15,382.40	13,829.79
II	**Expenses**		61.30%
	Cost of raw materials consumed	8,672.35	7,912.11
	Changes in inventories of finished goods, work-in-progress	64.42	-30.55
	Employee benefits expense	1,752.80	1,472.97
	Finance costs	183.13	131.76
	Depreciation and amortization expense	326.94	300.03
	Fair value changes on financial instruments	3,577.74	-439.7
	Other expenses	1,640.46	1,534.65
	Total expenses (II)	16,217.84	10,881.27
III	**Profit/ (Loss) before exceptional items and tax (I-II)**	**-835.44**	**2,948.52**
IV	**Exceptional items**	**-193.89**	**-1,445.33**
V	**Profit/ (Loss) before tax (III-IV)**	**-1,029.33**	**1,503.19**
VI	**Tax expense**	**625.18**	**248.89**
VII	**Profit/ (Loss) for the period/ year (V-VI)**	**-1,654.51**	**1,254.30**
VIII	**Other comprehensive income**		
	- Items that will not be reclassified to profit and loss	-29.07	7.16
	- income-tax on items that will not be reclassified to profit and loss	7.32	-1.8
IX	**Total comprehensive income for the period/ year (VII+VIII)**	**-1,676.26**	**1,259.66**
X	**Earnings per share (of Rs. 2/- each)**		
	Basic and diluted	-11.56	8.77

BOARD'S REPORT 2023-24

FINANCIAL RESULTS

(In Rs million)

PARTICULARS	CONSOLIDATED 31 MARCH 2024 AUDITED	CONSOLIDATED 31 MARCH 2023 AUDITED
Income		
Revenue from operations	41,781.82	36,548.20
Other income	340.25	461.05
Total income	**42,122.07**	**37,009.25**
Expenses		
Cost of goods sold	25,502.37	22,739.08
Employee benefits expense	6,468.64	5,901.33
Finance costs	506.14	462.46
Depreciation and amortization expense	1,256.40	1,128.09
Fair value changes to financial instruments	3,577.74	-439.69
Other expenses	5,003.22	4,967.98
Total expenses	**42,314.51**	**34,759.25**
Profit/ (Loss) before exceptional items and tax	**-192.44**	**2,250.00**
Exceptional items	260.34	745
Profit/ (Loss) after exceptional items and before tax	**-452.78**	**1,505.00**
Share of profit/ (loss) of an associate	-	-2.03
Profit/ (Loss) after share of profit of an associate before tax	**-452.78**	**1,502.97**
Tax expense	**-460.68**	**524.8**
Profit/ (Loss) for the quarter/ year after tax	**7.9**	**978.17**
Other comprehensive income		
- Items that will not be reclassified to profit and loss	-50.5	26.05
- income-tax on items that will not be reclassified to profit and loss	13.72	-5.99
Total comprehensive income for the quarter/ year	**-28.88**	**998.23**
Profit/ (Loss) for the quarter/ year attributable to:		
Owners of the Parent	-40.35	948.55
Non-controlling interest	48.25	29.62
Other comprehensive income attributable to:		
Owners of the Parent	-36.56	19.78
Non-controlling interest	-0.22	0.28
Total comprehensive income attributable to:		
Owners of the Parent	-76.91	968.33
Non-controlling interest	48.03	29.9
Paid-up share capital (Face value of Rs. 2/- per share)	286.13	286.13
Other equity	6,808.85	6,885.76
Earnings per share (of Rs. 2/- each) (EPS for quarters have not been annualised):		
Basic and diluted	-0.28	6.63

KEY HIGHLIGHTS OF THE COMPANY'S STANDALONE FINANCIAL PERFORMANCE

during FY 2023-24 are as follows:

- Revenue from operations increased by **12.22%.**
- Total Income increased by **11.23%.**

KEY HIGHLIGHTS OF THE COMPANY'S CONSOLIDATED FINANCIAL PERFORMANCE

during FY 2023-24 are as follows:

- Revenue from operations increased by **14.32%.**
- Total Income increased by **13.79%.**

COMPANY'S AFFAIRS

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

- The Contract Development and Manufacturing Organization (CDMO) division has achieved a turnover of Rs 32,663.48 million as against Rs 27,230.08 million in during the previous year.
- The Active Pharmaceuticals Ingredient (API) division has achieved a turnover of Rs 2,125.16 million as against Rs 1,772.49 million the previous year.
- The marketing division has contributed a turnover of Rs 6,993.18 million, compared with Rs 7,545.63 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 2023-24.

RESERVES

The total comprehensive loss of Rs 28.88 million for the financial year 2023-24 had been transferred / adjusted to previous year's other equity of Rs 6,885.76 million to arrive at the current year's other equity of Rs 6,808.85 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 2023-24 has been placed on the website of the company https://www.akums.in/investors_new/annual-report/.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2023-24, the capital structure of the company changed to the extent of increase in authorized capital but there was not change in paid up, issued or subscribed capital of the Company.

Currently, the authorized share capital of the company is Rs 400,000,000/- (Rupees 40 crore) divided into 200,000,000 (20 crore) equity shares. The issued, subscribed and paid-up share capital of the company is Rs 286,128,700/- (Rupees twenty-eight crore sixty-one lakh twenty-eight thousand and seven hundred only) divided into 143,064,350 (fourteen crore thirty lakh sixty-four thousand three hundred and fifty) equity shares.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2023-24, Mr. Sanjay Sinha, whole-time director, Mr. Satwinder Singh, independent director, and Mr. Sunil Kumar Thakur, nominee director, were appointed to the Board of the Company with effect from 17.01.2024.

Further, Mr. Basant Kumar Singh and Dr. Amit Varma have resigned from their position as whole-time director and nominee director, respectively, with effect from 17.01.2024.

Further, as per the provisions of the Companies Act, 2013, Mr. Sandeep Jain, Managing 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 2023-24, the board of directors duly met eight times on 30.06.2023, 25.08.2023, 26.10.2023, 17.01.2024, 07.02.2024 (I), 07.02.2024 (II), 16.03.2024 and 18.03.2024 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. The details of attendance of directors at the board meetings of the company are given as under:

NAME OF DIRECTOR	CATEGORY	NO. OF BOARD MEETINGS		%
		ELIGIBLE TO ATTEND	ATTENDED	
Mr. Sanjeev Jain	Managing Director	8	7	87.5
Mr. Sandeep Jain	Managing Director	8	8	100
Mr. Basant Kumar Singh	Whole Time	4	3	75
Mr. Sanjay Sinha	Whole Time	4	4	100
Mr. N.L. Kalra	Independent	8	8	100
Mr. Kewal Handa	Independent	8	8	100
Dr. Amit Varma	Non-Executive	4	4	100
Ms. Matangi Gowrishankar	Independent	8	8	100
Mr. Sunil Kumar Thakur	Non-Executive	4	4	100
Mr. Satwinder Singh	Independent	4	4	100

MEETING OF BOARD COMMITTEES AND GENERAL MEETING(S)

during the Financial Year 2023-24

During the period under review, meetings of the audit committee of the company were held on 30.06.2023, 25.08.2023, 17.01.2024, 07.02.2024 and 18.03.2024. Similarly, meetings of the nomination and remuneration committee of the company were held on 30.06.2023, 25.08.2023 and 17.01.2024.

The details of attendance of members of the audit committee and nomination and remuneration 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	5	5	3	3
Mr. N.L Kalra	Independent	5	5	3	3
Ms. Matangi Gowrishankar	Independent	5	5	3	3
Dr. Amit Varma	Non-Executive	3	3	3	3
Mr. Satwinder Singh	Independent	2	2	-	-
Mr. Sunil Kumar Thakur	Non-Executive	2	2	-	-

The Annual General Meeting (AGM) of the company for the previous financial year, i.e. 2022-23, was held on 30.06.2023. It was attended by all directors, except Dr. Amit Varma, and all 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 2023-24 two Extraordinary General Meetings were also held on 26th October, 2023 and 07th February, 2024.

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 fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

- 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. These controls are critical 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 annual 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 members' approval obtained at the 15th Annual General Meeting held on 29th September 2019. Their term of appointment is five years, to audit the financials of the company for the financial year 2019-20 to 2023-24 (both inclusive). Accordingly, they shall hold office till the conclusion of the 20th Annual General Meeting of the company.

Further, the Board had given its recommendation to the shareholders for re-appointment of Walker Chandiok & Co LLP as statutory auditors of the Company from 2024-25 to 2028-29 (both inclusive). The auditors' report for the financial year ended 31st March 2024 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.

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. Balwinder & Associates, cost accountants, as the cost auditors of the company for the financial year 2023-24.

Now that their tenure has expired, the board has re-appointed M/s Balwinder & Associates as the cost auditors to audit the cost accounts of the company for the financial year 2024-25.

As required by the Act, the remuneration of the cost auditors must be ratified by the members. 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 2023-24. 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 accountants, as internal auditor for the financial year 2024-25.

SECRETARIAL AUDITOR

Section 204 (1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, mandate 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 2023-24. The board has re-appointed A.K. Nandwani & Associates as secretarial auditor for 2024-25.

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 2023-24 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), KPMG and Protiviti India Member Private Limited as management auditors for 2023-24. These management auditors had conducted audits of certain processes and functions of the company & its subsidiaries; and have submitted their reports to the management for its perusal.

Further, your company has appointed Ernst & Young LLP (E&Y), Deloitte Touche Tohmatsu India LLP and Protiviti India Member Private Limited as management auditors for 2024-25. These management auditors will conduct audits of certain processes and functions of the company & its subsidiaries.

MATERIAL CHANGES AND COMMITMENTS

After the end of financial year 2023-24 in the month of April 2024 the company decided to dispose of some of its subsidiaries which were either having no business or were transacting business at a very nominal scale; and business of such entities was consolidated with Medibox Pharma Pvt. Ltd.
The list of such entities is mentioned below:
i) Amazing Research & Laboratories Ltd.,
ii) May & Baker Pharmaceuticals Ltd. and
iii) Burroughs Welcome Pharmacia Pvt. Ltd.

During the year the merger process of Akums Lifesciences Ltd. with Pure & Cure Healthcare Pvt. Ltd. has been completed with the approval of the National Company Law Tribunal, Chandigarh and 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 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). This scheme will cover eligible employees of the company and its subsidiary companies. During the current year Board of the Company has decided to implement the ESOP Scheme 2022 through 'Akums Employee Benefits Trust'.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

The company and 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 12 subsidiaries, including 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 Pharmaceutical Formulations	100%	WOS
2	Maxcure Nutravedics Ltd.	Manufacturing of Nutraceuticals & Cosmetics	100%	WOS
3	Malik Lifesciences Pvt. Ltd.	Manufacturing of Pharmaceutical Formulations	100%	WOS
4	Akums Healthcare Ltd.	Manufacturing of formulations	100%	WOS
5	Qualymed Pharma Pvt. Ltd.	Manufacturing of formulations	100%	WOS
6	Akumentis Healthcare Ltd.	Branded Marketing	91.50%	Subsidiary
7	Unosource Pharma Ltd.	Export Marketing	100%	WOS

S.NO.	NAME OF SUBSIDIARY	NATURE OF BUSINESS	% OF SHAREHOLDING	STATUS WOS*/ SUBSIDIARY
8	Sarvagunaushdhi Pvt. Ltd.	Retail Sales	100%	WOS
9	Plenteous Pharmaceuticals Ltd.	Generic Branded Marketing	100%	WOS
10	Nicholas Healthcare Ltd.	Institutional Sales	100%	WOS
11	Upadhrish Reserchem LLP	Manufacturing of formulations	100%	WOS
12	Medibox Pharma Ltd.	Generic Branded Marketing	100%	WOS

**WOS means Wholly Owned Subsidiary*

During the period under review Qualymed Pharma Pvt. Ltd. has become subsidiary of the company, whereas Amazing Research & Laboratories Ltd., May & Baker Pharmaceuticals Ltd. and Burroughs Welcome Pharmacia Pvt. Ltd. have ceased to be subsidiaries of the company from April 2024 onwards. 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 31.03.2024, are enclosed with 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 where applicable were 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 form 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

CONSERVATION OF ENERGY

Energy conservation measures taken are as under:

1. 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.
2. 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.
3. No other alternative source of energy is feasible.
4. 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	2023-24	2022-23
Units of Electricity Purchased (Lakh Kwh)	377.63	369.78
Total Amount of Electricity Purchased (Lakh ₹)	2,925.24	2,643.49
Rate of Electricity Per Unit (₹)	7.75	7.15
Units (Lakh Kwh) Own Generation (DG. Set)	5.43	11.21
Consumption of Diesel Oil in DG (Lakh Lts.)	1.57	3.12
Units generated Per Litre of Diesel Oil	3.45	3.59
Total amount of Diesel consumed (Lakh ₹)	125.43	290.70
Cost Per Unit (₹)	23.08	25.92

TECHNOLOGY ABSORPTION

Efforts are continuously being made for technology absorption.

1. Akums has implemented various compliance and operational tools i.e. Complinity, Cimplyfive, Insider Lens, SuccessFactors & Contract Management System, among others, for management of compliances and to improve the operational process of the Company.

2. The company has also adopted software/ tools for the 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 centres that are approved by the Department of Scientific and Industrial Research (DSIR).

6. During the financial year 2023-24, expenditure on research and development was Rs 325.75 million as against Rs 247.08 million during the previous year.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the financial year 2023-24, trade receivables and trade and other payables in foreign currencies amounted to Rs 926.32 million and Rs 980.06 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.

Akums 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 it is in compliance with the policy.

EXECUTIVE COMMITTEE

The company has constituted an executive committee to expedite the strategic decisions. The committee consists of 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 the 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, which forms a 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 roadmap 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 2023-24 related to the financial years 2020-21, 2021-22 and 2022-23. 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
2020-21	(1,952.00)
2021-22	(3,349.76)
2022-23	1,503.19
TOTAL	(3798.57)

Average profits of the financial year 2020-21, 2021-22 and 2022-23 had been negative. Therefore, the company was not required to spend any amount during the financial year 2023-24.

However, during the financial year 2023-24 the company has spent an amount of Rs 9.00 lakh on CSR activities during financial year 2023-24, such spent amount will be carried forward and will be set off from the CSR obligation of financial year 2024-25.

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; and
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 a paid-up capital of more than Rs 25.00 crore.
The company has implemented the procedure for evaluation of board performance, committees' performance, and directors' performance.

OPINION OF THE BOARD ABOUT INDEPENDENT DIRECTORS

The company has appointed the following persons as independent directors:
Mr. Kewal Handa,
Ms. Matangi Gowrishankar,
Mr. Satwinder Singh, and
Mr. N.L. Kalra
As per the opinion of the board all the independent directors are of integrity and have rich experience of their domain. 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 2023-24.

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. 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 HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

Your company believes in providing a safe and harassment free workplace for each and every individual working for it through various interventions and practices. It is the continuous endeavor of the management 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, on standalone basis no complaint was received in this regard. However, on a consolidated basis, there were three such complaints, two from Pure & Cure and one from Upadhrish. All such complaints were dealt and closed properly.

CONSOLIDATED ACCOUNTS

The consolidated financial statements for the year ended on March 31st, 2024 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. During the month of September 2023, credit ratings were assessed and the rating committee of ICRA 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 the board report are enclosed:
Management Discussion and Analysis Report; 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: 31.05.2024

Sanjeev Jain
Managing Director
DIN: 00323476

Sandeep Jain
Managing Director
DIN: 00323433

ANNEXURE – I | FORM - AOC-1

Statement containing salient features of financial statement of subsidiaries/associate companies/joint ventures

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A": Subsidiaries

Company Name	Akums Healthcare Ltd.	Akums Lifesciences Ltd.	Upadhrish Researchem LLP	Malik Lifesciences (P) Ltd	Maxcure Nutravedics Limited	Pure & Cure Healthcare	Unosource Pharma Ltd	Medibox Digital solution (P)	Akumentis Healthcare Limited	Amazing Research Laboratories	May and Baker Pharamceu-	Plenteous Pharmaceuti- cals Ltd	Nicholas Healthcare Ltd	Sarvagu- naushdhi (P) Ltd	Burroughs Welcome Pharmacia Ltd.
Relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Share Capital and 'Instrument entirely in nature of equity'	72,25,680	5,00,00,000	15,01,000	46,70,000	5,00,000	2,50,00,000	18,02,00,000	38,53,030	11,54,220	5,00,000	5,00,000	5,00,000	10,83,370	1,89,560	10,000
Reserves and Surplus	55,87,73,875	-1,46,76,89,489	5,38,61,755	25,77,34,994	95,63,55,122	5,49,72,87,362	-51,14,32,348	-33,89,600	72,72,15,724	-8,19,64,544	6,99,34,394	-2,67,33,273	55,19,43,583	49,34,80,041	-3,54,00,581
Total assets	82,70,69,017	4,62,88,65,678	30,28,66,057	2,79,06,48,341	2,83,29,22,115	12,03,16,34,527	72,78,34,823	4,68,430	1,75,88,79,299	36,45,54,380	23,19,05,671	79,37,28,860	66,31,53,422	86,23,75,965	18,13,88,157
Total liabilities	82,70,69,017	4,62,88,65,678	30,28,66,057	2,79,06,48,341	2,83,29,22,115	12,03,16,34,527	72,78,34,823	4,68,430	1,75,88,79,299	36,45,54,380	23,19,05,671	79,37,28,860	66,31,53,422	86,23,75,965	18,13,88,157
Investment	-	14,23,500	-	-	-	1,90,00,00,000	-	-	-	-	-	-	-	-	-
Turnover	10,10,10,742	2,22,27,35,953	29,85,19,490	4,09,37,62,130	6,51,60,44,109	12,28,16,88,759	1,00,36,83,844	-	3,86,83,13,479	37,88,21,968	39,05,98,769	1,06,27,32,600	45,36,91,454	35,60,05,213	10,49,08,035
Profit before taxation	-17,78,61,074	-1,61,40,15,724	8,32,81,939	-4,37,04,405	8,05,79,372	70,55,96,525	7,60,94,837	-2,76,30,730	50,38,95,526	-9,73,13,333	-1,82,50,291	-16,57,56,022	27,66,21,372	35,49,37,153	-2,94,27,888
Provision for taxation	-	-	2,94,20,184	-1,47,17,902	2,08,19,952	17,70,58,238	-9,07,99,898	-	15,50,10,442	-1,42,341	-43,27,989	2,95,497	36,65,178	-	-
Profit after taxation (incl. OCI)	-18,00,62,756	-1,61,25,37,180	5,38,61,755	-2,61,67,453	6,07,61,473	53,26,40,437	16,74,12,846	-2,76,30,730	35,21,35,580	-9,67,64,906	-1,34,11,505	-16,43,05,544	27,41,85,427	35,57,52,739	-2,93,67,079
Proposed dividend	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	91.5%	100%	100%	100%	100%	100%	100%

Names of subsidiaries which are yet to commence operations NA

Names of subsidiaries which have been liquidated or sold during the year

1. Avha Lifesciences Private Limited
2. Delcure Lifesciences Limited
3. Akum Impex LLP

ANNEXURE – 1
PART 'B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	**NA**	**NA**	**NA**
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extent of Holding %			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Networth attributable to Shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the Year			
▶ Considered in Consolidation			
▶ Not Considered in Consolidation			

Names of associates or joint ventures which are yet to commence operations.

Names of associates or joint ventures which have been liquidated or sold during the year. 1. AUSL Pharma

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

Place : New Delhi	sd/- **Sanjeev Jain** Managing Director DIN: 00323433	sd/- **Sandeep Jain** Managing Director DIN: 00323476
Date : 31 May 2024		

ANNEXURE – II

Akums Details as on 31.03.2024 PARTICULARS	INVESTMENTS	LOANS	(Amt. in INR Million) GUARANTEE OUSTANDING BANK LOAN
Pure and Cure	479.07	5,707.50	1,150
Malik Lifesciences	34.85	1,889.00	-
Akums Healthcare	1	1,467.50	162
Unosource	196.2	610	500
Maxcure	80.42	40	-
Plenteous	0.5	373	540
Medibox	-	262.2	-
Amazing	1.95	-	-
Upadhrish	1.5	144.9	-
Nicholas	0.5	75.3	220
Burroughs	0.01	-	-
Sarvagunaushdhi	0.1	-	-
Qualymed	0.1	86.1	-
Akumentis Healthcare	595	-	-
May & Baker	0.5	-	-
Total	**1391.7**	**10,656**	**2,552**

***Note:**

1. During the year, company has disposed off its investment in following entities:
   a) AVHA Lifesciences Private Limited
   b) Delcue Lifesciences Limited
   c) Akum Impex LLP
   d) AUSL Pharma
2. Provision for diminution in the value of investment of Rs. 3,06,41,210/- has been made in respect of investment in Medibox.

ANNEXURE – III | FORM - AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   During the financial year under review there was no such related party transaction, which was not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

(a) **Name(s) of the related party and nature of relationship**
During the F.Y. 2023-24 the company had entered into transaction with the following related parties: -

Pure & Cure Healthcare Pvt. Ltd. (Wholly owned subsidiary)

Type of Related Party Transaction	Value of Transaction	In case monies are due to either party as a result of the transaction		Details of the loans, inter-corporate deposits (ICD), advances made or given or investments made				
		Opening Balance	Closing Balance	Nature of loan etc.	Interest Rate %	Tenure Upto	Secured/ unsecured	end-use of funds
Loan given	12579500000	1963000000	5,707,500,000.00	Loan	8% Dec-26	Upto	Unsecured purpose	Business
Loan repaid	12773000000	----	----	----	----	----	----	----
Interest income	387262493	----	----	----	----	----	----	----
Corporate guarantee given (withdrawn)	(52,500,000.00)	----	----	----	----	----	----	----
Corporate guarantee charges	13,938,700.00	----	----	----	----	----	----	----
Expense incurred on behalf of Company	17,727,682.85	----	----	----	----	----	----	----
Expense incurred	127,000.00	----	----	----	----	----	----	----
Rent Received	15,981,600.00	----	----	----	----	----	----	----
Sale of Goods and others	186,099,962.84	----	----	----	----	----	----	----
Sale of Property, Plant and Equipment	1,781,404.40	----	----	----	----	----	----	----
Service Income	1,703,825.77	----	----	----	----	----	----	----
Expenses paid by other Group Company	1,466,278.98	----	----	----	----	----	----	----
Job Work Charges	219,282,628.21	----	----	----	----	----	----	----
Job work income	13,667,780.00	----	----	----	----	----	----	----
Purchase of Property, Plant and Equipment	321,324.00	----	----	----	----	----	----	----

Malik Lifesciences Pvt. Ltd (Wholly owned subsidiary)

Type of Related Party Transaction	Value of Transaction	In case monies are due to either party as a result of the transaction		Details of the loans, inter-corporate deposits (ICD), advances made or given or investments made				
		Opening Balance	Closing Balance	Nature of loan etc.	Interest Rate %	Tenure Upto	Secured/ unsecured	end-use of funds
Loan given	4,074,500,000.00	1369000000	1,889,000,000.00	Loan	8%	Upto Dec-26	Unsecured purpose	Business
Loan repaid	3,554,500,000.00	----	----	----	----	----	----	----
Interest income	112,429,658.00	----	----	----	----	----	----	----
Expense incurred on behalf of Company	6,500,556.70	----	----	----	----	----	----	----
Rent Received	18,014,400.00	----	----	----	----	----	----	----
Sale of Goods and others								
Job work charges	64,386,555.93	----	----	----	----	----	----	----

Maxcure Nutravedics Ltd. (Wholly owned subsidiary)

Type of Related Party Transaction	Value of Transaction	Opening Balance	Closing Balance	Nature of loan etc.	Interest Rate %	Tenure Upto	Secured/ unsecured	end-use of funds
Loan given	7,765,500,000.00			Loan	8%	Upto Dec-26	Unsecured	Business purpose
Loan repaid	7,725,500,000.00	----	----	----	----	----	----	----
Rent received	5,954,400.00	----	----	----	----	----	----	----

Others (Wholly owned subsidiaries/ Subsidiaries)

Type of Related Party Transaction	Value of Transaction	Opening Balance	Closing Balance	Nature of loan etc.	Interest Rate %	Tenure Upto	Secured/ unsecured	end-use of funds
Loan given	2,854,850,000.00		1,591,500,000.00	Loan	8%	Upto Dec-26	Unsecured	Business purpose
Loan repaid	1,382,700,000.40	----	----	----	----	----	----	----
Interest income	238,928,740.00	----	----	----	----	----	----	----
Corporate guarantee charges	7,930,900.00	----	----	----	----	----	----	----
Expense incurred on behalf of Company	14,260,970.77	----	----	----	----	----	----	----
Rent Received	9,903,372.00	----	----	----	----	----	----	----
Sale of Goods and others	392,371,858.20	----	----	----	----	----	----	----
Expenses paid by other Group Company	1,523,078.23	----	----	----	----	----	----	----
Job Work Charges	1,781,880.00	----	----	----	----	----	----	----
Purchase of Property, Plant and Equipment	173,661.00	----	----	----	----	----	----	----
Sale of Property, Plant and Equipment	201,713.00	----	----	----	----	----	----	----

ANNEXURE – III | FORM - AOC-2

Type of Related Party Transaction	Value of Transaction	In case monies are due to either party as a result of the transaction		Details of the loans, inter-corporate deposits (ICD), advances made or given or investments made				
		Opening Balance	Closing Balance	Nature of loan etc.	Interest Rate %	Tenure Upto	Secured/ unsecured	end-use of funds
Amazing Research Laboratories Ltd. (Wholly owned subsidiary)								
Assignment of trade receivable	76,605,751.00	----	----	----	----	----	----	----
Expense incurred	413,342.60	----	----	----	----	----	----	----
Corporate Guarantee (withdrawn)	(30,260,981.71)	----	----	----	----	----	----	----
Loan written off	135,769,249.00	----	----	----	----	----	----	----
Burroughs Welcome Pharmacia Pvt. Ltd. (Wholly owned subsidiary)								
Loan written off	37,452,256.00	----	----	----	----	----	----	----
Assignment of trade receivable	28,922,743.60	----	----	----	----	----	----	----
Unosource Pharma Ltd. (Wholly owned subsidiary)								
Job Work Income	1,425.00	----	----	----	----	----	----	----
Sale of Goods and others	733,858,277.61	----	----	----	----	----	----	----
Service Income	14,339,324.37	----	----	----	----	----	----	----
Plenteous Pharmaceuticals Ltd (Wholly owned subsidiary)								
Corporate guarantee given (withdrawn)	(35,236,089.86)	----	----	----	----	----	----	----
Akums Healthcare Ltd. (Wholly owned subsidiary)								
Corporate guarantee given	94,640,000.00	----	----	----	----	----	----	----
Sale of Property, Plant and Equipment	2,574,536.00	----	----	----	----	----	----	----
Expenses paid by other Group Company	3,019,712.95	----	----	----	----	----	----	----
Purchase of Property, Plant and Equipment	1,340,640.00	----	----	----	----	----	----	----
Sarvagunaushdhi Pvt. Ltd. (Wholly owned subsidiary)								
Expenses Incurred	9,019.59	----	----	----	----	----	----	----

Type of Related Party Transaction	Value of Transaction	In case monies are due to either party as a result of the transaction		Details of the loans, inter-corporate deposits (ICD), advances made or given or investments made				
		Opening Balance	Closing Balance	Nature of loan etc.	Interest Rate %	Tenure Upto	Secured/ unsecured	end-use of funds
Upadhrish Reserchem LLP (Wholly owned subsidiary)								
Profit from investment in LLP	89,353,273.00	----	----	----	----	----	----	----
Sale of Property, Plant and Equipment	89,400.00	----	----	----	----	----	----	----
Repair & maintenance–plant & equipment	43,403,001.00	----	----	----	----	----	----	----
Purchase of Property, Plant and Equipment	345,400.00	----	----	----	----	----	----	----
Consumption of stores & spares parts	43,403,001.00	----	----	----	----	----	----	----
May and Baker Pharmaceuticals Ltd. (Wholly owned subsidiary)								
Corporate guarantee given	4,736,770.75	----	----	----	----	----	----	----
Qualymed Pharma Pvt. Ltd. (Wholly owned subsdiary)								
Investment through acquisition of shares	100,000.00	----	----	----	----	----	----	----
Nicholas Healthcare Ltd. (Wholly owned subsidiary)								
Purchase of property, plant & equipment	394,896.00	----	----	----	----	----	----	----
Corporate guarantee given	14,707,650.59	----	----	----	----	----	----	----
Akumentis Healthcare Ltd. (Subsidiary)								
Sale of Goods and others	220,497,378.70	----	----	----	----	----	----	----
Akome Lifecare Pvt. Ltd. – Entity in which KMP are interested								
Rent Paid	24,955,320.00	----	----	----	----	----	----	----

ANNEXURE – III | FORM - AOC-2

	Remuneration Paid	Rent Paid	Sitting fee paid	Professional Charges paid
Mr. Sanjeev Jain	54220000	3,840,000	----	----
Mr. Sandeep Jain	53670000	4,800,000	----	----
Mr. Sanjay Sinha	2100000	----	----	---
Mr. Basant Kumar Singh	4300000	----	----	----
Mr. NL Kalra	----	----	1160,000	24000 (Expense incurred)
Ms. Matangi Gowrishankar	----	----	1700000	1300000
Mr. Kewal Handa	----	---	1700000	1100000
Mr. Sumeet Sood	22410000	----	----	----
Mr. Dharamvir Malik	2680000	----	----	----
Ms. Arushi Jain	6940000	----	---- -	---
Mr. Manan Jain	450000	----	----	----
Mr. Umang Jain	200000	----	----	----
Mr. D.C Jain (Directors Relatives)	----	300,000	----	1,650,000

(b) Nature of contracts/arrangements/transactions
Agreements with related parties were entered into on principal to principal basis.

(c) Duration of the contracts / arrangements/transactions
Contracts with related parties would be valid 31 st March 2028 or as mutually decided by both the parties.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
All related party contracts, arrangements & transactions entered were at market value, arm's length & in ordinary course of business.

Though, as per Ministry of Corporate Affairs (MCA) notification dated 05.06.2015 transactions entered between Holding, Subsidiary, Associate Company and sister concern does not fall under section 188 of Companies Act, 2013 and compliance of section 188 does not required. However, as an abundant cautionary measure the Audit Committee/ Board had approved the transactions.

Values of transactions are given under note no. 42 of notes to the accounts.

ANNEXURE – III | FORM - AOC-2

(e) Date(s) of approval by the Board, if any:
Omnibus approval of related party transactions for F.Y 2023-24 were approved by the Audit Committee / Board of Directors in its meeting held on 30.06.2023; and all the related party transactions entered into by the Company during F.Y. 2023-24 were approved by the Audit Committee / Board of Directors in their respective quarterly meetings held during the F.Y 2023-24.

(f) Amount paid as advances, if any:
No advance amount was paid in any related party transactions.

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

sd/-	sd/-
Sanjeev Jain	**Sandeep Jain**
Managing Director	Managing Director
DIN: 00323433	DIN: 00323476

Place : New Delhi
Date : 31 May 2024

REPORT ON CORPORATE GOVERNANCE

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As India's leading 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 and its subsidiaries produce medicines and active pharmaceutical ingredients (APIs) with the best quality standards, on 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.

2

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:

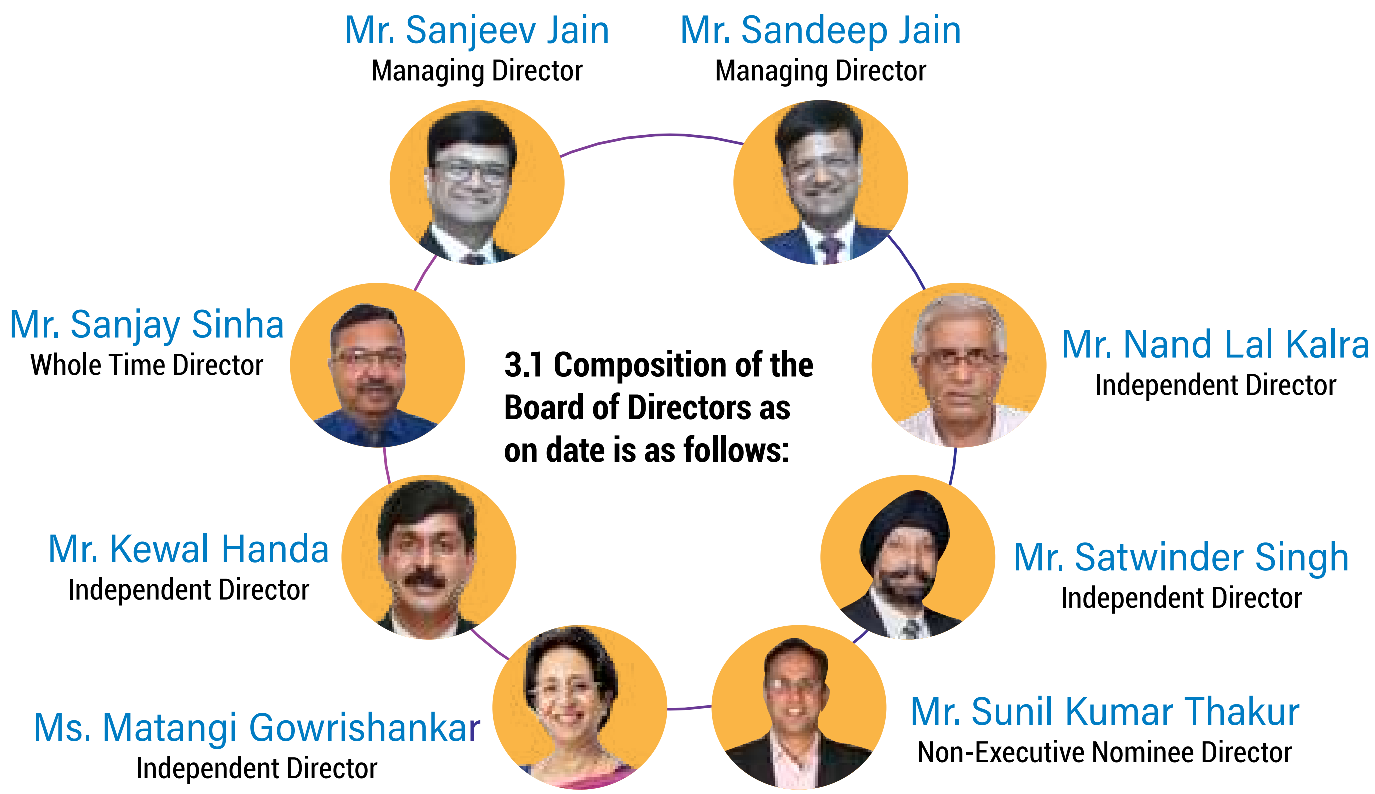
- To comply with all industry specific laws and regulations in letter and spirit with the help of compliance tools;
- To follow the secretarial standards set by the Institute of Company Secretaries of India;
- To conduct a secretarial audit by a practicing company secretary;
- To frame policies and procedures for disclosure and dissemination of information by the company;
- To hire independent professionals to conduct internal & management audits;
- 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.

3

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 eight directors, who possess the requisite qualifications and experience which enable them to contribute effectively in their capacity as executive directors and independent directors of the company, as the case may be.



3.2 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 four independent directors on the board. They are Mr. Kewal Kundanlal Handa, Ms. Matangi Gowrishankar, Mr. Nand Lal Kalra and Mr. Satwinder Singh.

4

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. The required decisions and recommendations of the committees are placed before the board for information or approval.

4.1. Audit Committee

Akums complies with Section 177 of the Companies Act, 2013, the rules made thereunder and Regulation 18 and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to the constitution of the audit committee.

The Board has re-constituted the audit committee by the appointment of Mr. Satwinder Singh and Mr. Sunil Kumar Thakur in their meeting dated 17th January,2024 as a member. The committee now consists of six members, of whom one is Managing Director, four are independent non-executive directors and one is a nominee non-executive director. All members of the committee are financially literate and have the requisite financial management expertise.

COMPOSITION OF THE AUDIT COMMITTEE

Name of the Director
Designation | Position In committee

1. Mr. Kewal Kundanlal Handa
Independent Director | Chairman

2. Mr. Nand Lal Kalra
Independent Director | Member

3. Mr. Sunil Kumar Thakur
Non-Executive Nominee Director | Member

4. Ms. Matangi Gowrishankar
Independent Director | Member

5. Mr. Satwinder Singh
Independent Director | Member

6. Mr. Sandeep Jain
Managing Director | Member

The audit committee 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:

- to investigate any activity within its terms of reference;
- to seek information from any employee of the company;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise if it considers necessary;
- to have full access to information contained in records of the company; and
- such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Other roles and responsibilities of the audit committee are also approved by the Board in its meeting dated 17th January, 2024, which are as follows:

These other roles of the audit committee shall, inter alia, include the following:

(a) oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the company and the fixation of audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

ii. changes, if any, in accounting policies and practices and reasons for the same;

iii. major accounting entries involving estimates based on the exercise of judgment by the management;

iv. significant adjustments made in the financial statements arising out of audit findings;

v. compliance with listing and other legal requirements relating to financial statements;

vi. disclosure of any related party transactions;

vii. modified opinion(s) in the draft audit report;

(e) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

(f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of the company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of the company and appointing a registered valuer in terms of Section 247 of the Companies Act, wherever it is necessary;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) discussion with internal auditors of any significant findings and follow up there on;

(p) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) to review the functioning of the whistle blower mechanism;

(t) monitoring the end use of funds through public offers and related matters;

(u) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(v) identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of the Company's proposed initial public offering;

(w) carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law, as and when amended from time to time;

(x) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and

(y) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

4.2. Nomination & Remuneration Committee

This committee shall identify the persons who are qualified to become directors of the company with the criteria laid down, 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 along with Regulation 19 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to the constitution of the Nomination and Remuneration Committee, which consists of the following members:

COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE

Name of the Director
Designation | Position In committee

1. Ms. Matangi Gowrishankar
Independent Director | Member

2. Mr. Nand Lal Kalra
Independent Director | Member

3. Mr. Kewal Kundanlal Handa
Independent Director | Chairman

4. Mr. Satwinder Singh
Independent Director | Member

5. Mr. Sunil Kumar Thakur
Non-Executive Nominee Director | Member

CORPORATE GOVERNANCE

The committee considers, inter alia, the following terms of reference as approved in the Board in its meeting dated 17th January, 2024:

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

(b)

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.

(c) formulation of criteria for evaluation of performance of independent directors and the Board;

(d) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board for appointment as an independent director shall have the capabilities identified in such description. For identifying suitable candidates, the committee may:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates.

(e) devising a policy on board diversity;

(f) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(g) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(h) recommend to the board, all remuneration, in whatever form, payable to senior management;

(i) perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

- administering the employee stock option plans of the company, as may be required;
- determining the eligibility of employees to participate under the employee stock option plans of the company;
- granting options to eligible employees and determining the date of grant;
- determining the number of options to be granted to an employee;
- determining the exercise price under the employee stock option plans of the company; and
- construing and interpreting the employee stock option plans of the company and any agreements defining the rights and obligations of the company and eligible employees under the employee stock option plans of the company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the company.

(h) carrying out any other activities as may be delegated by the board of directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

4.3 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 2023-2024 forms a part of the board's report and has been uploaded on the website of the company.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name of the Director
Designation | Position In committee

1. Mr. Sandeep Jain
Managing Director | Chairman

2. Mr. Sanjeev Jain
Managing Director | Member

3. Ms. Matangi Gowrishankar
Independent Director | Member

4. Mr. Nand Lal Kalra
Independent Director | Member

5. Mr. Sunil Kumar Thakur
Non-Executive Nominee Director | Member

4.4 Risk Management Committee

The Risk Management Committee was formed in compliance of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 | Chairman

2. Mr. Sandeep Jain
Managing Director | Member

3. Mr. Kewal Kundanlal Handa
Independent Director | Member

4. Ms. Matangi Gowrishankar
Independent Director | Member

5. Mr. Nand Lal Kalra
Independent Director | Member

6. Mr. Sumeet Sood
Chief Financial Officer | Member

4.5 Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was formed in compliance of Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to resolve the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates & general meetings etc.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

1. Mr. Satwinder Singh
Independent Director | Chairman

2. Mr. Sanjeev Jain
Managing Director | Member

3. Mr. Sandeep Jain
Managing Director | Member

4. Mr. Kewal Kundanlal Handa
Independent Director | Member

5. Mr. Nand Lal Kalra
Independent Director | Member

The committee considers, inter alia, the following terms of reference as approved by the board in its meeting dated 17th January, 2024:

(a) Resolving the grievances of the security holders of the company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

(b) Review of measures taken for effective exercise of voting rights by shareholders.

(c) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.

(d) Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(e) Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

(f) Carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

5

INCREASE IN THE STRENGTH OF INDEPENDENT DIRECTORS

In order to further strengthen the corporate governance practices of the company, the board has appointed one more independent director Mr. Satwinder Singh, who is highly qualified and has considerable experience. With the appointment of Mr. Satwinder Singh, now the company has four independent directors on its board. This is in compliance with the SEBI (LODR) Regulations.

6

IMPLEMENTATION OF COMPLIANCE SOFTWARE

Akums has already implemented a comprehensive cloud-based Compliance Management System software called "Complinity." Moreover, the company recently implemented another software, "Cimplyfive" for listing regulation compliances, and to track and report the same.

7

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

viii) Policy on Succession Planning for Board Members and Senior Management

ix) Policy on Prevention of Sexual Harassmen 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

8

APPOINTMENT OF MANAGEMENT AUDITORS

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

9

RE-CONSTITUTION OF THE BOARD COMMITTEES

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.

10

APPOINTMENT OF WOMAN DIRECTOR

Akums has complied with Section 149 of the Companies Act, 2013 and rules made thereunder; and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the appointment of a woman director on the board.

11 EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

The remuneration of Managing Directors/ Whole-time Directors comprises of fixed components (viz., salary allowances, perquisites and retirement benefits) and variable components but excludes the post-employment benefits and other long-term benefits as being paid on a lump sum basis for all the employees of the company.

The details of remuneration paid for the period from 01st April, 2023 to 31st March, 2024 are as follows:

REMUNERATION PAID

Name of the Director *Designation* | Remuneration Paid (Rs. million)	
1. Mr. Sandeep Jain *Managing Director* | Member	**53.67**
2. Mr. Sanjeev Jain *Managing Director* | Member	**54.22**
3. Mr. Sanjay Kumar Sinha *Whole Time Director*	**2.10**

12 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.
i. Qualification, expertise, and experience of the directors in their respective fields;
ii. Personal, professional, or business standing;
iii. Diversity of the board.
The non-executive directors are entitled to receive remuneration 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. The details of sitting fees paid to Non-Executive Independent Directors for the period from 01st April, 2023 to 31st March, 2024 are as follows:

Name of the Director *Designation* | Sitting fee Paid (Rs. million)	
1. Mr. Kewal Kundanlal Handa *Independent Director* | Member	**1.70**
2. Mr. Nand Lal Kalra *Independent Director* | Member	**1.16**
3. Mr. Satwinder Singh *Independent Director* | Member	**0.50**
4. Matangi Gowrishankar *Independent Director* | Member	**1.70**

13 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.

14 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.

15 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.

16 SUCCESSION PLANNING

The Nomination & 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.

17 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 focusing 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.

18 STEPS TAKEN RELATED TO HSE

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

Pure and Cure Healthcare Pvt. Ltd. (Pure & Cure), a wholly owned subsidiary of the company having 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. Further, Pure & Cure is in the process of executing an agreement with Gujarat Enviro Protection & Infrastructure Haryana Pvt. Ltd. for processing its hazardous waste.

Water is 100% purified and is 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.

a) We have established a sewage treatment plant (STP) and an effluent treatment plant (ETP) forwater recycling;

b) We have set up a rainwater harvesting system to save water;

c) We maintain 30% of the total area in the factory premises as green area.

MANAGEMENT DISCUSSION AND ANALYSIS—TWO DECADES AND COUNTING

Akums Drugs and Pharmaceuticals Ltd was established in 2004, and there has been no looking back since. Akums started as a contract manufacturer of pharmaceutical formulations. It is now a vertically integrated company with presence across the pharmaceutical value chain including manufacturing of active pharmaceutical ingredients, pharmaceutical formulations, branded marketing, and generics and institutional sales.

We have consistently been the largest India-focused contract drug manufacturing organisation, or CDMO, in terms of revenue, production capacity and clients served. This has helped us build our own intellectual property for the manufacturing processes of several formulations. Our core business is focused on providing end-to-end product development and manufacturing services to our clients. Our other services include formulation research and development, preparation and filing of regulatory dossiers in the Indian and global markets, and testing services.

Utilising our field force of more than 1,500 people, we have established a domestic marketing and distribution network of medical representatives, field managers, distributors and retailers and sell over 200 brands. Through our subsidiary Unosource we focus on therapy areas such as anti-infectives, analgesics, central nervous system, and gynaecology. We also engage in the marketing of trade generic and private label products through distributors and alternative channels across India.

GLOBAL ECONOMIC OVERVIEW

The confluence of pandemic-driven shutdowns, compounded by supply chain disruptions and the conflict between Russia and Ukraine, has led to significant interruptions in energy and food markets, spurring an increase in inflation and triggering a cost-of-living crisis. In response, many countries have adopted more stringent monetary policies, leading to a slower yet persistent rate of GDP growth.

Global GDP is projected to grow at a rate of 5.1% from 2023 to 2027, surpassing the previous rate of 4.3% recorded from 2017 to 2023. This expected increase is largely supported by the significant contributions from emerging markets and developing economies, which are forecasted to see a compound annual growth rate (CAGR) of 6.2% during this period. This vigorous expansion is driven by various factors, including a rise in private consumption, increased corporate investments, favourable demographics, stronger financial conditions, improved macroeconomic stability that diminishes the need for stringent monetary policies, and structural policy reforms.

In contrast, advanced economies are expected to achieve a more modest CAGR of 4.3% in GDP growth. Nevertheless, this rate marks an improvement from past figures, fuelled by a positive employment outlook in the United States and rising consumption trends in Europe. This optimistic long-term economic forecast is anticipated to stimulate global investments and increase demand in key sectors, such as healthcare.

Government policies, healthcare reforms, and heightened awareness of personal health and wellness are driving an increase in healthcare spending. The expenditure on healthcare varies widely among countries, with India still trailing behind Western nations in terms of spending.

Healthcare expenditure as a percentage of GDP is rising, fuelled by economic growth, improved accessibility and affordability of healthcare services, advancements in medical technology, an increase in chronic disease prevalence, an aging population, behavioural shifts post-pandemic, and a greater emphasis on wellness and self-care. From 2015 to 2020, global healthcare expenditure recoded a CAGR of 3.7% and climbed from 9.7% of GDP to 10.9%, according to World Bank data.

The pharmaceutical market—a key part of the healthcare market—is growing, too. The global

pharma market was estimated to be valued at $1,584.0 billion in 2022 and is projected to expand to $ 1,967.0 billion by 2027, growing at a CAGR of 4.4% from 2022 to 2027, per a report by Frost & Sullivan. Therapeutic areas such as oncology, alimentary tract and metabolism (including diabetes), and cardiovascular will drive future growth.

INDIAN ECONOMIC OVERVIEW

India's economic tenacity during the pandemic, combined with strategic shifts like the "China plus one" policy, is setting the stage for its ascent as a major global economic power. The National Statistical Office reports that the Indian economy is expected to expand by 7.6% in the fiscal year 2023-24, up from 7.0% in the previous year.

India is on course to become the world's third-largest economy by 2027, eclipsing both Japan and Germany with GDP projected to surpass $5 trillion. Aimed at achieving developed nation status by 2047, India anticipates a robust growth rate of 9.8% per year over the same period, fuelled by rising domestic demand, significant investments from both governmental and private sectors, strategic global partnerships, and the burgeoning micro, small, and medium enterprise (MSME) sector.

Other emerging economies like Brazil, Mexico, the Philippines, and South Africa are also poised for significant growth, leveraging strengths in agriculture, consumption increases, strategic mineral resources, and robust commodity markets. Although these nations demonstrate growth comparable to India and China, their smaller economies and populations make them less attractive as major investment destinations.

Meanwhile, the G7 nations are grappling with the challenges of saturated markets and aging demographics, coupled with impacts from global financial uncertainties and ongoing geopolitical conflicts. This scenario highlights a shifting global economic landscape, increasingly favouring vibrant emerging and developing Asian economies.

INDIAN PHARMACEUTICAL INDUSTRY OVERVIEW

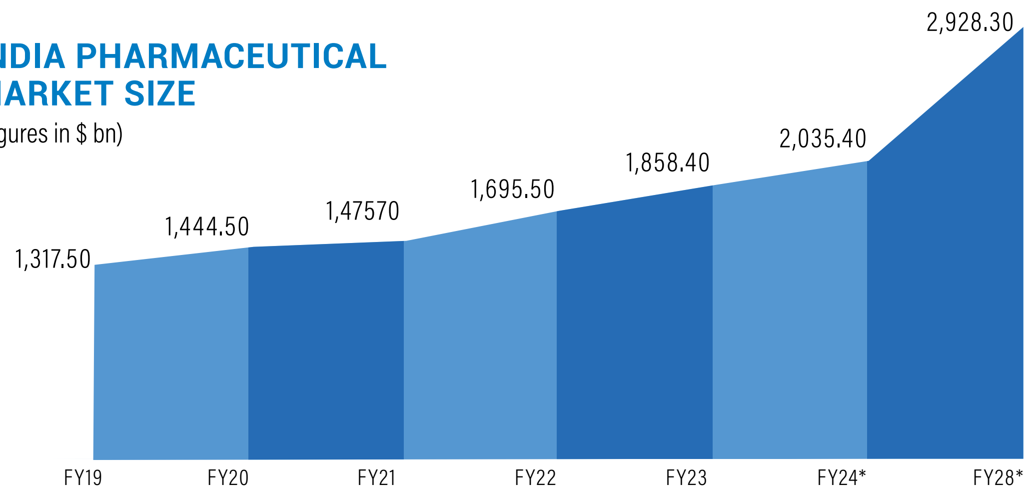
The Indian pharmaceutical market stands as one of the most rapidly expanding sectors globally, with its market value soaring from Rs 1.317 trillion in FY19 to an anticipated Rs 2.928 trillion by FY28. Accounting for about 1.3% of India's GDP, the Indian pharmaceutical market has achieved a CAGR of 9.0% over the past five years and is projected to increase at a rate of 9.5% over the next five years.

This impressive growth can be credited to several factors, including governmental focus on the sector, a rise in chronic disease cases, the production of affordable yet innovative generic drugs, and enhanced healthcare accessibility across the country.

Government policies have also played a crucial role in enhancing drug accessibility. The launch of the Pradhan Mantri Bhartiya Janaushadi Pariyojana (PMBJP) in 2008 aimed to make generic medicines more affordable through Janaushadi Kendras, with the number of stores expanding significantly by 2023. These efforts are complemented by the rise in healthcare insurance coverage, enabling greater healthcare access across different city tiers and socio-economic groups. Additionally, the growth of trade generics, which are priced significantly lower than branded equivalents, is making essential drugs more accessible to a wider population, contributing to the market growth. The shift in focus towards Tier II and Tier III cities is another growth vector for the Indian pharmaceutical market. As healthcare infrastructure expands beyond major urban centres into these emerging cities, there is a notable increase in pharmaceutical spending driven by less competition, lower real estate costs, and an increasing number of patients seeking care closer to home. This growth is supported by the rise of e-commerce and e-pharmacy networks, which enhance drug accessibility across both urban and rural areas, thereby significantly contributing to the overall expansion of the pharmaceutical market in India.

INDIA PHARMACEUTICAL MARKET SIZE

(Figures in $ bn)



**Forecast; Source: Pharmarack, Frost & Sullivan*

As India mirrors global trends with rising chronic illness rates due to urbanization and lifestyle shifts, the demand for medications is soaring. Notably, chronic and sub-chronic market segments are projected to grow significantly by FY28, propelled by a larger aging population and an expanding working-age demographic living increasingly sedentary lifestyles.
This demographic shift, alongside rapid urbanization, is expected to introduce nearly 50 million more people to urban areas by 2027, further escalating the prevalence of chronic conditions.

THE CDMO SHIFT

Historically, CDMOs were predominantly based in Europe and the US, benefiting from their expertise in custom manufacturing for innovative drugs. However, the centre of gravity for outsourcing has shifted towards the East, particularly to the Asia-Pacific (APAC) region, driven by cost efficiencies, rapid capacity expansion, and enhanced manufacturing capabilities. This shift is influenced by lower manufacturing costs, readily available raw materials, regulatory reforms, and rising local pharmaceutical demand. While North American and European CDMOs have excelled in bespoke production, APAC companies have capitalized on their ability to mass-produce generic drugs.

In terms of market share, North America held a dominant 47.4% in 2022 but is projected to slightly decrease to 45.2% by 2027, growing at a CAGR of 4.9%. In contrast, the APAC region, which had a 23.8% market share in 2022, is forecasted to expand significantly to 27.4% by 2027, with a CAGR of 8.8%.

Cost advantages, improved regulatory compliance, and supportive government policies are making the East, particularly India and China, more attractive outsourcing destinations. Post-COVID, companies are also seeking to de-risk their supply chains in response to global geopolitical tensions. With rising labour costs in China and the growing adoption of the 'China plus one' strategy, India is becoming an increasingly favoured choice for outsourcing, drawing more global pharma companies to establish partnerships in the country.

India's pharmaceutical industry excels in producing a vast array of affordable generic drugs, boasting extensive manufacturing facilities that adhere to international regulatory standards. As the most populous nation with a large working-age population, India provides a substantial labour force. It is home to the highest number of FDA-approved manufacturing sites outside of the United States. During the pandemic, India highlighted its strong contract manufacturing sector by meeting both domestic and international demands for vaccines and COVID-19 treatments. This resilience underscores the vital role of domestic contract services in forging strategic partnerships and boosting the capabilities of both Indian and global pharmaceutical firms to address increasing demands.

Indian pharmaceutical companies have modified their outsourcing strategies and are increasingly engaging with local CDMOs as strategic partners. This change reflects a growing trust in the capabilities of domestic collaborations, marking a shift in the industry's dynamics. Indian CDMOs are now seen as key partners in drug development, manufacturing, and research, contributing to a more streamlined and effective pharmaceutical sector. With anticipated rapid growth in the Indian pharmaceutical market and the pressing need to address the demand-supply gap, pharmaceutical companies are expected to rely more on CDMOs for dependable capacity enhancement.

By partnering with Indian CDMOs, local pharma companies not only gain immediate access to extensive production capacities but also benefit from cost savings and economies of scale. Additionally, these partnerships provide access to expertise across a range of innovative dosage forms and APIs, addressing the critical challenge of maintaining high quality standards.

THE AKUMS EDGE

As the leading CDMO focused on the Indian market, we stand at the forefront in terms of revenue, production capacity, and client base. For the financial year 2022-23, we captured 29.4% of the domestic market share by value, a significant increase from 26.7% in 2020-21, according to a report by the business consulting firm Frost & Sullivan.

Our extensive portfolio includes 4,025 commercialized formulations spanning over 60 different dosage forms. In 2022-23, we served 26 of the top 30 pharmaceutical sellers in India, demonstrating our pivotal role in the industry. In fact, more than 12% of pharmaceutical formulations consumed in India are manufactured at Akums or its subsidiaries.

Some of our key clients for the CDMO business include Sun Pharmaceutical, Cipla, Dabur, Dr. Reddy's Laboratories, Alembic Pharmaceuticals, Alkem Laboratories, Ipca Laboratories, Mankind Pharma, Mylan, and Natco Pharma.

CDMO CLIENT BASE AND REVENUE SHARE

PARTICULARS	2023-24	2022-23	2021-22	2020-21
No. of CDMO clients	1,524	1,543	1,386	1,161
Revenue share of top 10 clients (%)	39.31	38.92	41.27	36.16

Our focus on innovation and process enhancement ensures we stay aligned with industry advancements, maintaining our leadership in India's CDMO landscape. Our product strategy team drives innovation by identifying emerging trends, global approvals, and market opportunities in pharmaceuticals, wellness, and nutraceuticals. Each new product undergoes thorough clinical and stability studies, scaling efforts, and rigorous regulatory reviews before its introduction to the market.

To cater to the evolving needs of the healthcare and wellness markets, we have expanded through our subsidiary, Maxcure Nutravedics. This branch specializes in manufacturing a broad spectrum of health products, including nutraceuticals, food supplements, and herbal as well as ayurvedic remedies, all produced in a facility certified by the US NSF. This certification reaffirms our commitment to the highest standards of quality and safety.

Additionally, we have broadened our capabilities to include the cosmetic and dermatological sectors, thereby diversifying our manufacturing services. This expansion allows us to provide end-to-end solutions for our partners across various industries, further solidifying our position as a comprehensive and trusted CDMO partner.

Akums has been honoured with the "India Pharma Leader Award" by the Department of Pharmaceuticals, Government of India, for 2018 and 2019. Additionally, it received the National Award for "Quality Products in Pharmaceutical Formulation & Outstanding Entrepreneurship" from the Indian government, among other honours.

At Akums, quality, innovation, and customer satisfaction are fundamental principles. The company adopts a technology-driven approach to meet the growing demands of the dynamic pharma and healthcare sectors. Akums offers a comprehensive range of services to its clients, including formulation research and development, scale-up and pilot production, regulatory approval, manufacturing, packaging, and logistics support. This extensive array of capabilities establishes Akums as a "one-stop shop" for all pharmaceutical manufacturing requirements.

FINANCIAL REVIEW

Consolidated abridged profit and loss statement for the last three years (in Rs million)

PARTICULARS	2023-24	2022-23	2021-22
Total income	42,122.07	37,009.25	36,945.23
EBITDA	5,147.84	3,400.86	4,250.85
PBT*	-452.78	1,502.97	-1,931.97
PAT*	7.90	978.17	-2,508.74

**Impact of fair value changes have been taken below EBITDA*

KEY FINANCIAL RATIOS

Return on Net Worth (RoNW): The company had an RoNW of negative 0.57% in FY 2023-24 than positive RoNW of 13.23% in FY 2022-23. The RoNW for 2023-24 was negative on account of fair value changes in the financial instrument (put option liability). In case the impact is removed, there has been a increase in the overall profits, thereby improving the return on net worth ratio for the current year.

Fixed asset turnover ratio: The Company had an fixed asset turnover ratio of 3.30 times in FY 2023-24 than 3.41times in previous financial year. This was majorly on account of new capex done in the current year, which is yet to be operationalised, which has impacted the ratio in the current year.

Current ratio: Akums' current ratio was at 1.60% in FY 2023-24 and 1.48% in 2022-23.

Debt-to-equity ratio: In FY 2023-24, debt-equity ratio was 0.69 times, which was lower than 0.75 in FY 2022-23.This was on account of decrease in borrowings in FY 2023-24.

Net profit margin: In 2023-24, Akums had a net profit margin of 0.02% as against 2.64% 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).

THE WAY FORWARD

At Akums, we aspire to become a leading, quality-focused, global pharmaceutical organization with diverse capabilities. Here's a section-wise look at how we plan to take Akums forward:

CDMO: Leveraging key strengths

Leveraging our leadership position, we aim to continue expanding our market share and solidifying our presence within the CDMO sector. As the largest India-focused CDMO by revenue, production capacity, and client base, we have established strong relationships with many of India's top pharmaceutical companies. Our strategy includes increasing our footprint by maximizing revenue from current clients and attracting new ones, while expanding our product and service range across various therapeutic areas and dosage forms to strengthen our market dominance.

Our product strategy focuses on diversification and innovation, adhering to a patient-first philosophy that extends our reach beyond pharmaceuticals to include nutraceuticals, cosmeceuticals, Ayurveda, and other health and wellness products. This approach is designed to not only expand our portfolio but also meet the evolving demands of the market. We continually adapt to the shifting landscape of India's pharmaceutical industry, which now includes direct-to-consumer companies and e-commerce entities, alongside traditional multinational and regional firms. This alignment with market trends and regulatory standards supports our goal of increasing market share.

We are also committed to enhancing our manufacturing capabilities across various dosage forms. By increasing production volumes and incorporating automation, we aim to improve operational efficiencies and address the distinct needs of diverse dosage forms. This strategic expansion enables us to serve as a comprehensive solutions provider and cements our leadership in the market. Through targeted initiatives to streamline production lines and bolster quality control, we not only maintain but elevate our quality standards, optimizing resource allocation to support the sustainable growth of our operations.

API: Reaching scale

We are focused on expanding our API business by leveraging our established expertise and client relationships from the CDMO sector. Our goal is to create a robust portfolio of complex APIs that cater to both our own needs and those of other formulation manufacturers in India and abroad. To enhance our product margins and cement our market position, we are committed to improving process efficiency and enhancing our R&D capabilities. We plan to broaden our global sales reach and continue investing in R&D to refine our manufacturing processes, ensuring we remain competitive and sustainable in the long run.

As part of our expansion strategy, we aim to tap into semi-regulated and fully regulated markets by offering high-quality APIs and exploring contract manufacturing opportunities for overseas clients. We are actively working to gain regulatory approvals in various international jurisdictions, including the Philippines, South Korea, Vietnam, Europe, and South America. This step is crucial as we strive to meet the stringent quality and regulatory requirements of these diverse markets.

This comprehensive strategy positions us as a trusted partner for global pharmaceutical companies in need of reliable and efficient API manufacturing services. By aligning our operations with international standards and continuing to innovate in our processes, we aim to provide superior quality APIs to meet the evolving demands of the pharmaceutical industry worldwide.

Domestic formulations: Building the brand

Our growth strategy for the domestic formulations business is centred on expanding our brand presence and exploring new therapeutic fields. We are committed to extending the reach of our existing brands across India through a series of strategic marketing initiatives. These efforts include targeted promotional campaigns, an expansion of our field force, and enhancing the sales efficiency across both existing and new geographic regions.

In addition to broadening our marketing efforts, we aim to increase our engagement in international pharmaceutical and scientific conferences. This direct interaction with physicians will help boost the visibility and awareness of our products, particularly new therapies that could revolutionize treatment options.

Furthermore, we plan to venture into new therapeutic areas through our subsidiary Akumentis. By targeting sectors such as neurology, psychiatry, orphan diseases, metabolic disorders, infertility, and paediatric indications, we seek to cater to evolving healthcare needs. This diversification will not only allow us to tap into new market segments but also reinforce our position as a comprehensive healthcare solutions provider.

Exports: Expand and diversify

As part of our strategic growth plan, we are focused on expanding our global footprint and

diversifying our operations. Our subsidiary Unosource already markets both branded and generic medicinal formulations under our brand across over 60 countries in Southeast Asia, Africa, and the Commonwealth of Independent States. We see significant potential for growth in under-penetrated regions like Latin America, Europe and the Middle East. We are also looking to broaden our product offerings in both acute and chronic therapeutic areas throughout Southeast Asia and Africa.

To enhance our global outreach, we plan to extend our CDMO services to include more comprehensive formulation development, manufacturing for international supply chains, dossier development, and additional regulatory support. By emphasizing R&D as a service, we aim to engage in contract manufacturing globally and utilize our product development expertise to establish manufacturing partnerships across various therapeutic areas.

With the increasing trend towards the localization of pharmaceutical operations, we are exploring potential joint ventures with local manufacturers and major distributors to set up CDMO operations abroad. We are also working towards achieving additional global certifications and approvals, positioning us to meet the rigorous quality standards required in new international markets and expand our global presence effectively.

NOTICE OF 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth (20th) Annual General Meeting of the members of Akums Drugs & Pharmaceuticals Ltd. will be held on **Friday, the 31st May, 2024 at 02:00 P.M**. at Akums House Plot no. 131 to 133, Block-C, Mangolpuri Industrial Area, Phase-1, Delhi-110083, 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 31st March, 2024 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 31st March 2024 and the report of Auditors thereon and in this regard, to consider and, if thought fit, to pass, the following resolutions as Ordinary Resolutions:

a) RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended on March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.

b) RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended on March 31, 2024 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted.

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2. To appoint Shri Sandeep Jain (DIN: 00323476), who retires by rotation as a Managing Director, and, being eligible, offers himself for re-appointment:

RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Sandeep Jain (DIN: 00323476), who retires by rotation at this meeting, be and is hereby re-appointed as a Managing Director, of the Company.

3. To re-appoint M/s Walker Chandiok & Co LLP, Chartered Accountants, as Statutory Auditor of the Company and in this regard, to consider and if thought fit, to pass, the following resolution as Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, approval of the shareholders be and is hereby accorded for re-appointment of Walker Chandiok & Co LLP, Chartered Accountants, having registration number 001076N/N500013, to act as Statutory Auditor of the Company for a period of five years from the conclusion of 20th Annual General Meeting till the conclusion of the 25th Annual General Meeting to audit the financial statements for the Financial Year 2024-25 to 2028-29, at such remuneration to be decided by the Board of Directors or a person authorized by the Board, from time to time and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit of the Company.

SPECIAL BUSINESS:

4. APPROVAL OF REMUNERATION PAYABLE TO COST AUDITORS FOR THE FINANCIAL YEAR 2024-25.
To fix the remuneration of Cost Auditor for the financial year ending on March 31, 2025 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 pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and any other applicable provisions/statute as may be applicable from time to time, the Shareholders hereby ratify the remuneration of INR 2,50,000/- (Rupees Two Lakh and Fifty Thousand only) plus applicable taxes and out of pocket expenses payable to M/s. Balwinder & Associates, (Firm Registration No. 000201), Cost and Management Accountants, appointed as Cost Auditors of the Company for the Financial Year 2024-25.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

5. RECOMMENDATION OF FEES & COMPENSATION TO NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

To recommend the fees & compensation of Non-Executive Directors and Independent Directors of the Company 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 pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Regulation 17 and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), or any amendment thereto or modification thereof, approval of the members of the Company be and is hereby accorded for payment of Fees/ compensation including sitting fee and any additional fees payable for membership of Board / committees; or any professional fee, commission or incentive payable to non-executive directors or otherwise as permissible under the applicable laws (excluding Goods and Services Tax, if any, thereon) to the Non-Executive Directors including Independent Directors of the Company (i.e. Directors other than the Managing Director and/or Whole Time Directors) of such sum or sums and in such proportion/manner and up to such extent for each financial year commencing on or after 1st April, 2024 as the Board of Directors shall determine from time to time based on the recommendation of Nomination and Remuneration Committee within the overall maximum limit as mentioned in the Act (read with Rules made thereunder), Listing Regulations and other applicable provisions of the Act and Rules made thereunder.

RESOLVED FURTHER that the remuneration/compensation by way of professional services or otherwise as permissible (excluding Goods and Services Tax, if any, thereon) payable to the Non-Executive Director(s) including Independent Directors of the Company (i.e. Directors other than the Managing Director and/or Whole Time Directors) shall be in addition to the sitting fees and other reimbursement of expenses payable to each of them for participation in the Board, Committee and other meetings.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

6. TO APPROVE CONTINUATION OF PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS WHO ARE PROMOTERS/MEMBERS OF THE PROMOTER GROUP IN EXCESS OF THRESHOLD LIMITS SPECIFIED UNDER SEBI (LODR) REGULATIONS, 2015

To approve the remuneration to executive directors who are Promoters/Members of the promoter group more than threshold limits specified under SEBI (LODR) Regulations, 2015 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED AS SPECIAL RESOLUTION THAT pursuant to Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded for the continuation of payment of remuneration as per existing terms and conditions as approved by shareholders to Mr. Sanjeev Jain and Mr. Sandeep Jain, Managing Director(s) and members of the promoter group, at the Annual General Meeting held on June 30, 2023 or as reviewed by the Nomination & Remuneration Committee or Board of Directors of the Company in their respective meetings held on 4th May 2024 or including any amendments thereto during the tenure of their appointment, notwithstanding::

(i) annual remuneration to each of them exceeding Rs. 5 Crore or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

(ii) their aggregate annual remuneration exceeding 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, till the expiry of their current term as such i.e. June 29, 2028.

Resolved Further That the Board of Directors be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this Resolution.

7. TO APPROVE CONTINUATION OF PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS WHO ARE NOT PROMOTERS OR MEMBERS OF THE PROMOTER GROUP IN EXCESS OF THRESHOLD LIMITS AS PER SEBI (LODR) REGULATIONS, 2015

To approve the remuneration to the executive director who is not Promoter or Member of the promoter group in excess of threshold limits as per SEBI (LODR) Regulations, 2015 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED AS SPECIAL RESOLUTION THAT pursuant to Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded for the continuation of payment of remuneration to Mr. Sanjay Sinha, Whole Time Director, who is not part of the promoter group, as approved by the Nomination & Remuneration Committee or Board of Directors of the Company in their respective meetings held on 4th May 2024 or including any amendments thereto during the tenure of his appointment, notwithstanding:

(iii) annual remuneration to each of them exceeding Rs. 5 Crore or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

(iv) their aggregate annual remuneration exceeding 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, till the expiry of his current term.

Resolved further that the Board of Director be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this Resolution.

8. TO APPROVE THE REMUNERATION TO DIRECTORS IN EXCESS OF THE LIMITS AS PER THE COMPANIES ACT, 2013 IN CASE OF NO PROFIT / INEDEQUATE PROFIT

To approve the remuneration to directors in excess of threshold limits as per Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED AS SPECIAL RESOLUTION THAT in terms of the provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the continuation of payment of remuneration as per existing terms and conditions as approved by shareholders for Mr. Sanjeev Jain and Mr. Sandeep Jain, Managing Director(s) at the Annual General Meeting held on June 30, 2023 and Mr. Sanjay Sinha, Whole Time Director at the Extra-Ordinary General Meeting held on February 07th, 2024 or as reviewed by the Nomination & Remuneration Committee or Board of Directors of the Company in their respective meetings held on 4th May 2024 or including any amendments thereto during the tenure of their appointment, notwithstanding that such remuneration may exceed 5% (Individually) and 10% (Collectively) being the limit specified under the section 197 and Section II of Part II of Schedule V or any other provisions of the Companies Act, 2013 in case of the Company has inadequate profits/no profits in any financial year, during the currency of their tenure, as may be calculated as per the provisions of the Companies Act, 2013, till the expiry of their current term as such or up to 31st March 2027, whichever is earlier.

9. TO APPROVE THE BORROWING LIMITS UNDER THE PROVISIONS OF THE COMPANIES ACT, 2013

To pass with or without modification the following Resolution as Special Resolution:

RESOLVED AS SPECIAL RESOLUTION THAT the pursuant to section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, the Board of Directors of the Company be and is hereby authorized to borrow from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company will exceed the aggregate of the paid-up capital of the Company and its free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business; provided that the total amount up to which moneys may be borrowed by the Board of Directors shall not exceed the sum of Rs. 3000 crore (Rupee Three Thousand Crore) over and above the aggregate of the paid-up capital and free reserves of the Company at any one time.

10. TO AUTHORIZE FOR SALE / LEASE / DISPOSAL OF PART OR WHOLE OF UNDERTAKING

To pass with or without modification the following Resolution as Special Resolution:

RESOLVED AS SPECIAL RESOLUTION THAT pursuant to section 180 (1) (a) of the Companies Act, 2013, the Board of Directors be and is hereby authorized to sell, lease, deal, negotiate, charge, mortgage or otherwise dispose of the whole or substantially the whole of the undertaking of the Company and/or whole or substantially the whole of its other undertaking(s); both present & future and wherever situated, to any person, authority, financial institution, bank, Limited Liability Partnership or anybody corporate and for that purpose to sign, seal, deliver such instruments, assignments, contracts, deeds, conveyance or any other instrument that may be considered necessary, usual or proper for the charge, lease, mortgage or other wise of disposal, which according to the Directors may be considered beneficial and convenient for the Company.

11. TO APPROVE THE LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS WITH PURE AND CURE HEALTHCARE PVT. LTD.

To approve the limits of material related party transactions with Pure and Cure Healthcare Private Limited, 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 pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (Act) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Related Party Transactions and Their Materiality and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/transaction(s) with Pure and Cure Healthcare Pvt. Ltd. a related party of the Company, to facilitate various transactions including (i) Giving of loan and its repayment; (ii) Sales/ Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/ Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred, and any other transactions as more particularly set out in the explanatory statement for Item No.11 to this Notice of 20th Annual General Meeting, for an amount not exceeding in the aggregate Rs. 30,00,00,00,000/- (Rupees Three Thousand Crore only), provided that the said transactions are entered into/ carried out on arm's length basis in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

RESOLVED FURTHER THATthe Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.

12. TO APPROVE THE LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS WITH AKUMS HEALTHCARE LTD.

To approve the limits of material related party transactions with Akums Healthcare Limited, 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 pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (Act) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Related Party Transactions and Their Materiality and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/transaction(s) with Akums Healthcare Limited a related party of the Company, to facilitate various transactions including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/ Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred, and any other transactions as more particularly set out in the explanatory statement for Item No. 12 to this Notice of 20th Annual General Meeting, for an amount not exceeding in the aggregate Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.

13. TO APPROVE THE LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS WITH MALIK LIFESCIENCES PRIVATE LIMITED

To approve the limits of material related party transactions with Malik Lifesciences Private Limited, 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 pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (Act) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Related Party Transactions and Their Materiality and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/transaction(s) with Malik Lifesciences Private Limited a related party of the Company, to facilitate various transactions including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred, and any other transactions as more particularly set out in the explanatory statement for Item No. 13 to this Notice of 20th Annual General Meeting, for an amount not exceeding in the aggregate Rs. 15,00,00,00,000/- (Rupees Fifteen Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.

14. TO APPROVE THE LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS WITH MAXCURE NUTRAVEDIC LIMITED

To approve the limits of material related party transactions with Maxcure Nutravedic Limited, 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 pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (Act) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Related Party Transactions and Their Materiality and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/transaction(s) with Maxcure Nutravedic Limited a related party of the Company, to facilitate various transactions including (i) Giving of loan and its repayment; (ii) Sales/ Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/ Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred, and any other transactions as more particularly set out in the explanatory statement for Item No. 14 to this Notice of 20th Annual General Meeting, for an amount not exceeding in the aggregate Rs. 25,00,00,00,000/- (Rupees Twenty Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.

15. TO APPROVE THE LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS WITH UNOSOURCE PHARMA LIMITED

To approve the limits of material related party transactions with Unosource Pharma Limited, 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 pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (Act) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Related Party Transactions and Their Materiality and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/transaction(s) with Unosource Pharma Limited a related party of the Company, to facilitate various transactions including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred, and any other transactions as more particularly set out in the explanatory statement for Item No. 15 to this Notice of 20th Annual General Meeting, for an amount not exceeding in the aggregate Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.

16. TO APPROVE THE LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS WITH QUALYMED PHARMA PRIVATE LIMITED

To approve the limits of material related party transactions with Qualymed Pharma Private Limited, 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 pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (Act) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Related Party Transactions and Their Materiality and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/transaction(s) with Qualymed Pharma Private Limited a related party of the Company, to facilitate various transactions including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/ Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred, and any other transactions as more particularly set out in the explanatory statement for Item No. 16 to this Notice of 20th Annual General Meeting, for an amount not exceeding in the aggregate Rs. 700,00,00,000/- (Rupees Seven Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.

17. TO APPROVE THE LIMITS OF MATERIAL RELATED PARTY TRANSACTIONS WITH AKUMENTIS HEALTHCARE LIMITED

To approve the limits of material related party transactions with Akumentis Healthcare Limited, 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 pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (Act) read with the applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Policy on Related Party Transactions and Their Materiality and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to the Company to enter into contract(s)/ arrangement(s)/transaction(s) with Akumentis Healthcare Limited a related party of the Company, to facilitate various transactions including (i) Giving of loan and its repayment; (ii) Sales/ Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/ Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred, and any other transactions as more particularly set out in the explanatory statement for Item No. 17 to this Notice of 20th Annual General Meeting, for an amount not exceeding in the aggregate Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis in ordinary course of business and on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorized Committee thereof);

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board) be and are hereby authorized to do all necessary acts, deeds, things and execute all such documents, undertaking as may be necessary in this regard from time to time to give effect to the above resolution.

18. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

To approve adoption of new set of articles of association due to waiver of buy-back right by Ruby QC Investment Holdings Pte. Ltd., and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 5 and 14 of the Companies Act, 2013 and the rules made thereunder, each as amended, and other applicable provisions, if any, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, subject to the necessary approvals required, of the shareholders of the Company and that of the Registrar of Companies, Delhi and Haryana, at New Delhi (RoC), and further subject to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by the RoC, and the Securities and Exchange Board of India and stock exchanges in connection with listing of equity shares, and the Amendment Agreement, in accordance with the enabling provisions of the memorandum and articles of association and subject to the applicable provisions of any other applicable law the set of existing Articles of Association, as placed before the shareholders of the Company be and is hereby substituted with the amended set of Articles of Association placed before the shareholders of the Company and the same be approved and be adopted as Articles of Association, in total exclusion and substitution of the existing Articles of Association.

RESOLVED FURTHER THAT any of the directors, chief financial officer, company secretary of the Company, and such other persons as may be authorised by the board of directors of the Company be and are hereby jointly and severally authorised to issue certified true copies of these resolutions and the same may be forwarded to concerned authorities for necessary action and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution including filing of necessary forms with the Registrar of Companies.

Place : Delhi

By Order of the Board of Directos

Date : 31.05.2024

Dharamvir Malik
Company Secretary & Compliance OfficeR

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto at Annexure to the Notice and forms integral part of this notice.

2. 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 proxies to be effective should be deposited at the Registered Office of the Company duly completed & signed, not less than 48 hours before the commencement of the meeting.

3. 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.

4. The Members holding shares in the same name or same order of names under different folios are requested to send the share certificates for consolidation of such shares to the Company.

5. The Members desirous of obtaining any information/clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.

6 Further, pursuant to the proviso to the Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address & mobile no. with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID & mobile no. to the Company.

7. Additional information pursuant to Secretarial Standard for General Meeting (SS-2) in respect of Directors recommended for appointment is annexed with this AGM Notice.

EXPLANATORY STATEMENT(S)

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

ITEM NO. 4:

APPROVAL OF REMUNERATION OF COST AUDITOR FOR F.Y. 2024-25

The Board of Directors at its meeting held on 31.05.2024 had appointed M/s. Balwinder & Associates to conduct the Audit of Cost Records of the Company for the F.Y. 2024-25.

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 ratified by the members of the Company. Accordingly, approval of the members is sought for ratification of the remuneration of the Cost Auditors for the financial year ending March 31, 2025.

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.

ITEM NO. 5:

RECOMMENDATION OF FEES & COMPENSATION TO NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

In terms of provisions contained in Section 197 of the Companies Act, 2013 (the Act), a company by way of an Ordinary Resolution in general meeting may authorise payment of remuneration/compensation to Non- Executive Directors (including Independent Directors), a sum not exceeding 1% (one percent) of the Net Profits of such company, if there is a Managing or Whole-Time Director or Manager. Further, as per Regulation 17(6)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereto or modification thereof (Listing Regulations), the Board of Directors shall recommend all fees (save and except payment of sitting fees for attending meeting(s) of the Board of Directors and/or Committee(s) thereof or for any other purposes whatsoever as may be decided by the Board of Directors within the limits as prescribed under Section 197(5) of the Act) or compensation, if any, paid to Non-Executive Directors including Independent Directors and the same shall require approval of shareholders in general meeting.

At present, save and except for the fees including sitting fee for participating in the meetings of the Board of Directors and Committees thereof and any additional fees payable for membership of Board /committees; or any professional fee, commission, incentive or otherwise as permissible under the applicable laws, the Company does not pay any remuneration/ compensation to Non-Executive Directors including Independent Directors. The Non-Executive Directors including Independent Directors of your Company bring with them significant professional expertise and rich experience across wide spectrum of functional areas and the role played by the Non-Executive Directors including Independent Directors in the Company's governance and performance is very important for growth of the Company.

Accordingly, the Board of Directors of the Company at its meeting held on 04th May, 2024 recommended for the approval of the members, payment of remuneration/compensation by way of sitting fee for participating in the meetings of the Board of Directors and Committees thereof and any additional fees payable for membership of Board /committees; or any professional fee, commission, incentive or otherwise as permissible under the applicable laws to Non-Executive Directors including Independent Directors of the Company for all financial years commencing from 01 April, 2024. The amount of remuneration/ compensation payable to the Non-Executive Directors shall be determined by the Board of Directors for each financial year commencing from 1st April, 2024 based on the recommendation of the Nomination and Remuneration Committee.

The remuneration/compensation by way of sitting fee for participating in the meetings of the Board of Directors and Committees thereof and any additional fees payable for membership of Board / committees; or any professional fee, commission, incentive or otherwise as permissible under the applicable laws (excluding Goods and Services Tax, if any, thereon) as above, shall be paid in such proportion/manner and up to such extent amongst all or some Non-Executive Directors as the Board of Directors determine from time to time within the overall maximum limit as mentioned in the Act (read with Rules made thereunder), Listing Regulations and other applicable provisions of the Act and Rules made thereunder.

All the Non-Executive Directors including Independent Directors are concerned or interested in the Resolution as set out at Item No. 5 of the Notice.

None of the Executive/Nominee 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 ordinary resolution.

ITEM NO. 6:

TO APPROVE CONTINUATION OF PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS WHO ARE PROMOTERS/MEMBERS OF THE PROMOTER GROUP IN EXCESS OF THRESHOLD LIMITS AS PER SEBI (LODR) REGULATIONS, 2015

Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, read with statutory amendments, specifies that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, at the Board of Directors of the Company, there are two executive directors, Mr. Sanjeev Jain and Mr. Sandeep Jain, Managing Director(s), who are also promoters/member of promoter group. The shareholders have approved remuneration payable to them within the limits as prescribed at that time as per Companies Act, 2013, while approving their appointment on June 30, 2023, which is in excess of the prescribed threshold limits of SEBI (LODR) Regulations, 2015. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Directors including remuneration payable to them till the expiry of their respective term i.e. June 29, 2028 in order to comply with the above mentioned Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

The Board of Directors in their meeting held on 4th May 2024 had approved payment of fixed remuneration of INR 6.00 Cr. p.a. to each of Mr. Sanjeev Jain & Mr. Sandeep Jain, Managing Directors of the Company and a variable pay @ 0.40% (point four zero percentage) of the consolidated operating earnings before interest, tax & depreciation (operating EBITDA) from financial year 2024-25 and onwards.

The Board approved the above proposal after considering the valuable contributions of Managing Directors in the business growth of the Company and remuneration prevalent for the similar positions in the industry.

The Board recommends the special resolution set out at Item No. 6 of the Notice for approval by the Members.

Except Mr. Sanjeev Jain and Mr. Sandeep Jain, Managing Director(s) and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

ITEM NO. 7:
TO APPROVE CONTINUATION OF PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTOR(S) WHO ARE NOT PROMOTERS OR MEMBERS OF THE PROMOTER GROUP IN EXCESS OF THRESHOLD LIMITS AS PER SEBI (LODR) REGULATIONS, 2015

Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, read with statutory amendments, specifies that the fees or compensation payable to executive directors, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, at the Board of Directors of the Company, there are three executive directors Mr. Sanjeev Jain and Mr. Sandeep Jain Managing Director(s), who are also promoters/member of promoter group and Mr. Sanjay Sinha, whole time director but not part of promoter group. Proposal for remuneration of executive directors who are part of promoters group is being placed before shareholders separately. Whereas in item no. 7 proposal for remuneration of Mr. Sanjay Sinha, who is whole time director of the Company is being placed before shareholders, which is in excess of the prescribed threshold limits of SEBI (LODR) Regulations, 2015. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Director including remuneration payable to him till the expiry of his term in order to comply with the Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

The Board recommends the special resolution set out at Item No. 7 of the Notice for approval by the Members.

Except Mr. Sanjay Sinha, none of the other Directors, Key Managerial Personnel or their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

ITEM NO. 8:
TO APPROVE THE REMUNERATION TO DIRECTORS IN EXCESS OF THE LIMITS AS PER THE COMPANIES ACT, 2013 IN CASE OF NO PROFIT / INEDEQUATE PROFIT

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its directors and managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee in excess of the limits as provided under table A of Section II of Part II of Schedule V of the Companies Act, 2013,.

At present, at the Board of Directors of the Company, there are two executive directors Mr. Sanjeev Jain and Mr. Sandeep Jain Managing Director(s), who are also promoters/member of promoter group and one whole time director i.e. Mr. Sanjay Sinha. The shareholders have approved remuneration payable to Mr. Sanjeev Jain, Mr. Sandeep Jain and Mr. Sanjay Sinha within the limits as prescribed as per Companies Act, 2013 & schedules thereto, while approving their appointment on June 30, 2023, (for Mr. Sanjeev Jain & Mr. Sandeep Jain) and on February 07, 2024, (for Mr. Sanjay Sinha).

Further, the Board of Directors in their meeting held on 4th May 2024 based on the recommendation of Nomination & Remuneration Committee had approved payment of fixed remuneration of INR 6.00 Cr. p.a. to each of Mr. Sanjeev Jain & Mr. Sandeep Jain, Managing Directors of the Company and a variable pay @ 0.40% (point four zero percentage) of the consolidated operating earnings before interest, tax & depreciation (operating EBITDA) from financial year 2024-25 and onwards. In the same board meeting, based on the recommendation of Nomination & Remuneration Committee, the board also approved payment of fixed remuneration of up to INR 1.50 Cr. to Mr. Sanjay Sinha, Whole Time Director of the Company for the financial year 2024-25 and onwards.

There is a requirement of the approval of shareholders by way of passing special resolution, for continuation of payment of remuneration as per existing terms and conditions or any further increments in the remuneration or fees to Mr. Sanjeev Jain & Mr. Sandeep Jain, Managing Director(s), and Mr. Sanjay Sinha, Whole Time Director as reviewed by the Nomination & Remuneration Committee or Board of Directors of the Company in their respective meetings held on 4th May 2024 or including any amendments thereto during the tenure of their appointment or up to 31st March, 2027, whichever is earlier, in excess of the limits mentioned under table A of Section II of Part II of Schedule V or any other provisions of the Companies Act, 2013 in case of the Company has inadequate profits/no profits in any financial year, during the currency of their tenure, as may be calculated as per the provisions of the Companies Act, 2013.

NOTICE OF 20TH ANNUAL GENERAL MEETING

The details of remuneration payable to Mr. Sanjeev Jain and Mr. Sandeep Jain, Managing Director(s), for the period April 01 2024 to March 31, 2025 despite inadequacy or absence of profits will be as under:

1. Fixed Salary	INR 6,00,00,000 each per annum
2. Variable Pay	0.40% (point four zero percentage) of the consolidated operating earnings before interest, tax & depreciation (operating EBITDA)
3. Long Term Incentive Payment	N.A.
4. Reimbursement	
i. Gas / Electricity / Water	As per Actual
ii. Medical Reimbursement	As per Actual
iii. Car with Driver, Mobile / Telephone	As per Actual
iv. Gratuity & Leave Encashment	As per Actual
v. Leave, LTA & other benefits available to other employees	As per Actual
vi. Membership fee for Industry Associations / clubs	As per Actual
vii. Company contribution to provident fund, superannuation fund, Wannuity fund	As per Actual

Such other allowances, perquisites, amenities, facilities and benefits as per the Rules of the Company as applicable to the Managing Director and as may be permitted and approved by the Board of Directors to be paid to the Managing Director and shall be valued as per Income Tax Act & Rules,as amended from time to time.

The details of remuneration payable to Mr. Sanjay Sinha, Whole Time Director, for the period April 01 2024 to March 31, 2025 despite inadequacy or absence of profits will be as under:

1. Fixed Salary	INR 1,50,00,000 each per annum
2. Variable Pay	N.A.
3. Long Term Incentive Payment	N.A.

Such other allowances, perquisites, amenities, facilities and benefits as per the Rules of the Company as applicable to the Whole Time Director and as may be permitted and approved by the Board of Directors to be paid to the Whole Time Director and shall be valued as per Income Tax Act & Rules, as amended from time to time.

In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 during the tenure of their appointment or up to 31st March, 2027, whichever is earlier, Mr. Sanjeev Jain & Mr. Sandeep Jain, Managing Director(s), and Mr. Sanjay Sinha, Whole Time Director, shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board or Nomination & Remuneration Committee from time to time.

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No.8 is annexed hereto.

The Board approved the above proposal after considering the valuable contributions of Managing Directors in the business growth of the Company and remuneration prevalent for the similar positions & similar size of Companies in the Pharma or other Industry.

The Board recommends the special resolution set out at Item No. 8 of the Notice for approval by the Members.

Except Mr. Sanjeev Jain, Mr. Sandeep Jain, Managing Director(s), and Mr. Sanjay Sinha, Whole Time Director, and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

Statement containing additional information as required in Schedule V of the Companies Act, 2013 – Mr. Sanjeev Jain, Mr. Sandeep Jain and Mr. Sanjay Sinha (Item No.8 of Notice)

1. GENERAL INFORMATION:

1.Nature of industry	Pharmaceutical Industry (Manufacturing of Pharmaceutical Products)
2.Date or expected date of commencement of commercial production	The production was already commenced since 2004.
3.In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4. Financial performance based on given indicators	In the F.Y. 2023-24 the consolidated turnover of the Company was Rs. 4,178 Crore
5. Foreign Investments or collaborations, if any	Currently Ruby QC Investment Holdings Pte. Ltd. holds 15.09 % Equity Shares in the Company.

2. INFORMATION ABOUT THE DIRECTORS:

Particulars	**Shri Sanjeev Jain**	**Shri Sandeep Jain**	**Shri Sanjay Sinha**
DIN	00323433	00323476	03627342
Date of Birth	11/04/1966	05/08/1967	01/11/1958
Date of first appointment at the Board	19/04/2004	19/04/2004	17/01/2024
Brief Resume, Age & Nature of expertise in specific functional areas	Shri Sanjeev Jain, a Promoter and Managing Director of the company, has more than 37 years of experience in the field of sales and marketing of pharmaceuticals. Shri Sanjeev Jain is a member of the Indian Drug Manufacturers Association (IDMA), With his able leadership & vision, Akums has achieved new heights. The pharmaceutical industry identifies him as a visionary leader & mentor who has achieved many milestones envisioning a future while treating each milestone as a ladder to reach for more.	Shri Sandeep Jain, a Promoter and Managing Director of the company, is a self-made industrialist with more than 37 years of experience in the field of pharmaceuticals, especially the production, quality assurance and project management. Shri Sandeep Jain had been a sitting member of the Managing Committee of the PHD Chamber of commerce and industry and actively associated with many trade and commercial organizations. He has been instrumental in setting up state-of-the-art manufacturing facilities.	Prior to appointment as whole-time director, Mr. Sanjay Sinha had been working with the Company a s President – Operations and looking after manufacturing process and quality thereof. He is an expert, for the last 38 years, in the domain of plant operations, quality compliance and safety, project management, supply chain and inventory control. He has previously worked with various pharma companies such as Ipca Laboratories Ltd, Cadila Pharma, Femicare Laboratories, Dr. Morepen, Medreich and Ranbaxy.
Relationship with other Directors & KMPs	Shri Sanjeev Jain is the brother of Shri Sandeep Jain	Shri Sandeep Jain is the brother of Shri Sanjeev Jain	N.A.
Directorship held in other companies*	Welcure Pharmaceuticals Pvt. Ltd. Akums Foundation	Welcure Pharmaceuticals Pvt. Ltd. Akums Foundation	N.A.
Membership / Chairmanship of Committee of other companies	None	None	None
Terms & conditions of appointment / re-appointment & remuneration sought to be paid / last drawn	As per the details mentioned i n the explanatory statement	As per the details mentioned in the explanatory statement	As per the details mentioned in the explanatory statement

*(excluding foreign companies)

3. OTHER INFORMATION:

1. Reasons of loss or inadequate profits	Below expected business performance of certain business verticals of the Company.
2. Steps taken or proposed to be taken for improvement	The required actions to bring these business verticals up to their true potentials are being taken
3. Expected increase in productivity and profits in measurable terms	N.A.

4.OTHER DISCLOSURES:
Necessary disclosures have been made in the Directors' Report under the heading Corporate Governance included in the Corporate Governance Report.

ITEM NO. 9
In order to execute its business plans, the company might have to raise loans from banks, financial institutions, other company(ies) or other persons.

As per section 179(3) of the Companies Act, 2013 and other applicable provision(s) of the Companies Act, 2013; power to borrow moneys could be exercised by the Board of Directors by means of the resolution passed at the Board meeting.

However, in terms of section 180(1)(c) of the Companies Act, 2013; the Board of Directors of a company, shall not except with the consent of the company by a Special Resolution in general meeting, borrow moneys, where the moneys to be borrowed, together with the moneys already borrowed by the company will exceed the aggregate of the paid-up capital of the company and its free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

The company has a paid-up capital of Rs. 28,61,28,700; and the expansion plans and funds requirement shall be very high. Therefore, it would be necessary to get an approval of the shareholders for borrowing money up to a limit of Rs. 3,000 Crore (Rupees Three Thousand Crore) over & above the paid up capital and free reserves at any point of time.

The Board of Directors recommends the Resolutions as set out at Item No. 9 of the accompanying Notice for approval of the Members of the Company. This resolution is an enabling resolution and is being proposed to give adequate flexibility and discretion to the Board of Directors to undertake the matters as set out therein. The information as per Section 102(1)(a) and (b) are disclosed below:

• None of the Directors or Key Managerial Personnel or their relative may be deemed to be concerned or interested in said resolution.

• All information and facts enabling the members to understand the meaning, scope and implication of the item of business have been stated herein above.

• Relevant documents related to the resolution are open for inspection by the members at the meeting venue.

The Board of Directors of the company recommends the resolution as set out at Item No.9 in the accompanying Notice for approval of the members.

ITEM NO. 10

The provisions of Section 180 (1) (a) the Companies Act, 2013 provides that the Board of Directors of Company may sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, with the consent of the Shareholders of Company by special resolution.

Consent of Shareholders under Section 180(1)(a) of the Companies Act, 2013, has, therefore been sought, to authorize the Board of Directors to sell, lease, deal, negotiate, create charge, mortgage or otherwise dispose of the whole or substantially the whole of the undertaking of the company and/or whole or substantially the whole of its other undertaking(s).

The Board of Directors recommends the Resolutions as set out at Item No. 10 of the accompanying Notice for approval of the Members of the Company. This resolution is an enabling resolution and is being proposed to give adequate flexibility and discretion to the Board of Directors to undertake the matters as set out therein.

None of the Directors or Key Managerial Personnel or their relative may be deemed to be concerned or interested in said resolution. All information and facts enabling the members to understand the meaning, scope and implication of the item of business have been stated herein above.

The Board of Directors of the company recommends the resolution as set out at Item No.10 in the accompanying Notice for approval of the members.

ITEMS NO 11, 12, 13, 14, 15, 16 AND 17 :Approval of limit for material related party transaction

Pursuant to the applicable provisions of the Companies Act, 2013 ("Act") read with the applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with amendment thereof ("SEBI Listing Regulations") and the Company's "Policy on Related Party Transactions and their Materiality" of the Company ("the Policy"), "Material Related Party Transaction" means any transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover as per the last audited financial statements of the Company ("material related party limit"). In order to enter into these material related party transactions, the Company need prior approval of Shareholders.

Pure & Cure Healthcare Private Limited, Akums Healthcare Limited, Malik Lifesciences Private Limited, Maxcure Nutravedic Limited, Unosource Pharma Limited, Qualymed Pharma Private Limited and Akumentis Healthcare Ltd. are some of the subsidiaries/related parties of the Company wherein related party transaction are required to be executed on regular basis. Accordingly, the resolutions set out in Item No. 11 to 17 require approval of the members of the Company through the ordinary resolutions.

A. Items no 11.- Material Related Party Transaction Limits with Pure and Cure Healthcare Private Limited (P&C); Background, details and benefits of the transaction

AKUMS Drugs & Pharmaceuticals Limited (ADPL) is engaged in the business of contract manufacturing of pharmaceutical products and sell a large variety of pharmaceutical formulations in the form of tablets, capsules, dry syrups, liquid orals, injectables etc. to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

Further, Pure and Cure Healthcare Private Limited (P&C) is also engaged in the business of contract manufacturing of pharmaceutical products and sell pharmaceutical products to various multinationals, and large and medium-sized pharmaceutical companies under their brand names and has to buy and sell raw materials, packing materials etc.

ADPL, in the ordinary course of business and at an arm's length price, enters into various transactions with P&C (the wholly owned subsidiary), being related party to the Company for providing and availing various services [including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred] for an amount not exceeding in the aggregate Rs. 30,00,00,00,000/- (Rupees Three Thousand Crore only), provided that the said transactions are entered into/ carried out on arm's length basis and in ordinary course of business on such terms and conditions as may be considered appropriate and these transactions are continuous in nature and are not for a specific period.

Being P&C, a wholly owned subsidiary of ADPL, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

It is to inform that most of the proposed related party transactions like purchase and sale of goods, sale and purchase of services, payment of rent, remuneration, interest and loans etc. are of repetitive in nature, in ordinary course of business; and the management confirmed that all such transactions will be on arm's length basis and in ordinary course of business.

Further, the limit of material related party transactions sought was based on previous years' similar transaction, the budget estimates of current year, capex and cash flow requirements of entities and likely future contingencies; and are in accordance with policy for related party transactions.

Details of the proposed transactions of the Company with P&C, being a wholly owned subsidiary/related party of ADPL, are as follows:

Description	Details
1. A summary of detailed information	
a. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Pure & Cure Healthcare Pvt. Ltd. is a wholly owned subsidiary Company of ADPL
b. Name of the director or key managerial personnel who is related, if any and nature of relationship	Mr. Nand Lal Kalra is an Independent Director on both the Boards.

Description	Details
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with P&C in terms of Section 188 (1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with P&C in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred etc. **In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:-** i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc.
d. Tenure of the transaction	The tenure of the Agreement between ADPL and P&C is valid till FY 2027-28. However, approval of the Members is being sought for Material RPTs for FY 2024-25.

e. Value of the proposed Transaction	Nature of Transactions	**Existing/ Proposed**	**Est. Value during F.Y. 2024-25.**
	(i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred	All transactions are existing in nature	Rs. 3,000 Crore

F. Percentage of annual consolidated turnover considering FY 2023-24 as the immediately preceding financial year	Percentage to Rs 3,000 Cr. with annual consolidated turnover for FY 2023-24 of ADPL is approx. 72%.
2. Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 11

Description	Details	
3. **Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:**	(i) Details of the source of funds in connection with the proposed transaction (ii) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure (iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security (iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	(i) Internal accruals or banking facilities (ii) The Company may require to utilize its banking facilities. - WCDL - As per prevailing market rates - As per the agreements b/w the parties (iii) Following are the terms as per the loan agreement executed between the Parties: - Amount shall be agreed between the parties. -Loan may be disbursed in tranches as per the requirement of borrower from time to time. - ADPL shall charge interest on the loan amount advanced to the borrower at a rate as may be agreed from time to time, which however shall not be less than the prevailing yield of Government Securities closet to the tenor of the loan & Akums own borrowing cost. - Purpose of the loan is to meet capital expenses, working capital expenses and other general corporate expenses of the Borrower. - The principal amount of the loan facility is repayable within a period of five years. There will be no repayment of loan during first two years, being gestation period. Though interest portion of the loan facility shall be paid on yearly basis. (iv) To meet the working capital requirements of the P&C.
4. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder		**Not Applicable:** As there is no valuation or other external report has been generated for such transactions.
5. Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.		Percentage is 180% approx.

Description	Details
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with P&C in terms of Section 188 (1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with P&C in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred etc. **In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:-** i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc.
d. Tenure of the transaction	The tenure of the Agreement between ADPL and P&C is valid till FY 2027-28. However, approval of the Members is being sought for Material RPTs for FY 2024-25.
e. Value of the proposed Transaction	Nature of Transactions (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred **Existing/ Proposed:** All transactions are existing in nature **Est. Value during F.Y. 2024-25.:** Rs. 3,000 Crore
F. Percentage of annual consolidated turnover considering FY 2023-24 as the immediately preceding financial year	Percentage to Rs 3,000 Cr. with annual consolidated turnover for FY 2023-24 of ADPL is approx. 72%.
2. Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 11

Description	Details	
3. **Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:**	(i) Details of the source of funds in connection with the proposed transaction (ii) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure (iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security (iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	(i) Internal accruals or banking facilities (ii) The Company may require to utilize its banking facilities. - WCDL - As per prevailing market rates - As per the agreements b/w the parties (iii) Following are the terms as per the loan agreement executed between the Parties: - Amount shall be agreed between the parties. -Loan may be disbursed in tranches as per the requirement of borrower from time to time. - ADPL shall charge interest on the loan amount advanced to the borrower at a rate as may be agreed from time to time, which however shall not be less than the prevailing yield of Government Securities closet to the tenor of the loan & Akums own borrowing cost. - Purpose of the loan is to meet capital expenses, working capital expenses and other general corporate expenses of the Borrower. - The principal amount of the loan facility is repayable within a period of five years. There will be no repayment of loan during first two years, being gestation period. Though interest portion of the loan facility shall be paid on yearly basis. (iv) To meet the working capital requirements of the P&C.
4. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder		**Not Applicable:** As there is no valuation or other external report has been generated for such transactions.
5. Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.		Percentage is 180% approx.
6. Any other information that may be relevant		All important information forms part of the statement setting out material facts of the proposed RPTs

B. Items no 12.- Material Related Party Transaction Limits with Akums Healthcare Limited; Background, details and benefits of the transaction

AKUMS Drugs & Pharmaceuticals Limited (ADPL) is engaged in the business of contract manufacturing of pharmaceutical products and sells a large variety of pharmaceutical formulations in the form of tablets, capsules, dry syrups, liquid orals, injectables etc. to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

Further, Akums Healthcare Limited (AHL) is also engaged in the business of contract manufacturing of pharmaceutical products and sells pharmaceutical products to various multinationals, and large and medium-sized pharmaceutical companies under their brand names and has to buy and sell raw materials, packing materials etc.

ADPL, in the ordinary course of business and at an arm's length price, enters into various transactions with AHL (the wholly owned subsidiary), being related party to the Company for providing and availing various services [including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/ Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred] for an amount not exceeding in the aggregate Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis and in ordinary course of business on such terms and conditions as may be considered appropriate and these transactions are continuous in nature and are not for a specific period.

AHL, being a wholly owned subsidiary of ADPL, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

It is to inform that most of the proposed related party transactions like purchase and sale of goods, sale and purchase of services, payment of rent, remuneration, interest and loans etc. are of repetitive in nature, in ordinary course of business; and the management confirmed that all such transactions will be on arm's length basis and in ordinary course of business.

Further, the limit of material related party transactions sought was based on previous years' similar transaction, the budget estimates of current year, capex and cash flow requirements of entities and likely future contingencies; and are in accordance with policy for related party transactions.

Details of the proposed transactions of the Company with AHL, being a wholly owned subsidiary/related party of ADPL, are as follows:

Description	Details
1. A summary of detailed information	
a. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	AHL is a wholly owned subsidiary Company of ADPL
b. Name of the director or key managerial personnel who is related, if any and nature of relationship	N.A.
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with AHL in terms of Section 188(1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with AHL in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred etc. In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:- i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc.
d.Tenure of the transaction	The tenure of the Agreement between ADPL and AHL is valid till FY 27-28. However, approval of the Members is being sought for Material RPTs for FY 24-25.
e. Value of the proposed Transaction	NATURE OF TRANSACTIONS: (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred EXISTING/ PROPOSED: All transactions are existing in nature EST. VALUE DURING F.Y. 2024-25.: RS. 500 CRORE
f. Percentage of annual consolidated turnover considering FY 23-24 as the immediately preceding financial year	Percentage to Rs 500 Cr. with annual consolidated turnover for FY 23-24 of ADPL is approx. 12%.
2.Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 12

Description	Details
3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
(i) details of the source of funds in connection with the proposed transaction (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	(i) Internal accruals or banking facilities (ii) The Company may require to utilize its banking facilities. - WCDL - As per prevailing market rates - As per the agreements b/w the parties (iii) Following are the terms as per the loan agreement executed between the Parties: - Amount shall be agreed between the parties. -Loan may be disbursed in tranches as per the requirement of borrower from time to time. -ADPL shall charge interest on the loan amount advanced to the borrower at a rate as may be agreed from time to time, which however shall not be less than the prevailing yield of Government Securities closet to the tenor of the loan & Akums own borrowing cost. (Currently 8.5% p.a.) -Purpose of the loan is to meet capital expenses, working capital expenses and other general corporate expenses of the Borrower. -The principal amount of the loan facility is repayable within a period of five years. There will be no repayment of loan during first two years, being gestation period. Though interest portion of the loan facility shall be paid on yearly basis. (iv) To meet the working capital requirements of the borrower.
4. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	**Not Applicable**: As there is no valuation or other external report has been generated for such transactions.
5. Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	Percentage is 2703% approx.
6. Any other information that may be relevant	All important information forms part of the statement setting out material facts of the proposed RPTs

C. Items no 13.- Material related Party Transaction Limits with Malik Lifesciences Private Limited; Background, details and benefits of the transaction

AKUMS Drugs & Pharmaceuticals Limited (ADPL) is engaged in the business of contract manufacturing of pharmaceutical products and sells a large variety of pharmaceutical formulations in the form of tablets, capsules, dry syrups, liquid orals, injectables etc. to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

Further, Malik Lifesciences Private Limited (Malik) is also engaged in the business of contract manufacturing of pharmaceutical products and sells pharmaceutical products to various multinationals, and large and medium-sized pharmaceutical companies under their brand names and has to buy and sell raw materials, packing materials etc.

ADPL, in the ordinary course of business and at an arm's length price, enters into various transactions with Malik (the wholly owned subsidiary), being related party to the Company for providing and availing various services [including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred] for an amount not exceeding in the aggregate Rs. 15,00,00,00,000/- (Rupees Fifteen Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis and in ordinary course of business on such terms and conditions as may be considered appropriate and these transactions are continuous in nature and are not for a specific period.

Being Malik, a wholly owned subsidiary of ADPL, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

It is to inform that most of the proposed related party transactions like purchase and sale of goods, sale and purchase of services, payment of rent, remuneration, interest and loans etc. are of repetitive in nature, in ordinary course of business; and the management confirmed that all such transactions will be on arm's length basis and in ordinary course of business.

Further, the limit of material related party transactions sought was based on previous years' similar transaction, the budget estimates of current year, capex and cash flow requirements of entities and likely future contingencies; and are in accordance with policy for related party transactions.

Details of the proposed transactions of the Company with Malik, being a wholly owned subsidiary/related party of ADPL, are as follows:

Description	Details
1. A summary of detailed information	
a.Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Malik is a wholly owned subsidiary Company of ADPL
b. Name of the director or key managerial personnel who is related, if any and nature of relationship	N.A.

D. Items no 14.- Material Related Party Transaction Limits with Maxcure Nutravedics Limited; Background, details and benefits of the transaction

AKUMS Drugs & Pharmaceuticals Limited (ADPL) is engaged in the business of contract manufacturing of pharmaceutical products and sells a large variety of pharmaceutical formulations in the form of tablets, capsules, dry syrups, liquid orals, injectables etc. to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

Further, Maxcure Nutravedics Limited (MNL) is also engaged in the business of contract manufacturing of pharmaceutical products and sells pharmaceutical products to various multinationals, and large and medium-sized pharmaceutical companies under their brand names and has to buy and sell raw materials, packing materials etc.

ADPL, in the ordinary course of business and at an arm's length price, enters into various transactions with MNL (the wholly owned subsidiary), being related party to the Company for providing and availing various services [including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred] for an amount not exceeding in the aggregate Rs. 25,00,00,00,000/- (Rupees Twenty Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis and in ordinary course of business on such terms and conditions as may be considered appropriate and these transactions are continuous in nature and are not for a specific period.

Being MNL, a wholly owned subsidiary of ADPL, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

It is to inform that most of the proposed related party transactions like purchase & sale of goods, sale & purchase of services, payment of rent, remuneration, interest & loans etc. are of repetitive in nature, in ordinary course of business; and the management confirmed that all such transactions will be on arm's length basis and in ordinary course of business.

Further, the limit of material related party transactions sought was based on previous years' similar transaction, the budget estimates of current year, capex and cash flow requirements of entities and likely future contingencies; and are in accordance with policy for related party transactions.

Details of the proposed transactions of the Company with MNL, being a wholly owned subsidiary/related party of ADPL, are as follows:

Description	Details
1. A summary of detailed information	
a. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	MNL is a wholly owned subsidiary Company of ADPL
b. Name of the director or key managerial personnel who is related, if any and nature of relationship	N.A.
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with MNL in terms of Section 188(1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with AHL in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred etc. In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:- i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc.
d.Tenure of the transaction	The tenure of the Agreement between ADPL and MNL is valid till FY 27-28. However, approval of the Members is being sought for Material RPTs for FY 24-25.
e. Value of the proposed Transaction	NATURE OF TRANSACTIONS: (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred EXISTING/ PROPOSED: All transactions are existing in nature EST. VALUE DURING F.Y. 2024-25.: RS. 2,500 CRORE
f. Percentage of annual consolidated turnover considering FY 23-24 as the immediately preceding financial year	Percentage to Rs 2,500 Cr. with annual consolidated turnover for FY 23-24 of ADPL is approx. 60%.
2.Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 14

Description	Details
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with Malik in terms of Section 188 (1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with AHL in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/ Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred etc. **In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:-** i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc. .
d.Tenure of the transaction	The tenure of the Agreement between ADPL and Malik is valid till FY 27-28. However, approval of the Members is being sought for Material RPTs for FY 24-25.
e. Value of the proposed Transaction	see table below
f. Percentage of annual consolidated turnover considering FY 23-24 as the immediately preceding financial year	Percentage to Rs 1,500 Cr. with annual consolidated turnover for FY 23-24 of ADPL is approx. 36%.
2.Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 13

NATURE OF TRANSACTIONS	EXISTING/ PROPOSED	EST. VALUE DURING F.Y. 2024-25.
(i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred	All transactions are existing in nature	RS. 1,500 CRORE

Description	Details
3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
(i) Details of the source of funds in connection with the proposed transaction (ii) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness. - cost of funds; and - tenure (iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security (iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	(i) Internal accruals or banking facilities (ii) The Company may require to utilize its banking facilities. - WCDL - As per prevailing market rates - As per the agreements b/w the parties (iii) Following are the terms as per the loan agreement executed between the Parties: - Amount shall be agreed between the parties. - Loan may be disbursed in tranches as per the requirement of borrower from time to time. - ADPL shall charge interest on the loan amount advanced to the borrower at a rate as may be agreed from time to time, which however shall not be less than the prevailing yield of Government Securities closet to the tenor of the loan & Akums own borrowing cost. (Currently 8.5% p.a.) - Purpose of the loan is to meet capital expenses, working capital expenses and other general corporate expenses of the Borrower. - The principal amount of the loan facility is repayable within a period of five years. There will be no repayment of loan during first two years, being gestation period. Though interest portion of the loan facility shall be paid on yearly basis. (iv) To meet the working capital requirements of the borrower.
4. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	**Not Applicable**: As there is no valuation or other external report has been generated for such transactions.
5. Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	Percentage is 280% approx.
6. Any other information that may be relevant	All important information forms part of the statement setting out material facts of the proposed RPTs

E. Items no 15.-Material Related Party Transaction Limits with Unosource Pharma Limited; Background, details and benefits of the transaction

AKUMS Drugs & Pharmaceuticals Limited (ADPL) is engaged in the business of contract manufacturing of pharmaceutical products and sells a large variety of pharmaceutical formulations in the form of tablets, capsules, dry syrups, liquid orals, injectables etc. to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

Further, Unosource Pharma Limited (UPL) is engaged in the business selling pharmaceutical products to various multinationals, and large and medium-sized pharmaceutical companies under their brand names in foreign countries etc.

ADPL, in the ordinary course of business and at an arm's length price, enters into various transactions with UPL (the wholly owned subsidiary), being related party to the Company for providing and availing various services [including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/ Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred] for an amount not exceeding in the aggregate Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis and in ordinary course of business on such terms and conditions as may be considered appropriate and these transactions are continuous in nature and are not for a specific period.

Being UPL, a wholly owned subsidiary of ADPL, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

It is to inform that most of the proposed related party transactions like purchase and sale of goods, sale and purchase of services, payment of rent, remuneration, interest and loans etc. are of repetitive in nature, in ordinary course of business; and the management confirmed that all such transactions will be on arm's length basis and in ordinary course of business.

Further, the limit of material related party transactions sought was based on previous years' similar transaction, the budget estimates of current year, capex and cash flow requirements of entities and likely future contingencies; and are in accordance with policy for related party transactions.

Details of the proposed transactions of the Company with UPL, being a wholly owned subsidiary/related party of ADPL, are as follows:

Description	Details
1. A summary of detailed information	
a. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	UPL is a wholly owned subsidiary Company of ADPL
b. Name of the director or key managerial personnel who is related, if any and nature of relationship	N.A.
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with UPL in terms of Section 188(1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with AHL in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred etc. **In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:-** i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc.
d.Tenure of the transaction	The tenure of the Agreement between ADPL and UPL is valid till FY 27-28. However, approval of the Members is being sought for Material RPTs for FY 24-25.
e. Value of the proposed Transaction	NATURE OF TRANSACTIONS: ((i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred EXISTING/ PROPOSED: All transactions are existing in nature EST. VALUE DURING F.Y. 2024-25.: RS. 500 CRORE
f. Percentage of annual consolidated turnover considering FY 23-24 as the immediately preceding financial year	Percentage to Rs 500 Cr. with annual consolidated turnover for FY 23-24 of ADPL is approx. 12%.
2.Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No.15

Description	Details
3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
(i) details of the source of funds in connection with the proposed transaction (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	(i) Internal accruals or banking facilities (ii) The Company may require to utilize its banking facilities. - WCDL - As per prevailing market rates - As per the agreements b/w the parties (iii) Following are the terms as per the loan agreement executed between the Parties: - Amount shall be agreed between the parties. - Loan may be disbursed in tranches as per the requirement of borrower from time to time. - ADPL shall charge interest on the loan amount advanced to the borrower at a rate as may be agreed from time to time, which however shall not be less than the prevailing yield of Government Securities closet to the tenor of the loan & Akums own borrowing cost. (Currently 8.5% p.a.) -Purpose of the loan is to meet capital expenses, working capital expenses and other general corporate expenses of the Borrower. -The principal amount of the loan facility is repayable within a period of five years. There will be no repayment of loan during first two years, being gestation period. Though interest portion of the loan facility shall be paid on yearly basis. (iv) To meet the working capital requirements of the borrower.
4. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	**Not Applicable**:As there is no valuation or other external report has been generated for such transactions.
5. Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	Percentage is 393% approx.
6. Any other information that may be relevant	All important information forms part of the statement setting out material facts of the proposed RPTs

F.Items no 16.- Material Related Party Transaction Limits with Qualymed Pharma Private Limited; Background, details and benefits of the transaction

AKUMS Drugs & Pharmaceuticals Limited (ADPL) is engaged in the business of contract manufacturing of pharmaceutical products and sells a large variety of pharmaceutical formulations in the form of tablets, capsules, dry syrups, liquid orals, injectables etc. to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

Further, Qualymed Pharma Private Limited (QPPL) is also engaged in the business of contract manufacturing of pharmaceutical products and sells pharmaceutical products to various multinationals, and large and medium-sized pharmaceutical companies under their brand names and has to buy and sell raw materials, packing materials etc.

ADPL, in the ordinary course of business and at an arm's length price, enters into various transactions with QPPL (the wholly owned subsidiary), being related party to the Company for providing and availing various services [including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/ Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred] for an amount not exceeding in the aggregate Rs. 700,00,00,000/- (Rupees Seven Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis and in ordinary course of business on such terms and conditions as may be considered appropriate and these transactions are continuous in nature and are not for a specific period.

Being QPPL, a wholly owned subsidiary of ADPL, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

It is to inform that most of the proposed related party transactions like purchase and sale of goods, sale and purchase of services, payment of rent, remuneration, interest and loans etc. are of repetitive in nature, in ordinary course of business; and the management confirmed that all such transactions will be on arm's length basis and in ordinary course of business.

Further, the limit of material related party transactions sought was based on previous years' similar transaction, the budget estimates of current year, capex and cash flow requirements of entities and likely future contingencies; and are in accordance with policy for related party transactions.

Details of the proposed transactions of the Company with QPPL, being a wholly owned subsidiary/related party of ADPL, are as follows:

Description	Details
1. A summary of detailed information	
a. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	QPPL is a wholly owned subsidiary Company of ADPL
b. Name of the director or key managerial personnel who is related, if any and nature of relationship	N.A.

Description	Details
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with QPPL in terms of Section 188(1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with AHL in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred etc. **In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:-** i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc. .
d.Tenure of the transaction	The tenure of the Agreement between ADPL and QPPL is valid till FY 27-28. However, approval of the Members is being sought for Material RPTs for FY 24-25.
e. Value of the proposed Transaction	NATURE OF TRANSACTIONS: (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred EXISTING/ PROPOSED: All transactions are existing in nature EST. VALUE DURING F.Y. 2024-25.: RS. 700 CRORE
f. Percentage of annual consolidated turnover considering FY 23-24 as the immediately preceding financial year	Percentage to Rs 700 Cr. with annual consolidated turnover for FY 23-24 of ADPL is approx. 16.75%.
2.Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 16

Description	Details
3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
(i) details of the source of funds in connection with the proposed transaction (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	(i) Internal accruals or banking facilities (ii) The Company may require to utilize its banking facilities. - WCDL - As per prevailing market rates - As per the agreements b/w the parties (iii) Following are the terms as per the loan agreement executed between the Parties: - Amount shall be agreed between the parties. - Loan may be disbursed in tranches as per the requirement of borrower from time to time. - ADPL shall charge interest on the loan amount advanced to the borrower at a rate as may be agreed from time to time, which however shall not be less than the prevailing yield of Government Securities closet to the tenor of the loan & Akums own borrowing cost. (Currently 8.5% p.a.) -Purpose of the loan is to meet capital expenses, working capital expenses and other general corporate expenses of the Borrower. -The principal amount of the loan facility is repayable within a period of five years. There will be no repayment of loan during first two years, being gestation period. Though interest portion of the loan facility shall be paid on yearly basis. (iv) To meet the working capital requirements of the borrower.
4. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	**Not Applicable**:As there is no valuation or other external report has been generated for such transactions.
5. Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	Percentage is 54687% approx.
6. Any other information that may be relevant	All important information forms part of the statement setting out material facts of the proposed RPTs

G. Items no 17.- Material Related Party Transaction Limits with Akumentis Healthcare Limited; Background, details and benefits of the transaction

AKUMS Drugs & Pharmaceuticals Limited (ADPL) is engaged in the business of contract manufacturing of pharmaceutical products and sells a large variety of pharmaceutical formulations in the form of tablets, capsules, dry syrups, liquid orals, injectables etc. to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

Further, Akumentis Healthcare Limited (Akumentis) is engaged in the business of selling pharmaceutical products to various multinationals, and large and medium-sized pharmaceutical companies under their brand names.

ADPL, in the ordinary course of business and at an arm's length price, enters into various transactions with Akumentis (the subsidiary), being related party to the Company for providing and availing various services [including (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/ Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred] for an amount not exceeding in the aggregate Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), provided that the said transactions are entered into/ carried out on arm's length basis and in ordinary course of business on such terms and conditions as may be considered appropriate and these transactions are continuous in nature and are not for a specific period.

Being Akumentis, a potential subsidiary of ADPL, these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

It is to inform that most of the proposed related party transactions like purchase and sale of goods, sale and purchase of services, payment of rent, remuneration, interest and loans etc. are of repetitive in nature, in ordinary course of business; and the management confirmed that all such transactions will be on arm's length basis and in ordinary course of business.

Further, the limit of material related party transactions sought was based on previous years' similar transaction, the budget estimates of current year, capex and cash flow requirements of entities and likely future contingencies; and are in accordance with policy for related party transactions.

Details of the proposed transactions of the Company with Akumentis, being a wholly owned subsidiary/related party of ADPL, are as follows:

Description	Details
1. A summary of detailed information	
a. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);	Akumentis is a subsidiary Company of ADPL
b. Name of the director or key managerial personnel who is related, if any and nature of relationship	N.A.
c. Nature, material terms, monetary value and particulars of contracts or arrangement	ADPL has an on-going arrangement with QPPL in terms of Section 188(1) of the Companies Act 2013, as the ADPL is required for entering into any contract or arrangement with AHL in respect of (i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other expenses incurred etc. **In terms of the arrangements, for sale and purchase transaction, the parties shall enter into an agreement the terms of which shall include:-** i) Goods are manufactured as per Drugs & Cosmetics Act, 1940 and shall meet the quality standards laid down therein. ii) The prices are mutually agreed from time to time; and are exclusive of CST, Excise and other taxes. iii) Purchase order must be placed at least 60 days in advance of date of delivery. iv) The Company which manufactures the goods shall be responsible for manufacturing quality and the Company to which the goods manufactured are supplied shall be responsible for their storage, transportation to desired destination including obtaining in-transit insurance etc. .
d.Tenure of the transaction	The tenure of the Agreement between ADPL and Akumentis is valid till FY 27-28. However, approval of the Members is being sought for Material RPTs for FY 24-25.
e. Value of the proposed Transaction	see below
f. Percentage of annual consolidated turnover considering FY 23-24 as the immediately preceding financial year	Percentage to Rs 500 Cr. with annual consolidated turnover for FY 23-24 of ADPL is approx. 12%.
2.Justification for the transaction	Please refer to 'Background, details and benefits of the transaction' which forms part of the explanatory statement to the Resolution No. 17

NATURE OF TRANSACTIONS	EXISTING/ PROPOSED	EST. VALUE DURING F.Y. 2024-25.
(i) Giving of loan and its repayment; (ii) Sales/Purchases of Goods and Others Material; (iii) Sales/Purchases of Property, Plant and Equipment; (iv) Payment of rent and receipt of rent; (v) Giving corporate guarantee and charges thereon; (vi) Income/Charges related with Job work; (vii) Income related with interest; (viii) Consumption of stores & spare parts; (ix) Other Expenses incurred	All transactions are existing in nature	RS. 500 CRORE

Description	Details
3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
(i) details of the source of funds in connection with the proposed transaction (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	(i) Internal accruals or banking facilities (ii) The Company may require to utilize its banking facilities. - WCDL - As per prevailing market rates - As per the agreements b/w the parties (iii) Following are the terms as per the loan agreement executed between the Parties: - Amount shall be agreed between the parties. - Loan may be disbursed in tranches as per the requirement of borrower from time to time. - ADPL shall charge interest on the loan amount advanced to the borrower at a rate as may be agreed from time to time, which however shall not be less than the prevailing yield of Government Securities closet to the tenor of the loan & Akums own borrowing cost. (Currently 8.5% p.a.) -Purpose of the loan is to meet capital expenses, working capital expenses and other general corporate expenses of the Borrower. -The principal amount of the loan facility is repayable within a period of five years. There will be no repayment of loan during first two years, being gestation period. Though interest portion of the loan facility shall be paid on yearly basis. (iv) To meet the working capital requirements of the borrower.
4. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder	**Not Applicable**:As there is no valuation or other external report has been generated for such transactions.
5. Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.	Percentage is 126% approx.
6. Any other information that may be relevant	All important information forms part of the statement setting out material facts of the proposed RPTs

The aforesaid transactions with Pure & Cure Healthcare Private Limited, Akums Healthcare Limited, Malik Lifesciences Private Limited, Maxcure Nutravedic Limited, Unosource Pharma Limited, Qualymed Pharma Private Limited and Akumentis Healthcare Limited ("Related Parties") will be undertaken at prevailing market rates and/ or on the basis of comparable third party quotations or as per pricing charge by the related party to third party or independent valuations or such other arms' length criteria as is generally accepted for related party transactions.

As per Regulation 23 of the SEBI Listing Regulations and read with applicable provisions of the Act, related parties of the Company are not permitted to vote to approve the resolutions set out in Item No. 11 to Item No. 17 of this Notice whether the related party is a related party to the proposed transaction or not.
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 Ordinary resolution.

ITEM NO. 18

In connection with the proposed initial public offering of the equity shares of face value of INR 2 each of the Company **("Offer")**, the Company had filed the draft red herring prospectus dated February 10, 2024 **("DRHP")** with the Securities and Exchange Board of India, BSE Limited **("BSE")** and National Stock Exchange of India Limited **("NSE", and together with BSE, the "Stock Exchanges"**) on February 11, 2024. Further, on May 29, 2024, Ruby QC Holdings Pte. Ltd., the investor selling shareholder in the Offer **("Investor"),** has waived one of its exit rights **(the "Buy-back Waiver")** under Clause 8.10(ii)(b) of the shareholders' agreement dated October 3, 2019 **("SHA")**, entered into by and amongst the Company, its individual promoters, namely, Sandeep Jain, Sanjeev Jain, and the Investor read with the waiver cum amendment agreement dated February 9, 2024, undertaking dated May 15, 2024 to the SHA, and deed of adherence dated May 16, 2024 executed by the Akums Master Trust **("Promoter Trust"),** and that such right shall be of no further force or effect without any further act or deed required by any party to the SHA. In order to capture the Buy-Back Waiver by the Investor, an amendment agreement to the SHA has been executed by and among the Company, the Investor, the Individual Promoters, and the Promoter Trust **(the "Amendment Agreement")**. This Buy-back Waiver effected in relation to the provisions of the SHA and incorporated in the Amendment Agreement, shall also be deemed to be a waiver under the corresponding provisions of the articles of association of the Company. The Company therefore proposes to adopt amended Articles of Association that shall capture the effect of the Buy-Back Waiver by the Investor and the Amendment Agreement.

The copies of existing Articles of Association and the revised Memorandum of Association and Articles of Association will be made available for inspection at the registered office of the Company during the working hours of the Company on any working day up to the date of the Extraordinary General Meeting.

Pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 as applicable, any amendment in the Articles of Association requires approval of the shareholders of the Company.

None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are in any way, financially or otherwise concerned or interested in the said resolutions, interested in the said resolution, except to the extent of their shareholding in the Company.

The board of directors of the Company recommends the resolution set out at above of the accompanying Notice for your approval as special resolution.

Place : Delhi
Date : 31.05.2024

By Order of the Board of Directors

Dharamvir Malik
Company Secretary & Compliance Officer

Form No. MR-3 | SECRETARIAL AUDIT REPORT

For the financial year ended 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Akums Drugs and Pharmaceuticals Limited
304 Mohan Place LSC,
Saraswati Vihar, Delhi-110034

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Akums Drugs and Pharmaceuticals Limited** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial Audit, we hereby report that on our opinion, the company has, during the audit period covering the financial year ended on 31.03.2024 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2024 according to the provisions of:

(i) The Companies Act, 2013 and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (to the extent applicable)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (to the extent applicable)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (to the extent applicable)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable on the Company during the Audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (to the extent applicable)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time; (to the extent applicable)

(d) The Securities and Exchange Board of India (Shares Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable on the Company during the Audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable on the Company during the Audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (to the extent applicable)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable on the Company during the Audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and (Not applicable on the Company during the Audit period)

(i) SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (to the extent applicable)

(vi) The Drugs and Cosmetics Act, 1940

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

1. As explained and undertaken by the management, the Board of Directors of the Company comprises of an optimum combination of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent within the stipulated time, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Majority decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, the compliance by the Company of applicable financial laws like direct & indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above except that the Company has filed Draft Red Hearing Prospectus (DRHP) with SEBI, BSE and NSE for proposed listing of its shares.

FOR A.K. NANDWANI & ASSOCIATES
COMPANY SECRETARIES

PLACE: NEW DELHI
DATE: 20.05.2024

KAVITA
PARTNER
M. NO. FCS 9115
C. P. NO.: 10641
UDIN: F009115F000405533
PR 1136/2021

'Annexure A'

SECRETARIAL AUDIT REPORT

To,
The Members,
Akums Drugs and Pharmaceuticals Limited
304 Mohan Place LSC,
Saraswati Vihar, Delhi-110034

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis
.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which management has conducted the affairs of the company.

FOR A.K. NANDWANI & ASSOCIATES
COMPANY SECRETARIES

PLACE: NEW DELHI
DATE: 20.05.2024

KAVITA
PARTNER
M. NO. FCS 9115
C. P. NO.: 10641
UDIN: F009115F000405533
PR 1136/2021

STANDALONE FINANCIALS FY 2023-2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Akums Drugs and Pharmaceuticals Limited

Report on the Audit of the Standalone financial statements

Opinion

1. 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 2024, 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 standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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

4. 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

5. 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.

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

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; 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.

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

Other Matter

11. The standalone financial statements include the Company's share of net profit (including other comprehensive income) of Rs 89.35 million for the year ended 31 March 2024 from a Limited Liability Partnership Firm ('LLP') in which the Company has invested, whose financial statements have not been audited by us. These financial statements have been audited by another auditor, 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 LLP is based solely on the report of the other auditor.

Our opinion above on the standalone financial statements is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

12. 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.

13. 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.

14. 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, except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

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 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

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

i. The Company, as detailed in note 35 to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2024;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 58(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 58(f) to the standalone financial statements, no funds have been received by the Company from any person 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 2024.

INDEPENDENT AUDITOR'S REPORT

vi. As stated in Note 57(a) to the standalone financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below:

Nature of Exception Noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records wby the Company.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature.	The accounting software used for maintenance of payroll records of the Company which is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information), we are unable to comment on whether audit trail feature with respect to the database level of the said software was enabled and operated throughout the year.

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

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 24507892BKEITL8026

Place: New Delhi
Date: 31 May 2024

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Standalone Balance Sheet as at 31 March 2024
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2a	2,507.76	2,032.84
(b) Right-of-use assets	54	446.24	477.50
(c) Capital work-in-progress	2b	85.66	161.29
(d) Investment property	3	188.63	192.57
(e) Intangible assets	4a	30.82	21.12
(f) Intangible assets under development	4b	0.86	1.22
(g) Financial assets			
(i) Investments	5	1,389.24	1,391.60
(ii) Loans	6	10,716.68	9,148.94
(iii) Other financial assets	7	93.67	118.76
(h) Non-current tax assets (net)	8	46.87	53.33
(i) Deferred tax assets (net)	20	-	31.34
(j) Other non-current assets	9	115.41	100.74
Total non-current assets		**15,621.84**	**13,731.25**
(2) Current assets			
(a) Inventories	10	1,617.03	1,971.20
(b) Financial assets			
(i) Trade receivables	11	2,337.94	2,561.33
(ii) Cash and cash equivalents	12a	689.57	72.33
(iii) Bank balances other than (ii) above	12b	43.53	16.12
(iv) Other financial assets	13	246.31	91.94
(c) Current tax assets (net)	14a	-	114.05
(d) Other current assets	14b	397.00	383.85
Total current assets		**5,331.38**	**5,210.82**
(3) Assets held for sale	14c	1.03	-
Total Assets		**20,954.25**	**18,942.07**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	286.13	286.13
(b) Other equity	16	1,152.65	2,828.91
Total equity		**1,438.78**	**3,115.04**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Standalone Balance Sheet as at 31 March 2024
(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	156.25	218.75
(ii) Lease liability	54	387.15	407.75
(iii) Other financial liabilities	18	13,738.05	10,152.89
(b) Provisions	19	113.52	82.07
(c) Deferred tax liabilities (net)	20	103.13	-
Total non-current liabilities		**14,498.10**	**10,861.46**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	2,106.61	1,237.10
(ii) Lease liability	54	20.60	17.43
(iii) Trade payables	22		
Total outstanding dues to micro and small enterprises; and		121.99	143.89
Total outstanding dues of creditors other than micro and small enterprises		1,527.15	1,635.83
(iv) Other financial liabilities	23	1,031.13	970.09
(b) Other current liabilities	24	155.90	903.76
(c) Provisions	25	53.99	57.47
Total current liabilities		**5,017.37**	**4,965.57**
Total equity and liabilities		**20,954.25**	**18,942.07**

Summary of the material accounting policies and other explanatory information 1-58

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 : 31 May 2024

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
CIN-U24239DL2004PLC12588

Standalone Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
INCOME			
Revenue from operations	**26**	14,441.19	12,868.26
Other income	**27**	941.21	961.53
Total Income		**15,382.40**	**13,829.79**
EXPENSES			
Cost of materials consumed		8,672.35	7,912.11
Change in inventories of finished goods and work-in-progress	**28**	64.42	(30.55)
Employee benefits expense	**29**	1,752.80	1,472.97
Finance costs	**31**	183.13	131.76
Depreciation and amortisation expense	**32**	326.94	300.03
Fair value changes on financial instruments	**18.1**	3,577.74	(439.70)
Other expenses	**30**	1,640.46	1,534.65
Total expenses		**16,217.84**	**10,881.27**
(Loss)/ Profit before exceptional items and tax		**(835.44)**	**2,948.52**
Exceptional items	**33**	(193.89)	(1,445.33)
(Loss)/ Profit before tax		**(1,029.33)**	**1,503.19**
Tax expense:			
Current income tax			
for current period		469.90	413.29
for earlier years		13.50	(3.32)
Deferred tax (credit)/ charge		141.78	(161.08)
Total tax expense		**625.18**	**248.89**
(Loss)/ Profit for the period		**(1,654.51)**	**1,254.30**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/(losses) on defined benefit plans		(29.07)	7.16
Tax effect relating to these items		7.32	(1.80)
Total other comprehensive income, net of tax		**(21.75)**	**5.36**
Total comprehensive income (comprising of profit for the period and other comprehensive income for the period)		**(1,676.26)**	**1,259.66**
Earnings per equity share of ₹ 2 (31 March 2023: ₹ 2) each			
Basic and diluted	**34**	(11.56)	8.77

Summary of the material accounting policies and other explanatory information 1-58

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

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 : 31 May 2024

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588

Statement of Changes in Equity for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2022	143.07
Changes in equity share capital	143.06
As at 31 March 2023/ 1 April 2023	**286.13**
Changes in equity share capital (refer note 15.1 for details)	-
As at 31 March 2024	**286.13**

b. Other equity

Particulars	Retained earnings	Share options outstanding account	Put option reserve	Total
Balance as at 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/ 1 April 2023	**4,630.15**	**-**	**(1,801.24)**	**2,828.91**
Add: Loss for the year	(1,654.51)	-	-	(1,654.51)
Add: Other comprehensive income for the year, net of tax				
- Remesurement of defined benefit plans net	(21.75)	-	-	(21.75)
Total comprehensive income for the year	**2,953.89**	**-**	**(1,801.24)**	**1,152.65**
Add: Employee stock options granted during the year	-	6.91	-	6.91
Less: Employee stock options cancelled during the year	-	(6.91)	-	(6.91)
Balance as at 31 March 2024	**2,953.89**	**-**	**(1,801.24)**	**1,152.65**

Summary of the material accounting policies and other explanatory information 1-58

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

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 : 31 May 2024

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Standalone Statement of Cash Flow for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flow from operating activities			
Net (loss)/ profit before tax		**(1,029.33)**	**1,503.19**
Adjustments for:			
Depreciation and amortisation		326.94	300.03
Bad debts		7.74	8.19
Diminution in the value of investment in subsidiaries		1.43	30.64
Loans given written off		192.46	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		3,577.74	(439.70)
Provision for expected credit loss on trade receivable		27.96	5.43
Provision on advance to suppliers		-	36.00
Loss on sale of property, plant and equipment		2.89	(46.37)
Interest expense		183.13	131.76
Interest income		(749.22)	(617.47)
Liability no longer required written back		(1.71)	(173.68)
Share of profit from investment in firm/ LLP		(89.35)	(51.80)
Rental income		(39.95)	(42.65)
Operating profit before working capital changes		**2,410.73**	**2,058.26**
Adjustments for movement in working capital changes:			
Inventories		354.17	(178.11)
Trade receivables		187.69	464.32
Other financial assets		(93.66)	72.46
Other assets		(20.43)	(127.32)
Trade payables		(130.58)	(741.43)
Other financial liabilities		54.92	59.11
Provisions		0.61	60.71
Other liabilities		78.51	(424.87)
Cash flow generated from operations (gross)		**2,841.96**	**1,243.13**
Less: taxes paid (net)		(362.89)	(303.00)
Net cash flow generated from operating activities	**(A)**	**2,479.07**	**940.13**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Standalone Statement of Cash Flow for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progres, capital advances and payable towards property, plant and equipment)		(718.59)	(1,162.60)
Proceeds from sale of property plant and equipment		7.94	128.26
Advance against assets held for sale		1.03	-
Investment in subsidaries and associate		(0.10)	(15.54)
Investment in deposits having original maturity of more than 3 months, net		3.32	(4.86)
Loan given to subsidiary companies / LLP		(27,274.35)	(20,471.34)
Loan repaid by subsidiary companies / LLP		25,514.15	18,827.21
Withdrawals from partnership firm		23.00	34.28
Interest received		749.22	600.26
Rent received		39.95	42.65
Net cash flow (used in) investing activities	**(B)**	**(1,654.43)**	**(2,021.68)**
C. Cash flow from financing activities			
Proceeds from non-current borrowings		(31.25)	250.00
Proceeds from / (repayment of) current borrowings (net)		24.41	797.54
Payment of lease liabilitities		(54.99)	(42.21)
Interest paid		(145.57)	(106.33)
Net cash flow (used in)/ generated from financing activities	**(C)**	**(207.40)**	**899.00**
Net increase/ (decrease) in cash and cash equivalents	**(A+B+C)**	**617.24**	**(182.55)**
Cash and cash equivalents at the beginning of the year		72.33	254.88
Cash and cash equivalents at the end of the year		**689.57**	**72.33**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

Standalone Statement of Cash Flow for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Components of cash and cash equivalents are as below:

	As at 31 March 2024	As at 31 March 2023
Balance with scheduled banks		
in current accounts	68.68	72.08
in deposit accounts with original maturity of less than 3 months	620.29	-
Cash on hand	0.60	0.25
	689.57	**72.33**

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

Particulars	Current borrowings	Non-current borrowings	Lease liabilities	Put option liability	Total
Net debt as on 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
Put option measurement/ fair value changes (refer note 18.1)	-	-	-	(439.70)	(439.70)
New leases	-	-	261.26	-	261.26
Balance as on 31 March 2023/ 1 April 2023	**2,019.70**	**250.00**	**425.18**	**10,076.04**	**12,770.92**
Cash flows					
Proceeds					
(Repayments)/ Proceeds	24.41	(31.25)	(54.99)	-	(61.83)
Non cash changes					
Interest on lease liability	-	-	37.56	-	37.56
Put option measurement/ fair value changes (refer note 18.1)	-	-	-	3,577.74	3,577.74
Balance as on 31 March 2024	**2,044.11**	**218.75**	**407.75**	**13,653.78**	**16,324.39**

Summary of the material accounting policies and other explanatory information 1-58

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 : 31 May 2024

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

POLICIES

1 Company overview and summary of material accounting policies

1.1 Company overview

Akums Drugs and Pharmaceuticals Limited (the 'Company') is a public limited company domiciled in I ndia 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 bio equivalence studies, clinical trials, obtaining Drug Controller General of India's (DCGI) approval for manufacturing and marketing new Fixed Dose Combinations (FDCs) & molecules and thereby offering new formulations with Company's own technology to its customers under their brand names.

1.2 Basis of preparation

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

The 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 accrual and going concern basis.

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

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Summary of the material accounting policies and other explanatory information
for the year ended 31 March 2024

The standalone financial statements have been prepared using the material accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in 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 amended from time to time. During the year ended 31 March 2024, MCA has not notified new standards or amendments to the existing standards applicable to the Company.

New and amended standard adopted by the Company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:
- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.3 Use of judgment, 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.

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.

f) Fair value measurement of financial instruments – When the fair values of financial assets and financial liabilities recorded in the Standalone Financial Statements cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement 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 fair value of financial instruments.

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:

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Summary of the material accounting policies and other explanatory information for the year ended 31 March 2024

Asset class	Useful lives
Buildings	30 years
Plant and equipments	15 years
Furniture and fittings	10 years
Vehicles	8/10 years
Office equipments	5 years
Computers	3/6 years
Research and development equipments	10 years
Electrical installations	10 years
Pollution control equipments	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 (including Brands/ Trademarks) that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and 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 stand-alone 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 initital 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

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.

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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 inancial 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.

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.

Other financial assets

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.

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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.

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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 - unfunded

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972.

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 profit and loss under 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.

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Equity settled share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.
Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Restated Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computationof diluted earnings per share.

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.

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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 from sale of goods is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products 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 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 monetary assets and liabilities etc.

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

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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 Assets held for sale

The Company 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 (PPE)

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 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 April 2023	**1,061.69**	**2,344.16**	**162.53**	**38.57**	**107.17**	**147.36**	**464.60**	**178.62**	**8.20**	**4,512.90**
Additions	173.17	414.11	82.52	0.14	10.21	36.45	21.78	29.81	-	768.19
Disposals/ adjustments	-	(12.58)	(2.03)	(0.60)	(0.52)	(4.46)	(6.98)	(0.04)	-	(27.21)
Balance as at 31 March 2024	**1,234.86**	**2,745.69**	**243.02**	**38.11**	**116.86**	**179.35**	**479.40**	**208.39**	**8.20**	**5,253.88**
Accumulated depreciation										
Balance as at 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/ 1 April 2023	**409.04**	**1,413.97**	**88.49**	**20.80**	**73.74**	**86.30**	**262.84**	**120.02**	**4.86**	**2,480.06**
Charge for the year	37.22	155.05	15.21	2.83	11.07	18.88	32.27	9.50	0.41	282.44
Reversal of disposal	-	(6.79)	(0.92)	(0.57)	(0.47)	(4.05)	(3.58)	-	-	(16.38)
Balance as at 31 March 2024	**446.26**	**1,562.23**	**102.78**	**23.06**	**84.34**	**101.13**	**291.53**	**129.52**	**5.27**	**2,746.12**
Net block										
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**
As at 31 March 2024	**788.60**	**1,183.46**	**140.24**	**15.05**	**32.52**	**78.22**	**187.87**	**78.87**	**2.93**	**2,507.76**

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 2022	5.17
Add: Additions during the year	161.29
Less: Capitalised during the year	(5.17)
As at 31 March 2023/ 1 April 2023	**161.29**
Add: Additions during the year	85.66
Less: Capitalised during the year	(161.29)
As at 31 March 2024	**85.66**

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2c. Ageing of capital work-in-progress

The table below analyses the capital work-in-progress ageing:

31 March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Plant and equipment pending installation	6.28	-	-	-	6.28
Building under progress	79.38	-	-	-	79.38
	85.66	**-**	**-**	**-**	**85.66**

31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Plant and equipments pending installation	103.92	-	-	-	103.92
Building under progress	57.37	-	-	-	57.37
	161.29	**-**	**-**	**-**	**161.29**

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 2024 and 31 March 2023.

3. Investment property

Tangible assets provided on operating lease to wholly owned subsidiaries as follows:

Particulars	Freehold land	Buildings	Total
Gross carrying value			
Opening balance as at 1 April 2022	**113.50**	**129.58**	**243.08**
Additions during the year	-	-	-
Closing balance as at 31 March 2023/ 1 April 2023	**113.50**	**129.58**	**243.08**
Additions during the year	-	-	-
Closing balance as at 31 March 2024	**113.50**	**129.58**	**243.08**
Accumulated depreciation			
Opening balance as at 1 April 2022	-	46.10	46.10
Charge for the year	-	4.41	4.41
Closing balance as at 31 March 2023/ 1 April 2023	**-**	**50.51**	**50.51**
Charge for the year	-	3.94	3.94
Closing balance as at 31 March 2024	**-**	**54.45**	**54.45**
Net carrying value			
As at 31 March 2023	**113.50**	**79.07**	**192.57**
As at 31 March 2024	**113.50**	**75.13**	**188.63**

Information regarding income and expenditure of Investment property

	Year ended 31 March 2024	Year ended 31 March 2023
Rental income derived from investment properties	21.36	21.36
Less – Depreciation	(3.94)	(4.41)
Profit arising from investment properties before indirect expenses	**17.42**	**16.95**

Fair Value of the above said property at the end of the year is ₹ 250.16 million (31 March 2023: ₹ 243.77 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 value of each respective asset.

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 assets to have economic utility.

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

Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments receivable	As at 31 March 2024	As at 31 March 2023
within 1 year	12.96	12.96
1-2 years	12.96	12.96
2-5 years	38.88	38.88
5-10 years	56.16	69.12
Total	**120.96**	**133.92**

Further, rental income on short term leases is ₹ 8.40 million (31 March 2023: ₹ 8.40 million).

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4(a). Intangible assets

Particulars	Brands /trademarks	Software	Total
Gross carrying value			
Opening balance as at 1 April 2022	4.90	126.26	131.16
Additions during the year	-	5.78	5.78
Closing balance as at 31 March 2023/ 1 April 2023	**4.90**	**132.04**	**136.94**
Additions during the year	-	19.00	19.00
Closing balance as at 31 March 2024	**4.90**	**151.04**	**155.94**
Accumulated amortisation			
Accumulated as at 1 April 2022	4.15	104.92	109.07
Charge for the year	0.57	6.18	6.75
Closing balance as at 31 March 2023/ 1 April 2023	**4.72**	**111.10**	**115.82**
Charge for the year	0.17	9.13	9.30
Closing balance as at 31 March 2024	**4.89**	**120.23**	**125.12**
Net carrying value			
As at 31 March 2023	**0.18**	**20.94**	**21.12**
As at 31 March 2024	**0.01**	**30.81**	**30.82**

4(b). Ageing of intangible assets under development

31 March 2024

Particulars	Ageing				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software pending installation	0.86	-	-	-	0.86
	0.86	**-**	**-**	**-**	**0.86**

31 March 2023

Particulars	Ageing				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software pending installation	1.22	-	-	-	1.22
License and rights	697.50	-	-	-	697.50
Less: Provision for impairment	(697.50)	-	-	-	(697.50)
	1.22	**-**	**-**	**-**	**1.22**

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 2024 and 31 March 2023.

Particulars	As at 31 March 2024	As at 31 March 2023
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 2023: 50,000) equity shares of Maxcure Nutravedics Limited of ₹ 10 each	80.42	80.42
467,000 (31 March 2023: 467,000) equity shares of Malik Lifesciences Private Limited of ₹ 10 each	34.85	34.85
2,700,000 (31 March 2023: 2,500,000) equity shares of Pure and Cure Healthcare Private Limited of ₹ 10	479.07	479.07
18,020,000 (31 March 2023: 18,020,000) equity shares of Unosource Pharma Limited of ₹ 10 each	196.20	196.20
50,955 (31 March 2023: 50,955) equity shares of Akumentis Healthcare Limited of ₹ 10 each	170.79	170.79
50,000 (31 March 2023: 50,000) equity shares of Nicholas Healthcare Limited of ₹ 10 each	0.50	0.50
50,000 (31 March 2023: 50,000) equity shares of Plenteous Pharmaceuticals Ltd. of ₹ 10 each	0.50	0.50
10,000 (31 March 2023: 10,000) equity shares of Sarvagunaushdhi Private Limited of ₹ 10 each	0.10	0.10
99,994 (31 March 2023: 99,994) equity shares of Akums Healthcare Limited of ₹ 10 each	1.00	1.00
10,000 (31 March 2023: Nil) equity shares of Qualymed Pharma Private Limited of ₹ 10 each	0.10	-
50,000 (31 March 2023: 50,000) equity shares of Amazing Research Laboratories Limited of ₹ 10 each	1.95	1.95
50,000 (31 March 2023: 50,000) equity shares of May & Baker Pharmaceuticals Limited of ₹ 10 each	0.50	0.50
1,000 (31 March 2023: 1,000) equity shares of Burroughs Welcome Pharmacia Private Limited of ₹ 10 each	0.01	0.01
1,54,121 (31 March 2023: 1,54,121) equity shares of Medibox Pharma Private Limited of ₹ 10 each*	-	30.64
Less: Provision for diminution in the value of investment in Medibox Pharma Private Limited	-	(30.64)
Less: Investment in subsidiaries held for sale (refer note 14c)	(2.46)	-
	963.53	**965.89**
5.2 Investment in preference shares		
Investments in subsidiaries (measured at cost), Unquoted		
Healthcare Limited of ₹ 100 each	424.21	424.21
	424.21	**424.21**
5.3 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)		
	1.50	**1.50**
	1,389.24	**1,391.60**
Aggregate amount of unquoted investments	1,389.24	1,391.60
Aggregate provision for impairment in value of investments	-	30.64

*The Company is excercising control over Medibox Pharma Private Limited jointly with its wholly owned subsidiary Maxcure Nutravedics Limited. During the year, the Company has written off the investment. (refer note 33)

**During the year, Pure and Cure Healthcare Private Limited and Akums Lifesciences Limited (both wholly owned subsidiaries of the Company) had filed a Scheme of Arrangement ('Scheme') under the provisions of Section 230 - 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for the amalgamation of Akums Lifesciences Limited with and into Pure and Cure Healthcare Private Limited. During the year, the Scheme has been approved by NCLT vide its order dated 24 August 2023 and 17 October 2023 by Chandigarh and New Delhi NCLT respectively, with the appointed date as 1 April 2022. As per the Scheme of Arrangement, the Company has been allotted 4 equity shares of face value of ₹ 10 each in Pure and Cure Healthcare Private Limited for every 100 equity shares of face value of ₹ 10 each in Akums Lifesciences Limited.

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Particulars	As at 31 March 2024	As at 31 March 2023
6. Loans		
Unsecured, considered good		
Loans to related parties (refer note 42 and 52)*	10,716.68	9,148.94
	10,716.68	**9,148.94**
**Net of loan written off of ₹ 192.46 million (31 March 2023: ₹ 710.00 million)*		
** includes interest receivable from related parties amounting to ₹ 61.18 million (31 March 2023: ₹ 53.34 million)*		
7. Other financial assets		
Unsecured, considered good		
Security deposits	86.13	80.49
Deposit having remaining matuirty of more than 12 months*	7.52	38.25
Other receivable	0.02	0.02
	93.67	**118.76**
**pledged with government authorities and others.*		
8. Non-current tax assets		
Advance income-tax	46.87	53.33
	46.87	**53.33**
9. Other non-current assets		
Unsecured, considered good		
Capital advances	48.47	41.08
Advances other than capital advances:		
Tax deposited with sales tax department [refer note 35 (b)]	51.31	51.31
Prepaid expenses	12.48	5.29
Other receivable	3.15	3.06
Unsecured, considered doubtful		
Capital advances	36.00	36.00
Less: Provision	(36.00)	(36.00)
	115.41	**100.74**
10. Inventories		
(refer note 1.18 in respect of mode of valuation of inventories)		
Raw materials		
on hand	910.96	1,097.36
in transit	24.40	73.85
Packing materials		
on hand	295.60	355.42
in transit	4.47	3.37
Work-in-progress	154.02	146.06
Finished goods	188.21	260.59
Stores and spares		
on hand	39.21	34.27
in transit	0.16	0.28
	1,617.03	**1,971.20**

Refer note 39 for information on inventories pledged as security by the Company

Particulars	As at 31 March 2024	As at 31 March 2023
11. Trade receivables		
Trade receivables considered good (unsecured)	2,237.12	2,517.09
Trade receivables - significant increase in credit risk	177.98	76.63
	2,415.10	**2,593.72**
Less: Allowance for expected credit losses	(77.16)	(32.39)
	2,337.94	**2,561.33**

11.1 Dues from related party (refer note 42)

11.2 Refer note 39 for information on trade receivables pledged as security by the Company.

11.3 Refer note 50 (a) for the ageing of the trade receivables

11.4 No amount is due from directors or officers of the Company.

12. Cash and bank balances

Particulars	As at 31 March 2024	As at 31 March 2023
12a. Cash and cash equivalents		
Balance with scheduled banks		
in current accounts	68.68	72.08
in deposit accounts with original maturity of less than 3 months	620.29	-
Cash on hand	0.60	0.25
	689.57	**72.33**

Refer note 39 for assets pledged as security by the Company

Particulars	As at 31 March 2024	As at 31 March 2023
12b. Other bank balances		
Deposits with original maturity of more than 3 months and remaining maturirty of less than 12 months	43.53	16.12
	43.53	**16.12**

Refer note 39 for assets pledged as security by the Company

Particulars	As at 31 March 2024	As at 31 March 2023
13. Other financial assets		
Unsecured, considered good		
Dues from partnership firm and LLPs (refer note 42)	120.18	53.83
Balance with statutory and other authorities	29.11	34.11
Others*	97.02	4.00
	246.31	**91.94**

**includes IPO expense of ₹ 93.02 million as at 31 March 2024 (31 March 2023: nil), carried forward as other financial assets pertaining to selling shareholders share. The aforesaid amount, calculated on best estimate basis, will be recoverable from selling shareholders in proportionate to shares that will be offered to the public in the proposed IPO.*

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Particulars	As at 31 March 2024	As at 31 March 2023
14a. Current tax assets		
Income tax refundable (net)	-	114.05
	-	**114.05**
14b. Other current assets		
Advance to suppliers and others	32.57	86.71
Prepaid expenses	49.97	32.57
Balance with statutory authorities	267.23	261.06
Others*	47.23	3.51
	397.00	**383.85**

1. Includes CSR asset amounting to ₹ 0.54 million (31 March 2023: ₹ 0.54 million). Refer note 44 for details.

2. Includes IPO expense of ₹ 46.51 million as at 31 March 2024 (31 March 2023: nil), carried forward as other current assets pertaining to Company' share. The aforesaid amount, calculated on best estimate basis, will be adjusted with securities premium at the time of issue of shares in accordance with requirement of Section 52 of the Companies Act, 2013.

Particulars	As at 31 March 2024	As at 31 March 2023
14c. Assets held for sale		
Investments in subsidiaries	1.03	-
	1.03	**-**

Note:
The management vide board resolution dated 18 March 2024 has decided to sell investment in its wholly owned subsidiaries: a) Amazing Research Laboratories Limited, b) May and Baker Pharmaceuticals Limited and c) Burroughs Welcome Pharmacia Private Limited.
Accordingly, in terms of Ind AS 105 - 'Non-current assets held for sale and discontinuing operations', the investments in subsidiaries are presented as 'Assets held for sale' separately from other assets in the Standalone balance sheet. 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. ₹ 1.43 million has been recognised as an exceptional expense in the standalone statement of profit and loss account. Subsequent to year end, the sale transactions has been concluded in the month of April 2024. (refer note 33)

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Particulars	As at 31 March 2024	As at 31 March 2023
15. Equity share capital		
Authorised*		
20,00,00,000 (31 March 2023: 15,00,00,000) equity shares of ₹ 2 (31 March 2023: ₹ 2) each	400.00	300.00
Issued, subscribed and fully paid up		
14,30,64,350 (31 March 2023: 14,30,64,350) equity shares of ₹ 2 (31 March 2023: ₹ 2) each	286.13	286.13
	286.13	**286.13**

*During the current year, the Company has increased its authorised share capital from 15,00,00,000 equity shares of ₹ 2 each to 20,00,00,000 equity shares of ₹ 2 each.

15.1 Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	14,30,64,350	286.13	7,15,32,175	143.07
Add: Shares issued during the year				
- Bonus share issued during the year	-	-	7,15,32,175	143.06
At the end of the year	**14,30,64,350**	**286.13**	**14,30,64,350**	**286.13**

15.2 Terms/rights attached to equity shares
The Company has only one class of equity shares having face value of ₹ 2 per share. Each equity shareholder is entitled to one vote per share.

In the event of winding up of the Company, the equity shareholders will be entitled to be repaid remaining assets of the Company, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares. However, no such preferential amounts existed until 02 October 2019.

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.

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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 2024		As at 31 March 2023	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	6,06,92,940	42.42	6,06,92,940	42.42
Sandeep Jain#	6,07,28,690	42.45	6,07,28,690	42.45
Ruby QC Investment Holding Pte Ltd.	2,15,84,970	15.09	2,15,84,970	15.09

promoters of the Company. There has been no change in the shareholding ratio of the promoters.

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

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 2022-23	7,15,32,175
Shares issued as bonus shares in 2021-22	6,50,29,250
Additonal shares issued on account of share split in 2021-22	52,02,340

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. During the year, the number of employee stock options approved to be issued under Employee Stock Option Scheme 2022 have increased to 42,91,931 options. Refer note 54 for details. Subsequent to year end, the Company has alloted 3% of the paid-up Equity Share capital to ESOP trust (Akums Emlpoyee Benefit Trust).

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Particulars	As at 31 March 2024	As at 31 March 2023
16. Other equity		
(a) Retained earnings		
Balance as at beginning of the year	4,630.15	3,513.55
Add: (Loss)/ Profit for the year	(1,654.51)	1,254.30
Add: Other comprehensive income for the year		
- Remesurement of defined benefit plans (net)	(21.75)	5.36
Less: Utilisation on account of bonus issue	-	(143.06)
Balance as at end of the year	**2,953.89**	**4,630.15**
(b) Put option reserve		
Balance as at beginning/ end of the year	(1,801.24)	(1,801.24)
(c) Share options outstanding account		
Balance as at beginning of the year	-	-
Add: Employee stock options granted during the year	6.91	-
Less: Employee stock options cancelled during the year	(6.91)	-
Balance as at end of the year	-	-
Total	**1,152.65**	**2,828.91**

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

1.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.

2. Put option reserve
Refer note 18.1 for further details.

3. Share options outstanding account
The Company has an share option scheme under which option to subscribe for the Company's shares have been granted to certain executives and senior employees. The share options outstanding account is used to recognise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 15.5 for further details.

17. Borrowings		
Term loans Secured From bank		
Loan from bank (refer note 17.1)	218.75	250.00
Less: Current maturities of long term borrowings (refer note 21)	(62.50)	(31.25)
	156.25	**218.75**

Notes:
Nature of security and repayment terms of the above borrowings are as below:

	Amount outstanding	
	As at 31 March 2024	As at 31 March 2023
17.1 Term loans - Secured- From bank		
Term loan taken from HSBC Bank Limited Carries an interest rate of 6.95% p.a. to 7.99% p.a. linked with 3 month T-Bill (31 March 2023: 6.51% p.a. to 7.64% p.a..) 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.	218.75	250.00
	218.75	**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 year has been duly registered with Registrar of companies.
e) The Company has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowings in the current year/previous year.

18. Other financial liabilities		
Put option liability (refer note 18.1 and 45)	13,653.78	10,076.04
Security deposit received		
from customers	30.10	29.28
from others*	54.17	47.57
	13,738.05	**10,152.89**

**includes retention amount of ₹ 47.10 million (31 March 2023: ₹ 40.10 million).*

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 and issue 'Exit notice' 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 Company per the agreement entered is required to buy back the equity securities held by the investor within 180 days from the date of the exit notice. Further, on 9 February 2024, the Company, shareholders and the Investor entered into a waiver cum amendment agreement wherein exit notice can only be issued by the investor after 6 months from 31 December 2024, subject to the term of the waiver cum amendment agreement. Further, subsequent to year end, the Investor has waived off its rights which requires the Company to buyback the equity shares in accordance with the terms of agreement. [refer note 56(b)]

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" at initial recognition. Refer note 45 for subsequent changes in fair value.

19. Provisions		
(a) Provision for employee benefits		
Gratuity (refer note 38)	86.99	66.93
Compensated absences	26.53	15.14
	113.52	**82.07**

	Amount outstanding	
20. Deferred tax liabilities (net)	**As at 31 March 2024**	**As at 31 March 2023**
In accordance with Ind AS 12 "Income Tax", the Company has accounted for deferred taxes.		
Deferred tax liabilities consists of:		
Accelerated depreciation and amortisation for tax purposes on property, plant and equipment and intangible assets	195.79	268.11
Right-of-use assets	93.41	36.61
Deferred tax assets consists of:		
Expenses allowable under Income Tax Act,1961 on payment basis	59.56	24.51
Lease liability	102.62	107.01
Provision for expected credit loss	20.24	15.15
Provision for diminution in value of intangible assets	-	175.55
Provision for demand raised by statutory authorities	3.65	13.84
Deferred tax liabilities (net)	**103.13**	**(31.34)**

Refer note 46 for movement of deferred tax assets

21. Borrowings		
Secured		
Loan repayable on demand (from bank)		
Working capital loan from bank includes interest accrued (refer note a to e)	1,544.11	1,205.85
Current maturities of non current borrowings (refer note 17)	62.50	31.25
Unsecured		
Working capital loan from bank includes interest accrued (refer note e)	500.00	-
	2,106.61	**1,237.10**

Notes:

Nature of security and repayment terms of the above borrowings are as below:

	Amount outstanding	
	As at 31 March 2024	**As at 31 March 2023**
(a) Working capital loan from State Bank of India 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 respect of land at Haridwar of Unit I,II,III,IV & V and carries an interest rate in the range of 7.40% to 8.12% p.a. (previous year: 6.60% p.a. to 7.50% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	377.66	352.20
(b) Working capital loan from HDFC Bank Limited Working capital loan from HDFC Bank 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 carries an interest rate in the range of 7.60% p.a. to 8.67% p.a. (previous year: 4.30% p.a. to 7.80% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	484.36	521.63
(c) Cash credit facility from HDFC Bank Limited Cash credit facility from HDFC Bank 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. The loan is repayable on demand and carries an interest rate in range of 7.60% to 8.80% p.a. (previous year: 7.2% p.a. to 8.85% p.a.)	181.87	-
(d) Working capital loan from Yes Bank 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 7.60% p.a. to 8.10% p.a. (previous year: 4.0% p.a. to 7.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	500.22	332.02
(e) Short term loan from HDFC Bank Limited Unsecured short term loan from HDFC Bank availed on 27 September 2023 at an interest rate of 7.60% p.a. linked with 1 month T-bill and is repayable after 90 days.	500.00	-
	2,044.11	**1,205.85**

The above loans have been utilised as per the purpose for these loans were sanctioned

a) Refer note 39 for assets pledged as security

b) Refer note 41 for note on submission of quarterly statements to the bank and its reconciliation with the amounts appearing in the books of

c) The Company has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowings in the current year/previous year.

d) The above loans have been utilised as per the purpose for these loans were sanctioned.

Particulars	As at 31 March 2024	As at 31 March 2023
22. Trade payables		
Total outstanding dues of micro and small enterprises (refer note 51): and	121.99	143.89
Total outstanding dues of creditors other than micro and small enterprises	1,527.15	1,635.83
	1,649.14	**1,779.72**

Dues to related parties (refer note 42)
Refer note 50(b) for disclosure in respect of ageing of the above payables.

23. Other financial liabilities		
Employee payables	144.56	97.06
Payable for property, plant and equipment*	59.17	59.18
Book overdraft	-	813.85
Refundable advance received from customers	827.40	-
	1,031.13	**970.09**

** includes dues to micro and small enterprises of ₹ 19.73 million (31 March 2023: ₹ 24.64 million)*

24. Other current liabilities		
Advance from customers	98.49	878.16
Advance against sale of shares	1.03	-
Other payables		
Statutory dues	56.38	25.60
	155.90	**903.76**

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25. Provisions

Provision for employee benefits		
Gratuity (refer note 38)	24.81	1.56
Compensated absences	14.69	0.91
Provision for demand raised by statutory authorities*	14.49	55.00
	53.99	**57.47**

**The Company had during the previous year received demand letters in respect of shortfall in meeting the export obligation by the Company against the EPCG license 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 has been provided by the Company in the standalone financial statements prepared for the year ended 31 March 2023. During the current year, the Company has paid ₹ 40.51 million against the said demands.*

Note:
Movement of other provisions (including sales tax and demand raised by statutory authorities) in accordance with Ind AS 37

Opening provisions	55.00	175.23
Add: Provision made during the year	-	55.00
Less: Provision reversed/ liability paid during the year	(40.51)	(175.23)
Closing provisions	**14.49**	**55.00**

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Particulars		Year ended 31 March 2024	Year ended 31 March 2023
26. Revenue from operations			
Sale of finished products		12,365.70	10,668.62
Sale of other products		418.42	510.56
		12,784.12	**11,179.18**
Other operating revenues			
Job work income		259.24	209.03
Testing charges and others		1,339.58	1,413.76
Sale of scraps		58.25	66.29
		14,441.19	**12,868.26**
Refer note 43 in terms of disclosures required under Ind AS 115			
27. Other income			
Interest income on:			
fixed deposits carried at amortised cost		10.10	4.48
loans given to related parties (refer note 42)		738.62	595.33
Others		0.50	17.66
Share of profit from investment in LLP and partnership firm		89.35	51.80
Foreign currency translations		6.52	-
Rental income		39.95	42.65
Income from government grants/ subsidy		1.40	1.43
Liabilities no longer required, written back		1.71	173.68
Profit on sale of property, plant and equipment		-	46.37
Miscellaneous income		53.06	28.13
		941.21	**961.53**
28. Change in inventory of finished goods and work-in-progress			
Opening stock			
Finished goods		260.59	174.29
Work-in-progress		146.06	201.81
	(A)	**406.65**	**376.10**
Less: Closing stock			
Finished goods		188.21	260.59
Work-in-progress		154.02	146.06
	(B)	**342.23**	**406.65**
Change in inventory of finished goods and work-in-progress (A-B)		**64.42**	**(30.55)**
29. Employee benefits expense			
Salaries, wages and bonus		1,646.14	1,378.83
Contributions to provident and other funds*		52.20	47.46
Staff welfare expense		54.46	46.68
		1,752.80	**1,472.97**

** includes PF & ESIC contribution of ₹ 50.07 million (31 March 2023: ₹ 45.29 million). Refer note 38 for details.*

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
30. Other expenses		
Consumption of stores and spare parts	195.78	168.93
Job charges paid	287.12	231.81
Power and fuel	424.04	420.36
Rent	9.67	18.24
Repairs and maintenance		
Plant and equipments	124.78	96.56
Buildings	19.22	28.28
Others	130.95	126.64
Travelling expense	25.48	25.17
Vehicle running expense	8.88	7.60
Fees and subscription	34.47	41.32
Legal and professional expenses	178.42	120.73
Payment to auditors (refer note 37)	2.92	4.00
Bad debts written off	7.74	8.19
Provision for expected credit loss on trade receivables	27.96	5.43
Provision for expected credit loss on advance to suppliers	-	36.00
Commission on sales	4.28	6.19
Selling and distribution expenses	39.62	26.81
Loss on foreign exchange transactions and translations, net	-	3.24
Provision for demand raised by statutory authorities	-	55.00
Loss on sale of property, plant and equipment	2.89	-
Miscellaneous expenses	116.24	104.15
	1,640.46	**1,534.65**
31. Finance costs		
Interest on financial liabilities (using effective interest rate method):		
on borrowings	144.02	106.33
on lease liability	37.56	25.43
on late payment of statutory dues	1.55	-
	183.13	**131.76**
32. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	282.44	261.76
Depreciation on right-of-use assets (refer note 54)	31.26	27.11
Depreciation on investment property (refer note 3)	3.94	4.41
Amortisation of intangible assets (refer note 4a)	9.30	6.75
	326.94	**300.03**

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33 Exceptional items

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Diminution in the value of investment in subsidiaries (refer note (a) below)	1.43	30.64
Loans given written off (refer note (b) below)	192.46	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
	193.89	**1,445.33**

Notes:

(a) The Company, in earlier years, had made investment its subsidiary company: a) Amazing Research Laboratories Limited, b) May and Baker Pharmaecuticals Limited and c) Burroughs Welcome Pharmacia Private Limited which was engaged in trading of pharmaceutical products. These companies incurred huge losses from its operations. Pursuant to which, management had conducted a detailed evaluation for recoverablity of the investment and decided to dispose off the investment in subsequent period (refer note 14c). The investment in subsidiaries 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. ₹ 1.43 million has been recognised as an exceptional expense in the standalone statement of profit and loss.
During the previous year, the Company had made an assessment of the recoverable value of investment in its subsidiary 'Medibox Pharma Private Limited' taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Basis the recoverable value computed and the future plans of the Company, management believes that impairment loss of ₹ 30.64 million to be provided for in the books of accounts and accordingly impact of the entire amount was provided for in the statement of profit and loss of the standalone financial statement prepared for the year ended 31 March 2023. The amount has been written off in the current year.

(b) The Company had previously granted loans amounting to ₹ 150.85 million and ₹ 41.61 million to its subsidiary companies, 'Amazing Research Laboratories Limited' and 'Burroughs Welcome Pharmacia Private Limited', respectively. These companies dealt in pharmaceutical product trade and had incurred losses from their operations, resulting in a significant decrease in net worth over the years. As a result, the management conducted a detailed analysis for the recoverability of the loans extended and concluded that impairment of the outstanding loan was necessary. Consequently, an amount of ₹ 192.46 million for the loan given was charged in these standalone financial statements.
In the previous year, the Company had written off the loans given to its subsidiary companies 'Sarvagunaushdhi Private Limited' and 'Nicholas Healthcare Limited' amounting to ₹ 410.00 million and ₹ 300.00 million, respectively. These companies were also engaged in pharmaceutical product trading and had incurred considerable losses from their operations, leading to a significant reduction in net worth over time. Accordingly, an amount of ₹ 710.00 million for the loan granted was written off in the statement of profit and loss of the standalone financial statements prepared for the year ended 31 March 2023.

(c) During the previous year, the Company had purchased ANDA licenses for certain products for ₹ 697.50 million. However, management had re-evaluated the future usage and operational viability of the aforementioned licences basis which these have been decided to be provided for and accordingly impact of the entire amount was provided for in the statement of profit and loss of the standalone financial statement prepared for the year ended 31 March 2023. The amount has been written off in the current year.

(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 aforementioned company incurred huge losses from its operations and not having business activities from last couple of years. Pursuant to which, management had 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 had disclosed under exceptional items as per applicable Ind AS in the statatment of profit and loss of the financials statements for the year ended 31 March 2023.

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34 Earning per equity share (EPS)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to equity shareholders (₹)	**(1,654.51)**	**1,254.30**
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 (₹)	**(11.56)**	**8.77**

35 Contingent liabilities

	Particulars	As at 31 March 2024	As at 31 March 2023
	Claim against the Company not acknowledged as debt:		
(i)	Corporate guarantee given (refer note (a) below)	962.04	1,849.57
(ii)	Income tax matters (refer note (b) below)	42.22	28.85
(iii)	Others (refer note (c) below)	0.33	0.33

Notes:

(a) Corporate guarantees given represents guarantees given to banks for the loans taken by subsidiary companies. (refer note 53)

(b) Pursuant to the assessment of certain previous years (AY 2017-18, AY 2018-19, AY 2020-21 and AY 2022-23), department has raised demands of ₹ 42.22 million (31 March 2023: ₹ 28.85 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.
AY 2022-23: Addition on account of unexplained investment u/s 69 of Income Tax Act, 1961 amounting to ₹ 13.37 million.

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 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 standalone financial statements.

(c) 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 (31 March 2023: ₹ 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.

36 Capital and other commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	260.20	113.38

37 Payment to auditor

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a)	for statutory audit	2.30	2.30
(b)	for other services*	15.60	1.20
(c)	for reimbursement of expenses	0.31	0.50
		18.21	**4.00**

**includes IPO expenses amounting to ₹ 15.20 million , carried forward as other current assets pertaining to Company' share. Refer note 14b.*

38 Employees benefits

A Defined contribution plan

The amount recognised as expense towards contribution to defined contribution plans for the year is as below:	Year ended 31 March 2024	Year ended 31 March 2023
Company's contribution to Provident Fund	47.51	42.60
Company's contribution to Employees' State Insurance Scheme	2.56	2.69
Total	**50.07**	**45.29**

B Defined benefit plan - Gratuity

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

	As at 31 March 2024	As at 31 March 2023
Non-current	86.99	66.93
Current	24.81	1.56
	111.80	**68.49**

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

	As at 31 March 2024	As at 31 March 2023
Present value of the obligation as at the beginning of the year	**68.49**	**64.08**
Service cost	14.19	11.02
Interest cost	5.04	4.59
Benefits paid	(4.99)	(4.04)
Actuarial (gain)/ loss recognised during the year in other comprehensive income	29.07	(7.16)
Present value of the obligation as at end of the year	**111.80**	**68.49**

Employees benefits (cont'd)

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

	Year ended 31 March 2024	Year ended 31 March 2023
Service cost	14.19	11.02
Interest cost	5.04	4.59
Net impact on profit before tax	19.23	15.61
Actuarial (gain)/ loss recognised during the year in other comprehensive income	29.07	(7.16)
Amount recognised in total comprehensive income	**48.30**	**8.45**

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

	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial (gain)/ loss from change in demographic assumption	10.35	-
Actuarial (gain)/ loss from change in financial assumption	106.97	(1.54)
Actuarial (gain)/ loss from experience adjustment	(88.25)	(5.62)
Total actuarial (gain)/ loss	**29.07**	**(7.16)**

(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

	As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	7.22%	7.36%
Future salary increase (per annum)	12.00%	5.50%
Withdrawal rate		
Up to 30 Years	26.00%	3.00%
From 31 to 44 years	26.00%	2.00%
Above 44 years	26.00%	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)	23.11 years	23.41 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 2024	As at 31 March 2023
Impact of change in discount rate		
Present value of obligation at the end of the year	111.80	68.49
- Impact due to increase of 0.5 %	(1.88)	(4.12)
- Impact due to decrease of 0.5 %	1.95	4.50
Impact of change in salary increase		
Present value of obligation at the end of the year	111.80	68.49
- Impact due to increase of 0.5 %	1.78	4.48
- Impact due to decrease of 0.5 %	(1.74)	(4.13)

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.

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

	As at 31 March 2024	As at 31 March 2023
Within next 12 months	24.81	1.56
Between 1-5 years	61.26	9.98
Beyond 5 years	25.73	56.95
	111.80	**68.49**

(ix) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 22.46 million as at 31 March 2024 (31 March 2023 : ₹ 18.32 million).

(x) Other long-term employee benefits

An amount of ₹ 28.51 million [(31 March 2023 : (₹ 1.39 million)] pertains to expense/ (reversal) towards compensated absences.

39 Assets pledged as security (refer note 17 and 21)

	As at 31 March 2024	As at 31 March 2023
Current		
Non financial assets		
Inventories	1,583.04	1,937.63
Other current assets	129.96	269.64
Financial assets		
Cash and cash equivalents	7.18	34.18
Other bank balances	-	2.50
Other financial assets	29.11	34.11
Trade receivables	2,272.49	2,539.65
Total current assets pledged as security	**4,021.78**	**4,817.71**
Non-current (non-financial assets)		
Property, plant and equipment	1,885.10	1,513.63
Capital work-in-progress	37.43	74.76
Total assets pledged as security	**5,944.31**	**6,406.10**

40 Property on which mortgaged or any charged created during the 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 2024	Shareholding as at 31 March 2023
(a) Members of the same group			
Subsidiaries			
Akumentis Healthcare Limited	India	91.49%	91.49%
Akums Healthcare Limited	India	100.00%	100.00%
Maxcure Nutravedics Limited	India	100.00%	100.00%
Malik Lifesciences Private 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 (refer note 5)	India	100.00%	100.00%
Sarvagunaushdhi Private Limited	India	100.00%	100.00%
Unosource Pharma Limited	India	100.00%	100.00%
Upadhrish Reserchem LLP	India	99.93%	99.93%
Qualymed Pharma Private Limited (from 2 May 2023)	India	100.00%	-
Amazing Research Laboratories Limited (refer note 14c and 33)	India	100.00%	100.00%

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Name of entity	Principal place of business of investee	Shareholding as at 31 March 2024	Shareholding as at 31 March 2023
May and Baker Pharmaceuticals Limited (refer note 14c and 33)	India	100.00%	100.00%
Burroughs Welcome Pharmacia Private Limited (refer note 14c and 33)	India	100.00%	100.00%
AVHA Lifesciences Private Limited (till 28 February 2023)	India	-	-
Delcure Lifesciences Limited (till 18 January 2023)	India	-	-
Akum Impex LLP (till 30 September 2022)	India	-	-
Step down subsidiary of Company			
Medibox Pharma Private Limited	India	100.00%	100.00%
Parabolic Research Labs Limited (till 17 March 2023)**	India	-	-
Ziven Lifesciences Limited (till 17 March 2023)**	India	-	-
Dhanwantri Vedaresearch LLP (till 30 September 2022)	India	-	-
(b) Associate of the Company			
AUSL Pharma (till 31 December 2022)	India	-	-

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Managing Director
Mr. Sanjeev Jain	Managing Director
Mr. Basant Kumar Singh	Whole Time Director (till 17 January 2024)
Mr. Sanjay Kumar Sinha	Whole Time Director (from 17 January 2024)
Mr. Nand Lal Kalra	Independent Director
Mr. Kewal Handa	Independent Director
Ms. Matangi Gowrishankar	Independent Director
Mr. Satwinder Singh	Independent Director (from 17 January 2024)
Mr. Amit Varma	Nominee Director (till 17 January 2024)
Mr. Sunil Kumar Thakur	Nominee Director (from 17 January 2024)
Mr. Dharamvir Malik	Company Secretary#
Mr. Sumeet Sood	Chief Financial Officer#

 # as per Companies Act, 2013

(d) Relatives of KMP*

Ms. Arushi Jain
Mr. D.C. Jain (till 19 March 2024)
Mr. Manan Jain
Mr. Umang Jain

(e) Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company*

Akome Lifecare Private Limited
Akums Foundation
Akums Health and Education Society
German Remedies Lifesciences Limited
American Remedies Lifesciences Limited
Dhanwantri Vedaresearch LLP (from 1 October 2022)
Akum Impex LLP (from 1 October 2022)

** where transactions have occurred.*
*** the companies have been struck off from the register of companies vide public notice dated 17 March 2023*

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II Summary of related party transactions [refer note 42(I) above, for relationships of related parties]:

Particulars	31 March 2024	31 March 2023
(a) Transactions during the year		
Inter-corporate loan given		
Pure and Cure Healthcare Private Limited	12,579.50	10,249.00
Maxcure Nutravedics Limited	7,765.50	5,538.18
Malik Lifesciences Private Limited	4,074.50	3,679.00
Others	2,854.85	1,005.16
Inter-corporate loan repaid		
Pure and Cure Healthcare Private Limited	12,773.00	7,003.42
Maxcure Nutravedics Limited	7,725.50	6,230.50
Malik Lifesciences Private Limited	3,554.50	3,513.00
Others	1,382.71	2,088.20
Loan written off		
Amazing Research Laboratories Limited	135.77	-
Burroughs Welcome Pharmacia Private Limited	37.45	-
Nicholas Healthcare Limited	-	300.00
Sarvagunaushdhi Private Limited	-	410.00
Assignment of trade receivables (net of provision) in lieu of Inter-corporate loan		
Amazing Research Laboratories Limited	76.61	-
Burroughs Welcome Pharmacia Private Limited	28.92	-
Interest received		
Malik Lifesciences Private Limited	112.43	65.60
Pure and Cure Healthcare Private Limited	387.26	259.29
Others	238.92	270.08
Sales of goods and others		
Unosource Pharma Limited	733.86	551.32
Akumentis Healthcare Limited	220.50	228.63
Pure and Cure Healthcare Private Limited	186.10	406.18
Others	392.37	374.19
Sales of property, plant and equipments		
Pure and Cure Healthcare Private Limited	1.78	5.57
Akums Healthcare Limited	2.57	5.14
Upadhrish Reserchem LLP	0.09	2.44
Others	0.20	1.26
Purchase of goods and others		
Maxcure Nutravedics Limited	1,029.41	968.18
Pure and Cure Healthcare Private Limited	601.86	651.61
Malik Lifesciences Private Limited	261.71	279.65
Others	72.29	55.29

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Particulars	31 March 2024	31 March 2023
Purchase of property, plant and equipments		
Pure and Cure Healthcare Private Limited	0.32	9.10
Upadhrish Reserchem LLP	0.35	1.81
Akums Healthcare Limited	1.34	-
Nicholas Healthcare Limited	0.39	-
Others	0.17	-
Expenses incurred		
Sarvagunaushdhi Private Limited	0.01	0.26
Pure and Cure Healthcare Private Limited	0.13	-
Amazing Research Laboratories Limited	0.41	-
Mr. Nand Lal Kalra	0.02	-
Repairs and maintenance- Plant and equipments		
Upadhrish Reserchem LLP	43.40	12.94
Consumption of stores and spare parts		
Upadhrish Reserchem LLP	57.76	35.24
Job work charges		
Pure and Cure Healthcare Private Limited	219.28	181.68
Malik Lifesciences Private Limited	64.39	49.37
Others	1.78	0.76
Expenses paid by other group company		
Akums Healthcare Limited	3.02	-
Pure and Cure Healthcare Private Limited	1.47	1.20
Others	1.52	0.02
Service income		
Unosource Pharma Limited	14.34	31.65
Others	1.71	2.12
Expenses incurred on behalf of Company		
Malik Lifesciences Private Limited	6.50	11.86
Pure and Cure Healthcare Private Limited	17.73	54.66
Others	14.26	36.31
Job work income		
Pure and Cure Healthcare Private Limited	13.67	4.33
Unosource Pharma Limited	-	0.05

Particulars	31 March 2024	31 March 2023
Rent received		
Malik Lifesciences Private Limited	18.01	18.01
Maxcure Nutravedics Limited	5.95	8.65
Pure and Cure Healthcare Private Limited	15.98	15.98
Others	9.91	9.44
Corporate guarantee given/ (withdrawn)		
Pure and Cure Healthcare Private Limited	(52.50)	1,400.00
May and baker Pharmaceuticals Limited	4.74	(41.91)
Plenteous Pharmaceuticals Limited	(35.24)	14.56
Amazing Research Laboratories Limited	(30.26)	(6.48)
Unosource Pharma Limited	-	180.00
Akums Healthcare Limited	94.64	-
Nicholas Healthcare Limited	14.71	-
Corporate guarantee charges		
Pure and Cure Healthcare Private Limited	13.94	7.92
Others	7.93	1.07
Profit/ (loss) share from investment in Partnership firm/ LLP		
AUSL Pharma	-	(2.03)
Upadhrish Reserchem LLP	89.35	53.83
Akum Impex LLP	-	-
Investment through acquisition of shares		
Qualymed Pharma Private Limited	0.10	-
Unosource Pharma Limited	-	16.20
Sale of investment in subsidiaries		
Dhanwantri Vedaresearch LLP	-	0.16
Remuneration paid*		
Mr. Sanjeev Jain	54.22	38.00
Mr. Sandeep Jain	53.67	38.00
Mr. Sanjay Sinha	2.10	-
Mr. Basant Kumar Singh	4.30	3.49
Mr. Sumeet Sood	22.47	13.23
Mr. Dharamvir Malik	2.68	2.09
Ms. Arushi Jain	6.94	6.30
Mr. Manan Jain	0.45	-
Mr. Umang Jain	0.20	-

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Particulars	31 March 2024	31 March 2023
Rent paid		
Akome Lifecare Private Limited	24.96	12.48
Akums Healthcare Limited	-	8.43
Mr. Sanjeev Jain	3.84	3.84
Mr. Sandeep Jain	4.80	4.80
Others	0.30	0.36
Sitting fees		
Mr. Kewal Handa	1.70	2.40
Ms. Matangi Gowrishankar	1.70	2.20
Mr. Nand Lal Kalra	1.16	0.44
Mr. Satwinder Singh	0.50	-
Professional charges		
Mr. D.C. Jain	1.65	1.80
Mr. Kewal Handa	1.30	-
Ms. Matangi Gowrishankar	1.10	-

* excludes the post employment benefits and other long term benefits as being done on lumpsum for all the employee of the Company.

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Particulars	31 March 2024	31 March 2023
(b) Balance outstanding at the end of the year		
Inter-corporate loan given		
Malik Lifesciences Private Limited	1,889.00	1,369.00
Pure and Cure Healthcare Private Limited	5,707.50	5,901.00
Akums Healthcare Limited	1,467.50	190.00
Others	1,591.50	1,635.60
Trade receivable		
Unosource Pharma Limited	187.25	168.01
Sarvagunaushdhi Private Limited	-	72.34
Pure and Cure Healthcare Private Limited	15.99	135.82
Akumentis Healthcare Limited	44.76	16.25
Plenteous Pharmaceuticals Limited	94.75	21.36
Others	22.34	51.91
Interest receivable		
Pure and Cure Healthcare Private Limited	33.84	33.48
Malik Lifesciences Private Limited	10.02	6.87
Sarvagunaushdhi Private Limited	-	6.44
Akums Healthcare Limited	8.71	0.95
Others	8.60	5.60
Trade payable		
Maxcure Nutravedics Limited	15.71	217.17
Pure and Cure Healthcare Private Limited	2.74	75.39
Upadhrish Reserchem LLP	14.96	0.04
Others	3.13	25.54
Advance against sale of shares		
Dhanwantri Vedaresearch LLP	1.03	-
Security deposit payable		
Medibox Pharma Private Limited	2.69	-
Amazing Research Laboratories Limited	-	1.74
May and Baker Pharmaceuticals Limited	-	0.95
Plenteous Pharmaceuticals Limited	0.78	0.78
Sarvagunaushdhi Private Limited	-	0.60

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Particulars	31 March 2024	31 March 2023
Dues from partnership firm and LLPs		
Upadhrish Reserchem LLP	120.18	53.83
Corporate guarantee**		
Pure and Cure Healthcare Private Limited	812.50	1,550.00
Unosource Pharma Limited	-	180.00
Plenteous Pharmaceuticals Limited	35.09	64.56
Amazing Research Laboratories Limited	-	46.92
May and Baker Pharmaceuticals Limited	-	8.09
Nicholas Healthcare Limited	29.95	-
Akums Healthcare Limited	84.50	-
Remuneration payable		
Mr. Sanjeev Jain	10.00	-
Mr. Sandeep Jain	10.00	-
Mr. Sanjay Sinha	2.00	-
Mr. Sumeet Sood	4.83	-

** 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.

During the previous year, the Company had taken personal guarantee amounting to ₹ 352.20 million from directors for the loans availed by the Company. In the current year, the directors have withrawn the aforementioned personal guarantee.

IPO expenses incurred as disclosed in note 13 and 14b to these standalone financial statements are to be borne by the Company and the selling shareholders. Portion of these expenses are recoverable from selling shareholders in proportionate to shares that will be offered to the public in the proposed IPO.

43 Disclosure required under Ind AS 115 - Revenue from customers

(i) Disaggregation of revenue:

Revenue arises mainly from the sale of manufactured and traded goods.

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Revenue from sale of manufactured goods	12,365.70	10,668.62
Revenue from sale of goods - others	418.42	510.56
Other operating revenue		
Job work charges	259.24	209.03
Testing charges and others	1,339.58	1,413.76
Sale of scrap	58.25	66.29
	14,441.19	**12,868.26**

(ii) Assets and liabilities related to contracts with customers

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance received from customers	-	98.49	-	878.16

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 2024	As at 31 March 2023
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	878.16	1,307.24
Addition during the year	98.49	878.16
Revenue recognised/ adjustments during the year	878.16	1,307.24
Closing balance	**98.49**	**878.16**

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.

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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
The Company has spent amount on corporate social responsibility expenses as below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Unspent/ (Overspent) balance as at beginning of the year	(0.54)	(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)
Unspent/ (Overspent) balance as at end of the year [(excess)/ shortfall]	(0.54)	(0.54)

The excess amount spent on CSR during the year ended 31 March 2024 has been recognised as an asset in the books of account as per Companies Act 2013 (refer note 14b)

45 Financial instruments

A Financial instruments by category

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

Particulars	Amortised cost	
	As at 31 March 2024	As at 31 March 2023
Financial assets carried at amortised cost		
Trade receivables	2,337.94	2,561.33
Cash and cash equivalents	689.57	72.33
Other bank balances	43.53	16.12
Loans	10,716.68	9,148.94
Other financial assets	339.98	210.70
Total financial assets	**14,127.70**	**12,009.42**
Financial liabilities carried at amortised cost		
Borrowings	2,262.86	1,455.85
Trade payables	1,649.14	1,779.72
Lease liabilities	407.75	425.18
Other financial liabilities	1,115.40	1,046.94
Finanacial laibilities carried at fair value through profit and loss		
Liability arising out of put option	13,653.78	10,076.04
Total financial liabilities	**19,088.93**	**14,783.73**

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 2024 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

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

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs). 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 2024	-	-	13,653.78	**13,653.78**
	31 March 2023	-	-	10,076.04	**10,076.04**

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 2024	31 March 2023	
Liability arising out of put option - refer note 18.1	13,653.78	10,076.04	Growth and discount rate

B.3 Sensitivity analysis

Description	As at 31 March 2024	As at 31 March 2023
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	547.86	607.03
- Impact due to decrease of 0.5%	(493.37)	(541.27)
Impact on liability arising on account of put options fair value if change in discount rate		
- Impact due to increase of 0.5%	(868.68)	(742.25)
- Impact due to decrease of 0.5%	966.09	835.87

B.4 The following table presents the changes in level 3 items for the years ended 31 March 2024 and 31 March 2023

Particulars	Liability arising out of put option
As at 1 April 2022	10,515.74
Add: Issue of equity shares	-
Add: fair value changes during the year*	(439.70)
As at 1 April 2023	**10,076.04**
Add: Issue of equity shares	-
Add: fair value changes during the year*	3,577.74
As at 31 March 2024	**13,653.78**

*Disclosed in these standalone statement of profit and loss for the year ended 31 March 2024.

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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 2024		31 March 2023	
	Foreign currency	₹ million	Foreign currency	₹ million
Trade receivables- USD	1,93,387	16.13	4,47,494	35.34
Trade receivables- EURO	1,71,510	15.41	-	-
Trade and other payables- EURO	39,113	3.52	-	-
Trade and other payables- USD	3,89,718	32.50	24,273	2.03
Total	**7,93,728**	**67.56**	**4,71,767**	**37.37**

Sensitivity

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

Particulars	Currency	31 March 2024		31 March 2023	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1%*	USD	(0.16)	0.16	0.33	(0.33)
INR/EURO- increase by 1%*	EURO	0.12	(0.12)	-	-

(31 March 2023: 1%)
* Holding all other variables constant

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(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 2024 and 31 March 2023, 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 2024	As at 31 March 2023
Variable rate borrowing	2,262.86	1,455.85
Total borrowings	**2,262.86**	**1,455.85**

Sensitivity

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

Particulars	As at 31 March 2024	As at 31 March 2023
Interest sensitivity*		
Interest rates – increase by 100 basis points	22.63	14.56
Interest rates – decrease by 100 basis points	(22.63)	(14.56)

** 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 wherein any increase in the price is passed to the customer and hence the Company is not exposed to significant price 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 Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the statement of profit and loss.

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

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

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Financial assets that expose the entity to credit risk –

Particulars	At at 31 March 2024	At at 31 March 2023
Low credit risk		
Cash and cash equivalents	689.57	72.33
Other bank balances	43.53	16.12
Loans	10,716.68	9,148.94
Other financial assets	339.98	210.70
Moderate credit risk		
Trade receivables	2,337.94	2,561.33
Total	**14,127.70**	**12,009.42**

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 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.

All of the entity's financial assets (other than trade receivables) measured at amortised cost, are considered to have low credit risk, and the loss allowance recognised The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.
Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses. Subsequent recoveries of amounts previously written off are
The carrying amounts of financial assets above represents the maximum exposure to credit risk.

The Compnay assumes increase in credit risk since initial recognition when financial assets are more than 30 days past due.

(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 2024	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	689.57	-	-	689.57
Other bank balances	43.53	-	-	43.53
Loans	10,716.68	-	-	10,716.68
Other financial assets	339.98	-	-	339.98

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

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

As at 31 March 2024 and 31 March 2023, 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 2024	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,862.37	-	-	1,862.37
Between one to six month overdue	312.27	-	-	312.27
Between six month to one year overdue	26.47	0.34%	(0.09)	26.38
Greater than one year overdue	213.99	36.02%	(77.07)	136.92
Total	**2,415.10**		**(77.16)**	**2,337.94**

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	0.02%	(0.15)	608.42
Between six month to one year overdue	88.77	0.08%	(0.07)	88.70
Greater than one year overdue	118.77	27.09%	(32.17)	86.60
Total	**2,593.72**		**(32.39)**	**2,561.33**

Reconciliation of loss allowance provision from beginning to end of the year:

Particulars	Trade receivables
Loss allowance on 1 April 2022	26.96
Charge in statement of profit and loss	5.43
Loss allowance on 31 March 2023/ 1 April 2023	**32.39**
Provision on debtors assigned (refer note 42)	16.81
Charge in statement of profit and loss	27.96
Loss allowance on 31 March 2024	**77.16**

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 (un-utilised)

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2024	As at 31 March 2023
Working capital facility	1,366.89	1,572.25
Term loan facility	-	250.00

(b) Maturities of financial liabilities (excluding finance cost obligation for future payments, as applicable):

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:

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31 March 2024	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	2,106.61	156.25	-	2,262.86
Trade payable	1,649.14	-	-	1,649.14
Lease liabilities	20.60	96.98	290.17	407.75
Other financial liabilities	1,031.13	13,738.05	-	14,769.18
Total	**4,807.48**	**13,991.28**	**290.17**	**19,088.93**

31 March 2023	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	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**

46 Taxes

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current income-tax		
for current year	469.90	413.29
for earlier years	13.50	(3.32)
Total	**483.40**	**409.97**
Deferred tax charge	141.78	(161.08)
Tax on other comprehensive income	(7.32)	1.80
Tax expense	**617.86**	**250.69**

(a) Current tax

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	(1,029.33)	1,503.19
Income tax using the Company's domestic tax rate *	25.17%	25.17%
Expected tax expense [A]	**(259.06)**	**378.32**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of non-deductible expenses/ income	876.60	(124.30)
Others	(13.18)	(0.01)
Tax earlier years	13.50	(3.32)
Total adjustments [B]	**876.92**	**(127.63)**
Actual tax expense [C=A+B]	**617.86**	**250.69**
*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 2024 :-

Particulars	As at 31 March 2023	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2024
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(268.11)	-	72.32	(195.79)
Right-of-use assets	(36.61)	-	(56.80)	(93.41)
Deferred tax assets consists of:				
Employee benefits	24.51	7.32	27.73	59.56
Provision for credit losses on financial assets	15.15	-	5.09	20.24
Lease liability	107.01	-	(4.38)	102.62
Provision for dimunition in value of intangible assets	175.55	-	(175.55)	-
Provision for demand raised by statutory authorities	13.84	-	(10.19)	3.65
Net deferred tax asset / (liability)	**31.34**	**7.32**	**(141.78)**	**(103.13)**

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)
Right-of-use assets	(41.84)	-	5.23	(36.61)
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	45.48	-	61.53	107.01
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**

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Unabsorbed losses	Expiry date	Unabsorbed losses	Expiry date
Unused tax losses*				
A.Y. 2023-24	9.31	2030-31	9.31	2030-31
	9.31		**9.31**	

*above losses includes long term capital loss of ₹ 9.31 million.

47 Research and development expenditure (revenue) incurred on DSIR approved units

The Company has its research and development centres (approved by DSIR) located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to ₹ 325.75 million (31 March 2023: ₹ 247.08 million) (including depreciation of ₹ 45.22 million (31 March 2023: ₹ 30.86 million) and interest expense of ₹ 0.83 million (31 March 2023: ₹ 1.14 million) recognised in the standalone statement of profit and loss.

48 Segment reporting

The Company publishes this financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

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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 through continuing growth via expansion.

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 2024	As at 31 March 2023
Total debt (including current maturities of long term debt)	2,262.86	1,455.85
Less:		
Cash and cash equivalents	689.57	72.33
Other bank balances	43.53	16.12
Net debt	**1,529.76**	**1,367.40**
Total equity	1,438.78	3,115.04
Equity and net debt	**2,968.54**	**4,482.44**
Gearing ratio	**51.53%**	**30.51%**

*Equity includes capital and all reserves of the Company that are managed as capital.
In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

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 2024#

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
(i) Undisputed trade receivables- considered good	2,174.65	26.12	35.46	0.90	-	**2,237.13**
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	9.93	1.67	7.47	**19.07**
(iii) Disputed trade receivables- which have significant increase in credit risk	-	0.35	15.52	12.48	130.56	**158.91**
(iv) Provision for expected credit loss	-	(0.09)	(6.36)	(3.74)	(66.97)	**(77.16)**
	2,174.65	**26.38**	**54.55**	**11.31**	**71.06**	**2,337.95**

*includes not due amount of ₹ 1,862.36 million.
includes trade receivable assigned from its subsidiary company Amazing Research Laboratories Limited and Burroughs Welcome Pharmacia Private Limited.

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
(i) Undisputed trade receivables- considered goo	2,385.60	88.51	9.12	33.86	0.00	**2,517.09**
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	4.38	3.87	5.98	**14.23**
(iii) Disputed trade receivables- which have significant increase in credit risk	0.59	0.27	3.94	3.94	53.66	**62.40**
(iv) Provision for expected credit loss	(0.15)	(0.07)	(2.08)	(10.69)	(19.40)	**(32.39)**
	2,386.04	**88.71**	**15.36**	**30.98**	**40.24**	**2,561.33**

*includes not due amount of ₹ 1,777.61 million.

b) Trade payables ageing

The table below analyse the outstanding trade payables:

31 March 2024

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	121.99	-	-	-	121.99
Others	1,439.57	44.09	2.06	1.89	1,487.61
Unbilled dues*	39.54	-	-	-	39.54
	1,601.10	44.09	2.06	1.89	1,649.14

Note: There are no undue payables, hence same is not disclosed in the ageing schedule.

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	143.89	-	-	-	143.89
Others	1,590.61	2.35	2.12	0.07	1,595.15
Unbilled dues*	40.68	-	-	-	40.68
	1,775.18	2.35	2.12	0.07	1,779.72

Note: There are no undue payables, hence same is not disclosed in the ageing schedule.

51 Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
Current ratio	Current Assets	Current liab	1.06	1.05	1%
Debt - Equity ratio[1]	Total debt	Shareholders equity	157%	47%	237%
Debt service coverage ratio[1]	Earnings available for debt service	Debt Service	10.51	8.36	26%
Return on equity ratio[2]	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-73%	50%	-244%
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.87	4.19	16%
Trade receivables turnover ratio[3]	Net Credit Sales	Avg. Accounts Receivable	5.90	4.60	28%
Trade payables turnover ratio[3]	Net Credit Purchases	Average Trade Payables	6.05	4.38	38%
Net capital turnover ratio	Net Sales	Working Capital	45.99	52.47	-12%
Net profit ratio[2]	Net Profit	Net Sales	-11%	10%	-218%
Return on capital employed[2]	Earning before interest and taxes	Capital Employed	83%	61%	36%
Return on investment[2]	Profit after tax	Investment	-115%	40%	-386%

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.
3. On account of an increase in operations of the Company, there has been a change in the ratios. With increase in operations, the revenue of the Company has increased along with purchases, leading to increase in trade receivable and trade payable turnover ratio

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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 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due*	141.72	168.53
- Interest amount due	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due & payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

**includes capital creditors of ₹ 19.73 million (31 March 2023: ₹ 24.64 million).*

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

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 given in below mentioned table along with purpose of the loan and guarantee given as required u/s 186(4) of the Companies Act 2013.

Name of Entity	Interest rate p.a.	Repayable (on or before)	As at 31 March 2024	As at 31 March 2023
a) Long term loan given for general corporate purpose				
Pure and Cure Healthcare Private Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	5,707.50	5,901.00
Malik Lifesciences Private Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	1,889.00	1,369.00
Akums Healthcare Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	1,467.50	190.00
Unosource Pharma Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	610.00	520.00
Plenteous Pharmaceuticals Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	373.00	490.00
Medibox Pharma Private Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	262.20	-
Upadhrish Reserchem LLP	8% (April 2023 to June 2023: 7.5%)	December 2026	144.90	193.90
Qualymed Pharma Private Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	86.10	-
Nicholas Healthcare Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	75.30	47.50
Maxcure Nutravedics Limited	8% (April 2023 to June 2023: 7.5%)	December 2026	40.00	-
Amazing Research Laboratories Limited*	8% (April 2023 to June 2023: 7.5%)	December 2026	-	277.00
Burroughs Welcome Pharmacia Private Limited*	8% (April 2023 to June 2023: 7.5%)	December 2026	-	107.20
Total loans given (A)			**10,655.50**	**9,095.60**

The above loan figures doesn't includes interest receivable from related parties amounting to ₹ 61.18 million (31 March 2023: ₹ 53.34 million)
** Refer note 33 for details.*

Name of Entity	As at 31 March 2024	As at 31 March 2023
b) Particulars of Investment made- Equity instruments*		
Pure and Cure Healthcare Private Limited	479.07	479.07
Unosource Pharma Limited	196.20	196.20
Akumentis Healthcare Limited	170.79	170.79
Maxcure Nutravedics Limited	80.42	80.42
Malik Lifesciences Private Limited	34.85	34.85
Akums Healthcare Limited	1.00	1.00
Amazing Research Laboratories Limited (refer note 14c and 33)	1.95	1.95
Burroughs Welcome Pharmacia Private Limited (refer note 14c and 33)	0.01	0.01
May and Baker Pharmaceuticals Limited (refer note 14c and 33)	0.50	0.50
Nicholas Healthcare Limited	0.50	0.50
Plenteous Pharmaceuticals Limited	0.50	0.50
Sarvagunaushdhi Private Limited	0.10	0.10
Qualymed Pharma Private Limited	0.10	-
Less: Investment in subsidiaries held for sale (refer note 14c)	(2.46)	
Total (B)	**963.53**	**965.89**

c) 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)	**1,387.74**	**1,390.10**

*As per requirement of Section 186(4), disclosure is required in regards to body corporates only.

d) Guarantee given for subsidiary Companies bank loan availed by them*		
Pure and Cure Healthcare Private Limited (refer note 5)	812.50	1,550.00
Unosource Pharma Limited	-	180.00
Plenteous Pharmaceuticals Limited	35.09	64.56
Amazing Research Laboratories Limited	-	46.92
May and Baker Pharmaceuticals Limited	-	8.09
Nicholas Healthcare Limited	29.95	-
Akums Healthcare Limited	84.50	-
Total (guarantee)	**962.04**	**1,849.57**

*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 2024:

As at 31 March 2024:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Land	7	29-93	82
Buildings	5	3-6	6

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

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 2022	118.08	166.25	**284.33**
Add: Additions during the year	260.39	0.87	**261.26**
Less: Deletion during the year	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/ 1 April 2023	**332.03**	**145.47**	**477.50**
Less: Amortisation charged on the right-of-use assets (refer note 32)	9.56	21.70	**31.26**
Balance as at 31 March 2024	**322.47**	**123.77**	**446.24**

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

	Year ended 31 March 2024	Year ended 31 March 2023
Expenses relating to short term leases (refer note 30)	9.67	18.24
Total	**9.67**	**18.24**

(g) The total cash outflow for leases for the year ended 31 March 2024 was ₹ 54.99 million. (31 March 2023: ₹ 42.21 million)

(h) **Future minimum lease payments**

As at 31 March 2024

Minimum Lease payments due	As at 31 March 2024		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	56.50	35.90	**20.60**
1-10 Year	395.39	232.73	**162.66**
10-20 Year	249.55	172.94	**76.61**
More than 20 Year	212.12	64.24	**147.88**
Total	**913.56**	**505.81**	**407.75**

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**

55 Share based payments

The Company has implemented Employee Stock Option Scheme 2022 (ESOP Scheme 2022) as approved by the shareholder on 31 March 2022. The scheme entitles employees and directors of the Company and its subsidiaries to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. The nomination and remuneration committee of the Board of the Company administers the Employee Stock Option Scheme 2022 and grants stock options to eligible employees.

Details of the options granted during the year ended 31 March 2024 under the scheme are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
Employee Stock Option Scheme 2022 (ESOP Scheme 2022)	1 April 2023	14,000	1,010.00	5 years	5 years from date of vesting of options

The vesting conditions are mix of service and performance based conditions. Further, during the vesting period, there will graded vesting which will be 25% each in last 4 years of vesting period.

The options are granted at an exercise price, which is in accordance with the relevant provisions of the Companies Act, 2013, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value ₹ 2 each.

The options were granted on 1 April 2023 and were then forfeited during the year. Hence, there is no impact on the financial statements of the Company during the year. The fair values of options are measured based on the Black-Scholes-Merton model.

Weighted average share price for options exercised during the year :

Particulars	ESOP Scheme 2022
Weighted average share price (₹)	1,010.34
Fair value per Option at grant date (₹)	376.94 - 553.33
Excercise price (₹)	1,010.00
Expected Volatility	38.82% - 37.72%
Expected Life (in years)	3.5 - 7.5
Expected dividends	0.00%
Risk-free interest rate	6.87% - 7.03%

Stock option activity under the scheme for the year ended 31 March 2024 is set out below:

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding as at 1 April 2023	-	-	-	-
Granted during the year	14,000	1,010.00	1,010.00	4.75
Forfeited/ cancelled during the year	(14,000)	1,010.00	1,010.00	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding as at 31 March 2024	-	-	-	-
Exercisable at the end of the year	-	-	-	-

56 Subsequent events

(a) The management vide board resolution dated 18 March 2024 decided to sell its investments done in wholly owned subsidiaries: a) Amazing Research Laboratories Limited, b) May and Baker Pharmaecuticals Limited and c) Burroughs Welcome Pharmacia Private Limited. Subsequent to year end, the sale transactions has been concluded. (refer note 14c and 33)

(b) On 29 May 2024, the Investor waived off its rights which requires the Company to buyback the equity shares in accordance with the terms of the shareholder's agreement dated 3 October 2019 read with the waiver cum amendment agreement dated 9 February 2024. Accordingly, the Company is no longer required to buyback the equity shares held by the Investor in the event the Company and/or its Promoters are unable to facilitate an exit for the Investor in accordance with the shareholder's agreement dated 3 October 2019.

57 Other information

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

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

Further, the Company, has used payroll software used at plant which is operated by a third-party software service provider. The Company has obtained the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information). However, the service auditor has not specifically covered the existence of audit trail for any direct changes at database level in line with the requirements by MCA.

(b) Initial Public Offering (IPO): The Board of Directors (Board) of the Company in their board meeting dated 26 October 2023 has approved raising of capital for the Company through an Initial Public Offering (IPO). As part of its proposed IPO, the Company filed Draft Red Hearing Prospectus (DRHP) with the Securities Exchange Board of India (SEBI) on 11 February 2024. Apart from the fresh issue of shares by the Company, existing shareholders also proposes to sell their individual stake presently held in the Company.

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58 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 year.

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

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

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

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

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

(h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

(j) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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 : 31 May 2024

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

CONSOLIDATED FINANCIALS FY 2023-2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Akums Drugs and Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Akums Drugs and Pharmaceuticals Limited** (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Mattersection below, is sufficient and appropriate to provide a basis for our opinion.

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

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwiseappears to be materially misstated.

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

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

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the 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. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

INDEPENDENT AUDITOR'S REPORT

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Holding 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern;

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

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

Other Matter

11. We did not audit the financial statements of ten subsidiaries (include step down subsidiary), whose financial statements reflects total assets of ₹ 4,954.24 million as at 31 March 2024, total revenues of ₹ 2,621.51 million and net cash outflow amounting to ₹ 44.35 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 11, on separate financial statements of the subsidiaries, we report that the Holding Company, twelve subsidiaries incorporated in India whose financial statements have been audited under the Act, have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary.

13. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 11 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

14. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the

INDEPENDENT AUDITOR'S REPORT

Act, 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 aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries, respectively, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) The modification relating to the maintenance of accounts and other matters connected there-with with respect to the consolidated financial statements are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 41 to the consolidated financial statements;

ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries covered under the Act, during the year ended 31 March 2024;

iv.a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief , as disclosed in note 59(e) to the consolidated 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 Holding Company or its subsidiaries 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 Holding Company, or any such subsidiaries (the Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 59(f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person or entity, including foreign entities (the Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries 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 by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended 31 March 2024.

INDEPENDENT AUDITOR'S REPORT

vi. As stated in Note 57(a) to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditor of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for instances mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditor of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

Nature of Exception Noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company and its six subsidiaries. The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by eight subsidiaries. The audit trail feature was not enabled at the database level for payroll software to log any direct data changes, used for maintenance of all such records by the Holding Company and its four subsidiaries.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software used for maintenance of payroll records of the Holding Company and its three subsidiaries which is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information), we are unable to comment on whether audit trail feature with respect to the database level of the said software was enabled and operated throughout the year.

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

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 24507892BKEITM1260

Place: New Delhi
Date: 31 May 2024

Annexure I

List of entities included in these consolidated financial statements:

Holding Company

1. Akums Drugs and Pharmaceuticals Limited

Subsidiaries

1. Akumentis Healthcare Limited
2. Pure and Cure Healthcare Private Limited
3. Maxcure Nutravedics Limited
4. Malik Lifesciences Private Limited
5. Unosource Pharma Limited
6. Akums Healthcare Limited
7. Nicholas Healthcare Limited
8. Plenteous Pharmaceuticals Limited
9. Sarvagunaushdhi Private Limited
10. Qualymed Pharma Private Limited
11. Upadhrish Reserchem LLP
12. Burroughs Welcome Pharmacia Private Limited**
13. Amazing Research Laboratories Limited**
14. May and Baker Pharmaceuticals Limited**
15. Akums Lifesciences Limited*

Step down subsidiaries

16. Medibox Pharma Private Limited (subsidiary of Maxcure Nutravedics Limited)

** w.e.f. 17 October 2023, the subsidiary has been merged with Pure and Cure Healthcare Private Limited.*
*** The management has decided to sell investment in its wholly owned subsidiaries, the sale transaction has*

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AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

Consolidated Balance Sheet as at 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars			Notes	As at 31 March 2024	As at 31 March 2023
	ASSETS				
(1)	**Non-current assets**				
	(a)	Property, plant and equipment	**2a**	10,649.06	9,631.51
	(b)	Right-of-use assets	**54**	1,171.92	1,263.59
	(c)	Capital work-in-progress	**2b**	1,951.33	1,029.93
	(d)	Goodwill	**52**	20.63	20.63
	(e)	Other intangible assets	**3**	66.04	57.37
	(f)	Intangible assets under development	**2c**	2.81	1.63
	(g)	Financial assets			
		(i) Investments	**4**	1.43	1.43
		(ii) Other financial assets	**5**	314.09	344.20
	(h)	Non-current tax assets (net)	**6**	100.21	122.61
	(i)	Deferred tax assets	**22**	1,230.63	315.17
	(j)	Other non-current assets	**7**	246.66	635.61
		Total non-current assets		**15,754.81**	**13,423.68**
(2)	**Current assets**				
	(a)	Inventories	**8**	6,304.25	7,297.95
	(b)	Financial assets			
		(i) Trade receivables	**9**	8,338.12	8,450.87
		(ii) Cash and cash equivalents	**10**	1,110.50	516.08
		(iii) Bank balances other than (ii) above	**11**	1,660.03	983.81
		(iv) Loans	**12**	-	73.73
		(v) Other financial assets	**13**	233.13	152.30
	(c)	Current-tax asset	**14**	-	114.05
	(d)	Other current assets	**15**	1,761.78	1,199.93
		Total current assets		**19,407.81**	**18,788.72**
	Assets held for sale		**16**	1.03	452.87
		Total assets		**35,163.65**	**32,665.27**
	EQUITY AND LIABILITIES				
	Equity				
	(a)	Equity share capital	**17**	286.13	286.13
	(b)	Other equity	**18**	6,808.85	6,885.76
		Equity attributable to equity holders of the Parent		7,094.98	7,171.89
	(c)	Non-controlling interest's	**37B**	109.88	61.85
		Total equity		**7,204.86**	**7,233.74**

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AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

Consolidated Balance Sheet as at 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars			Notes	As at 31 March 2024	As at 31 March 2023
	LIABILITIES				
(1)	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	**19**	782.97	1,154.96
		(ii) Lease liabilities	**54**	679.05	748.80
		(iii) Other financial liabilities	**20**	13,959.46	10,356.82
	(b)	Provisions	**21**	310.25	262.27
	(c)	Deferred tax liabilities	**22**	121.54	253.01
		Total non-current liabilities		**15,853.27**	**12,775.86**
(2)	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	**23**	4,132.58	4,214.77
		(ii) Lease liabilities	**54**	57.65	72.41
		(iii) Trade payables	**24**		
		Total outstanding dues to micro and small enterprises; and		472.25	442.16
		Total outstanding dues of creditors other than micro and small enterprises		4,849.07	5,229.23
		(iv) Other financial liabilities	**25**	1,581.37	628.10
	(b)	Other current liabilities	**26**	432.27	1,421.95
	(c)	Provisions	**27**	565.98	459.37
	(d)	Current tax liabilities (net)	**28**	14.35	187.68
		Total current liabilities		**12,105.52**	**12,655.67**
		Total equity and liabilities		**35,163.65**	**32,665.27**

Summary of the material accounting policies and other explanatory information **1-59**

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 : 31 May 2024

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

CIN-U24239DL2004PLC12588

Consolidated Statement of profit and loss for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	29	41,781.82	36,548.20
Other income	30	340.25	461.05
Total income		**42,122.07**	**37,009.25**
EXPENSES			
Cost of materials consumed		22,783.70	20,280.85
Purchase of stock-in-trade		2,595.27	2,217.88
Change in inventories of finished goods, stock-in-trade and work-in-progress	31	123.40	240.35
Employee benefits expense	32	6,468.64	5,901.33
Finance costs	34	506.14	462.46
Depreciation and amortisation expense	35	1,256.40	1,128.09
Fair value changes to financial instruments		3,577.74	(439.69)
Other expenses	33	5,003.22	4,967.98
Total expenses		**42,314.51**	**34,759.25**
Profit/ (loss) before share of (loss)/ profit of an associate, exceptional items and tax		**(192.44)**	**2,250.00**
Exceptional items	36	260.34	745.00
Profit/ (loss) before exceptional items and tax		**(452.78)**	**1,505.00**
Share of loss of an associate		-	(2.03)
Profit/ (loss) before tax		**(452.78)**	**1,502.97**
Tax expense:	48		
Current tax		740.25	781.30
Tax for earlier years		15.18	16.09
Deferred tax charge/(reversal)		166.67	(272.59)
MAT credit (entitlement)/reversal			-
Adjustment on account of merger (refer note 57 (c)) :-			
Income-tax for earlier years		(182.90)	-
Deferred tax charge/(reversal)		(1,199.88)	-
Total tax expense		**(460.68)**	**524.80**
Profit/ (loss) for the year		**7.90**	**978.17**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement profit/ (losses) on defined benefit plan		(50.50)	26.05
Income-tax effect related to items that will not be reclassified to profit and loss		13.72	(5.99)
Other comprehensive income, net of tax		**(36.78)**	**20.06**
Total comprehensive income for the year (comprising of profit/ (loss) for the year and other comprehensive income for the year)		**(28.88)**	**998.23**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

Consolidated Statement of profit and loss for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Total comprehensive income for the period attributable to:			
Owners of the Parent		(76.91)	968.33
Non-controlling interests		48.03	29.90
Out of total comprehensive income above, profit for the period attributable to:			
Owners of the Parent		(40.35)	948.55
Non-controlling interests		48.25	29.62
Out of total comprehensive income above, other comprehensive income attributable to:			
Owners of the Parent		(36.56)	19.78
Non-controlling interests		(0.22)	0.28
Earnings per equity share of ₹ 2 (31 March 2023: ₹ 2) each			
Basic and diluted	38	**(0.28)**	**6.63**

Summary of the material accounting policies and other explanatory information **1-59**

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 : 31 May 2024

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

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AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

Consolidated Statement of Changes in equity for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

Consolidated Statement of Changes in equity for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2022	143.07
Changes in equity share capital	143.06
As at 31 March 2023/ 1 April 2023	286.13
Changes in equity share capital (refer note 17.1 for details)	-
As at 31 March 2024	**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	Share options outstanding account	Retained earnings				
Balance as at 1 April 2022	**1,029.98**	**1,271.66**	**-**	**5,576.29**	**(1,801.24)**	**6,076.69**	**31.95**	**6,108.64**
Profit 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
Total comprehensive income for the year	**1,029.98**	**1,271.66**	**-**	**6,544.62**	**(1,801.24)**	**7,045.02**	**61.85**	**7,106.87**
Adjustment on account of further acquisition (refer note 39)		-	-	(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 April 2023	**1,029.98**	**1,271.66**	**-**	**6,385.36**	**(1,801.24)**	**6,885.76**	**61.85**	**6,947.61**
Profit/ (loss) for the year	-	-	-	(40.35)	-	(40.35)	48.25	7.90
Other comprehensive income for the year, net of tax			-					
Re-measurement of defined benefit plans	-	-	-	(36.56)	-	(36.56)	(0.22)	(36.78)
Total comprehensive income for the year	**1,029.98**	**1,271.66**	**-**	**6,308.45**	**(1,801.24)**	**6,808.85**	**109.88**	**6,918.73**
Employee stock options granted during the year	-	-	6.91	-	-	6.91	-	6.91
Employee stock options cancelled during the year	-	-	(6.91)	-	-	(6.91)	-	(6.91)
Balance as at 31 March 2024	**1,029.98**	**1,271.66**	**-**	**6,308.45**	**(1,801.24)**	**6,808.85**	**109.88**	**6,918.73**

Summary of the material accounting policies and other explanatory information **1-59**

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

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 : 31 May 2024

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AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

Consolidated Statement of Cash Flow for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flow from operating activities			
Net profit/ (loss) before tax		(452.78)	1,502.97
Add/ less: non-cash adjustments			
Depreciation and amortisation		1,256.40	1,128.09
Bad debts		18.74	24.58
Provision for expected credit loss on trade receivable		115.27	18.56
Liabilities no longer required, written back		(55.53)	(216.81)
Loss/ (profit) on sale of property, plant & equipment and intangible assets		3.17	(45.75)
Impairment of assets held for sale		8.61	47.50
Losses incurred due to floods (refer note 36)		251.73	-
Impairment of intangible assets under development		-	697.50
Share of loss from associate		-	2.03
Finance costs		506.14	462.46
Gain on reassessment of right-of-use assets		(1.38)	(22.36)
Fair value charges on financial instrument		3,577.74	(439.69)
Interest income		(119.99)	(78.80)
Operating profit before working capital changes		**5,108.12**	**3,080.28**
Adjustments for working capital changes			
Inventories		837.29	(73.47)
Trade receivables		(32.32)	349.11
Other assets		(333.70)	(183.14)
Trade payables		(291.96)	(183.69)
Other financial liabilities		147.59	2.41
Provisions		104.09	94.36
Other liabilities		67.68	(348.92)
Cash flow generated from operations (gross)		**5,606.79**	2,736.94
Less: direct taxes paid		(624.20)	(970.63)
Net cash flow generated from operating activities	**(A)**	**4,982.59**	**1,766.31**
B. Cash flow from investing activities			
Purchase of property, plant and equipment & intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment)		(3,114.08)	(3,287.93)
Proceeds from sale of property, plant and equipment		249.93	421.47
Withdrawal from interest in partnership firm		-	0.40
Investment in deposits having original maturity of more than 3 months, (net)		(634.75)	(449.93)
Consideration paid to NCI towards further acquisition of interest in subsidiaries		-	(16.20)
Advance received against assets held for sale		1.03	225.10
Loans repaid/ (given)		73.73	(18.73)
Interest received		119.99	78.80
Net cash flow used in investing activities	**(B)**	**(3,304.15)**	**(3,047.02)**
C. Cash flow from financing activities			
Proceeds from non-current borrowings		102.94	1,401.60
Repayments of non-current borrowings		(358.55)	(107.58)
Proceeds from/ (repayment of) current borrowings (net)		(236.30)	485.79
Payment of lease liabilities		(153.93)	(129.98)
Interest paid		(434.37)	(404.43)
Net cash flow generated from financing activities	**(C)**	**(1,080.21)**	**1,245.40**
Net increase in cash and cash equivalents	**(D= A+B+C)**	**598.23**	**(35.31)**
Cash and cash equivalents as at the beginning of the year	E	516.08	551.39
Cash and cash equivalents transferred to Assets held for sale		(3.81)	
Cash and cash equivalents as at the end of the year	**(D+E)**	**1,110.50**	**516.08**

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Consolidated Statement of Cash Flow for the year ended 31 March 2024

(All amounts in ₹ million unless otherwise stated)

Components of cash and cash equivalents are as below:

	As at 31 March 2024	As at 31 March 2023
Balance with banks:		
- in current accounts	485.85	513.54
- in deposit accounts with original maturity of less than three months	621.35	-
Cash on hand	3.30	2.54
	1,110.50	**516.08**

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

Statement of cash flow (cont'd)

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	Lease liabilities	Put option liability	Total
Balance as at 1 April 2022	**200.19**	**3,427.46**	**370.30**	**10,515.74**	**14,513.69**
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 April 2023	**1,494.21**	**3,913.25**	**821.21**	**10,076.04**	**16,304.71**
Cash flows					
Proceeds/ (repayments) (net)	(255.61)	(236.30)	(153.93)	-	(645.84)
Non cash changes					
Interest expense on lease liabilities	-	-	69.76	-	69.76
Fair value changes to financial instrument	-	-	-	3,577.74	3,577.74
Deletion/ Modification within lease agreements	-	-	(27.74)	-	(27.74)
New leases	-	-	27.40	-	27.40
Balance as at 31 March 2024	**1,238.60**	**3,676.95**	**736.70**	**13,653.78**	**19,306.03**

* including current maturities of non current borrowings clubbed under current borrowings (refer note 23).

Summary of the material accounting policies and other explanatory information **1-59**

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 : 31 May 2024

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 Group overview and summary of material accounting policies

1.1 Corporate information

Akums Drugs and Pharmaceuticals Limited (the 'Holding Company' or 'Parent Company') is the 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 erstwhile associate, is primarily engaged in manufacturing of pharmaceutical products, manufacturing of active pharmaceutical ingridient (API) and sale of branded & generic products. Refer note 38 for entities considered in consolidation.

Material 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 has prepared the consolidated financial statements on accrual and going concern basis .

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.

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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 standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

New and amended standard adopted by the Group

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:
- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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 material 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.

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

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(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 material influence. material 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 material 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.

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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 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 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 material 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 material to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is material 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 material 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.

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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 from sale of goods is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products and which concides 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 monetary 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.

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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 equipments	15 years
Furniture and fittings	10 years
Vehicles	8 to 10 years
Office equipments	5 years
Computers	3/6 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 material 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) that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and 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.

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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 Group operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the consolidated financial information 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 consolidated profit and loss under 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.

Equity settled share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Restated Consolidated Statement of Profit and Loss.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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 financial statements under 'other operating revenue'.

Grants related to depreciable assets are treated as deferred income which is recognised in the consolidated financial statements 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 financial statements 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.

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 material 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:

(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 – 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.

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.

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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 inmaterial 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 material increase in the credit risk since initial recognition. If the credit risk has not increased materially 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 material increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased materially 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. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually.

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

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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

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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.

1.24 Material 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 material 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 material 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 material 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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a material 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) Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the statement of assets and liabilities 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 assumptions about these factors which could affect the reported fair value of financial instruments.

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1.25 Operating expenses

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

1.26 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

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 material 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.

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2a. Property, plant and equipment (PPE)

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 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/ adjustments	-	(14.24)	(122.18)	(2.65)	(5.06)	(10.26)	(1.95)	(6.78)	4.92	(158.20)
Transferred to assets held for sale	(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/ 1 April 2023	**337.15**	**4,070.34**	**7,666.80**	**405.40**	**117.84**	**240.97**	**294.91**	**1,250.65**	**641.18**	**15,025.24**
Additions during the year	79.78	449.12	1,309.76	117.03	5.84	34.14	66.18	100.26	79.90	2,242.01
Disposals/ adjustments	-	(68.23)	(44.29)	(2.47)	(1.15)	(2.97)	(9.42)	(20.00)	0.04	(148.49)
Balance as at 31 March 2024	**416.93**	**4,451.23**	**8,932.27**	**519.96**	**122.53**	**272.14**	**351.67**	**1,330.91**	**721.12**	**17,118.76**
Accumulated depreciation										
As at 1 April 2022	**-**	**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
Disposals/ adjustments	-	(2.90)	(77.10)	(1.48)	(3.69)	(1.97)	(1.40)	(3.77)	33.45	(58.86)
Transferred to assets held for sale	-	(43.46)	(66.67)	(5.37)	(1.81)	(2.62)	(4.68)	(15.11)	(21.23)	(160.95)
Balance as at 31 March 2023 / 1 April 2023	**-**	**879.23**	**2,988.78**	**206.56**	**42.56**	**157.21**	**174.44**	**585.77**	**359.18**	**5,393.73**
Charge for the year	-	145.23	679.45	39.18	12.77	29.33	46.51	99.77	89.40	1,141.64
Disposals/ adjustments	-	(23.65)	22.11	(0.98)	(1.09)	(1.32)	(9.52)	(7.00)	-	(65.67)
Balance as at 31 March 2024	**-**	**1,000.81**	**3,646.12**	**244.76**	**54.24**	**185.22**	**211.43**	**678.54**	**448.58**	**6,469.70**
Net Block										
As at 31 March 2023	**337.15**	**3,191.11**	**4,678.02**	**198.84**	**75.28**	**83.76**	**120.47**	**664.88**	**282.00**	**9,631.51**
As at 31 March 2024	**416.93**	**3,450.42**	**5,286.15**	**275.20**	**68.29**	**86.92**	**140.24**	**652.37**	**272.54**	**10,649.06**

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 previous year, Group has decided to sold 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.

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2b. Capital work-in-progress

Particulars	Amount
As at 1 April 2022	308.18
Add: Additions during the year	1,090.82
Less: Capitalized during the year	(369.07)
As at 31 March 2023 / 1 April 2023	**1,029.93**
Add: Additions during the year	1,617.01
Less: Capitalized during the year	(695.61)
As at 31 March 2024	**1,951.33**

Ageing of capital work-in-progress (CWIP) as at 31 March 2024 and 31 March 2023 is as below:

31 March 2024

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	148.12	274.80	30.05	-	452.97
Buildings	1,076.75	373.83	-	-	1,450.58
Electrical installation	16.32	0.21	-	-	16.53
Other	31.25	-	-	-	31.25
	1,272.44	**648.84**	**30.05**	**-**	**1,951.33**

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**

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 2024 and 31 March 2023.

(ii) Refer note 44 for details of assets pledged as security by the Group.

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2c. Intangible assets under development

Particulars	Amount
As at 1 April 2022	2.53
Add: Additions during the year	699.13
Less: provision for diminution	(697.50)
Less: Capitalized during the year	(2.53)
As at 31 March 2023 / 1 April 2023	1.63
Add: Additions during the year	2.81
Less: Capitalized during the year	(1.63)
As at 31 March 2024	**2.81**

Ageing of intangible assets under development as on :

31 March 2024

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	2.81	-	-	-	2.81
	2.81	**-**	**-**	**-**	**2.81**

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	(697.50)	-	-	-	(697.50)
	1.63	**-**	**-**	**-**	**1.63**

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 2024 and 31 March 2023.

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3. Other Intangible assets

Particulars	Brands /Trademarks	Software	Total
Gross carrying value			
Balance as at 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 / 1 April 2023	**113.68**	**249.12**	**362.80**
Additions during the year	-	30.72	30.72
Disposal during the year	(0.23)	(4.24)	(4.47)
Balance as at 31 March 2024	**113.45**	**275.60**	**389.05**
Accumulated amortisation			
Balance as at 1 April 2022	109.40	180.38	289.78
Charge for the year	2.18	16.34	18.52
On disposal during the year	(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 / 1 April 2023	**111.57**	**193.86**	**305.43**
Charge for the year	0.70	21.35	22.05
On disposal during the year	(0.23)	(4.24)	(4.47)
Balance as at 31 March 2024	**112.04**	**210.97**	**323.01**
Net carrying value			
As at 31 March 2023	**2.11**	**55.26**	**57.37**
As at 31 March 2024	**1.41**	**64.63**	**66.04**

Note:

(i) In previous 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.

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Particulars	As at 31 March 2024	As at 31 March 2023
4. Investments		
Investment in equity instruments		
Non-trade, unquoted (measured at fair value through profit and loss)		
18,750 (31 March 2023: 18,750) equity shares of Nimbua Greenfield (Punjab) Ltd of Rs. 10 (31 March 2023: Rs. 10) each fully paid up	0.19	0.19
55,000 (31 March 2023: 55,000) equity shares of Mohali Green Environment Private Ltd of Rs. 10 (31 March 2023: Rs. 10) each fully paid up	1.24	1.24
(A)	**1.43**	**1.43**
Investment in partnership firm (considered as associate) accounted for u		
AUSL Pharma*	-	2.43
Add: share in profit/ (Loss) of associate	-	(2.03)
Less: amount withdrawn on closure of partner capital account	-	(0.40)
(B)	**-**	**-**
Total (A+B)	**1.43**	**1.43**
Aggregate amount of unquoted investments	1.43	1.43
Aggregate provision for impairment in value of investments	-	-

* Name of the partner/ share of partner in profit.

Akums Drugs and Pharmaceuticals Limited (40%), Vikram Malhotra (36%), Sunil Anand (12%) and Jaideep Malhotra (12%), Total capital of the firm: ₹ 1.00 million.

During the previous year ended 31 March 2023, Group has extinquished its partnership rights by withdrawing its 40% share from the firm on 31 December 2022

Also refer note 40 for further details

Particulars	As at 31 March 2024	As at 31 March 2023
5. Other financial assets (non-current)		
Security deposits	277.65	267.22
Deposits with remaining maturity of more than 12 months*	34.86	76.33
Other financial assets	1.58	0.65
	314.09	**344.20**

**pledged with government authorities and others.*

Particulars	As at 31 March 2024	As at 31 March 2023
6. Non-current tax assets		
Advance income tax (net of provision)	100.21	122.61
	100.21	**122.61**

Particulars	As at 31 March 2024	As at 31 March 2023
7. Other non-current assets		
Unsecured, considered good		
Capital advances	134.40	198.03
Advances other than capital advance:		
Prepaid expenses	51.48	50.05
Tax deposited with sales tax department (refer note 41(a))	51.31	51.31
Balances with statutory and government authorities	-	324.73
Other receivable	9.47	11.49
Unsecured, considered doubtful		
Capital advances	36.00	36.00
Less: Allowance for expected credit loss on capital advances	(36.00)	(36.00)
	246.66	**635.61**
8.Inventories		
(refer note 1.7 on inventories)		
Raw materials		
on hand	3,039.93	3,618.05
in transit	183.16	244.20
Packing materials		
on hand	648.94	819.01
in transit	11.93	9.47
Work-in-progress	711.41	768.25
Finished goods	1,093.41	1,304.19
Stock-in-trade		
on hand	422.79	354.43
in transit	-	17.08
Stores and spares		
on hand	130.67	118.81
in transit	0.63	1.31
Right to recover products from customers	61.38	43.15
	6,304.25	**7,297.95**

Refer note 44 for information on inventories pledged as security by the Group.

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Particulars	As at 31 March 2024	As at 31 March 2023
9. Trade receivables		
Trade receivables considered good - unsecured	8,198.76	8,288.84
Trade receivables - significant increase in credit risk	361.91	309.51
	8,560.67	8,598.35
Less: Allowance for expected credit losses	(222.55)	(147.48)
	8,338.12	**8,450.87**
9.1 Dues from related party (refer note 45)	1.28	2.23

9.2 Refer note 44 for information on trade receivables pledged as security by the Group.
9.3 Refer note 55 (A) for the ageing of the trade receivables
9.4 No amount is due from directors or officers of the Group companies.

Particulars	As at 31 March 2024	As at 31 March 2023
10. Cash and cash equivalents		
Balance with banks:		
- in current accounts	485.85	513.54
- in deposit accounts with original maturity of less than three months	621.35	-
Cash on hand	3.30	2.54
	1,110.50	**516.08**

Refer note 44 for information on cash and cash equivalents pledged by the Group.

Particulars	As at 31 March 2024	As at 31 March 2023
11. Other bank balances		
Deposits having original maturity of more than three months but remaining maturity of less than twelve months	1,660.03	983.81
	1,660.03	**983.81**

Refer note 44 for information on other bank balances pledged by the Group.

Particulars	As at 31 March 2024	As at 31 March 2023
12. Loans (current)		
Loans receivable*	-	73.73
	-	**73.73**

* Loan given to body corporate 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. In current year, loan amount has been repaid in full along with outstanding interest thereon.

Refer note 44 for information on loans (current) pledged by the Group.

Particulars	As at 31 March 2024	As at 31 March 2023
13. Other financial assets (current)		
Financial assets carried at amortised cost		
(Unsecured, considered good)		
Balances with statutory and government authorities	125.44	147.19
Others*	107.69	5.11
	233.13	**152.30**

Refer note 44 for information on other financial assets (current) pledged by the Group.
*includes IPO expense of ₹ 93.02 million as at 31 March 2024 (31 March 2023: nil), carried forward as other financial assets pertaining to selling shareholders share. The amount, calculated on best estimate basis, will be recoverable from selling shareholders in proportionate to shares that will be offered to the public in the proposed IPO.

Particulars	As at 31 March 2024	As at 31 March 2023
14. Current tax assets		
Income-tax assets (net of provisions)	-	114.05
	-	**114.05**
15. Other current assets		
(Unsecured, considered good)		
Advance to suppliers and others	201.18	246.62
Prepaid expenses	127.11	90.96
Balances with statutory and government authorities	1,367.41	811.32
Others*	66.08	51.03
	1,761.78	**1,199.93**

***Note**

1. Includes CSR asset of ₹ 9.80 million (31 March 2023 : ₹ 37.44 million).

2. Includes IPO expense of ₹ 46.51 million as at 31 March 2024 (31 March 2023: nil), carried forward as other current assets pertaining to Holding company' share. The aforesaid amount, calculated on best estimate basis, will be adjusted with securities premium at the time of issue of shares in accordance with requirement of Section 52 of the Companies Act, 2013.

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Particulars	As at 31 March 2024	As at 31 March 2023
16. Assets held for sale		
Manufacturing facility at Assam (refer note 16.1 below)	-	452.87
Disposal of invesment in subsidiaries (refer note 16.2 below)	1.03	-
	1.03	**452.87**

16.1 During the year ended 31 March 2023, the management of one of the Group company vide board resolution dated 14 March 2023 decided to sell manufacturing facility situated in Assam. The difference in the fair value and the carrying value amounting to ₹ 47.50 million had been recognised as an exceptional expense in the Consolidated Statement of Profit and Loss for the year ended 31 March 2023.

During the current year, the above assets held for sale (recorded at a book value less impairment provision of ₹ 47.50 million as above) have been sold for a consideration of ₹ 451.63 million and the resultant gain has been recognised as an exceptional item in the Consolidated Statement of Profit and Loss.

16.2 During the year ended 31 March 2024, the management of the Holding Company vide board resolution dated 16 March 2024 has decided to dispose off all of its shares in three of its wholly owned subsidiaries. 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 related to these subsidiaries are presented as 'Assets held for sale' separately from other assets in the consolidated balance sheet. The aggregate difference in the fair value and the carrying value of combined net worth of all of these subsidiaries amounting to ₹ 11.09 million had been recognised as an exceptional expense in the Consolidated Statement of Profit and Loss for the year ended 31 March 2024.

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Particulars	As at 31 March 2024	As at 31 March 2023
17. Equity share capital		
Authorised*		
20,00,00,000 (31 March 2023: 150,000,000) equity shares of ₹ 2 (31 March 2023: ₹ 2) each	400.00	300.00
Issued, Subscribed & Fully Paid up		
143,064,350 (31 March 2023: 143,064,350) equity shares of ₹ 2 (31 March 2023: ₹ 2) each	286.13	286.13
	286.13	**286.13**

*During the current year, the Holding company has increased its authorised share capital from 15,00,00,000 equity shares of ₹ 2 each to 20,00,00,000 equity shares of ₹ 2 each.

17.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	14,30,64,350	286.13	7,15,32,175	143.07
Add: shares issued during the year				
- bonus shares issued during the year	-	-	7,15,32,175	143.06
At the end of the year	**14,30,64,350**	**286.13**	**14,30,64,350**	**286.13**

17.2 Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having face value of ₹ 2 per share. Each equity shareholder is entitled to one vote per share.

In the event of winding up of the Group, the equity shareholders will be entitled to be repaid remaining assets of the Group, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares.

On 03 October 2019, the Holding 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 Holding 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 Group.

As per the Agreement, in the event of liquidation of the Group, the equity shares held by the Investor will have preferential right on the liquidation proceeds so available to the Holding Company over other shareholder. Also refer note 20.1

17.3 Details of shareholders Holding more than 5% shares in the Holding Company*

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	6,06,92,940	42.42	6,06,92,940	42.42
Sandeep Jain#	6,07,28,690	42.45	6,07,28,690	42.45
Ruby QC Investment Holding Pte Ltd.	2,15,84,970	15.09	2,15,84,970	15.09

promoters of the Holding Company. There has been no change in the shareholding ratio of the promoters. Further, the change in shares held is due to split and bonus issue in the current year.

**As per records of the Holding 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.*

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17.4 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 during the year 2022-2023	7,15,32,175
Additonal shares issued on account of share split during the year 2021-2022	52,02,340
Shares issued as bonus shares during the year 2021-2022	6,50,29,250

17.5 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 Group 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. During the year, the number of employee stock options approved to be issued under Employee Stock Option Scheme 2022 have increased to 42,91,931 options. Refer note 56 for details. Subsequent to year end, the Company has alloted 3% of the paid-up Equity Share capital to ESOP trust (Akums Emlpoyee Benefit Trust).

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Particulars	As at 31 March 2024	As at 31 March 2023
18. Other equity		
(a) Capital reserve		
Balance as at the beginning/ end of the year	1,029.98	1,029.98
(b) Securities premium		
Balance as at the beginning/ end of the year	1,271.66	1,271.66
(c) Retained earnings		
Balance as at the beginning of the year	6,385.36	5,576.29
Add: profit/ (loss) for the year	(40.35)	948.55
Add: other comprehensive income, net of tax		
Re-measurement gain/ (loss) on defined benefit plan, (net)	(36.56)	19.78
Add: transactions with holders of NCI (refer note 39)	-	(16.20)
Less: Utilisation on account of bonus issue	-	(143.06)
(d) Put option reserve		
Balance as at the beginning/ end of the year	(1,801.24)	(1,801.24)
(e) Employee stock option reserve		
Balance as at beginning of the year	-	-
Add: Employee stock options granted during the year	6.91	-
Less: Employee stock options cancelled during the year	(6.91)	-
Balance as at end of the year	-	-
	6,808.85	**6,885.76**

Nature of reserves

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

1. Capital reserve

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.

5. Employee stock option reserve

Employee stock options have been issued under Emloyee Stock Option Scheme 2022 to the eligible employees and subsequent to that grants were issued. The reserve has been created for the ESOP grants issued by the Group. Refer note 56.

	As at 31 March 2024	As at 31 March 2023
19. Borrowings		
Term loans		
Secured		
From banks incluiding accrued interest (refer note 19.1)	1,238.60	1,494.21
Less: shown in current maturities of non-current borrowings (refer note 23)	(455.63)	(339.25)
	782.97	**1,154.96**

19.1 Details of security and repayment terms of the above borrowings (including current maturities)

	Outstanding balance	
	As at 31 March 2024	As at 31 March 2023
a) Term Loan - 1 taken from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) carries an interest rate of 8.56% p.a. as at 31st March 2024 (previous year 7.9% p.a.), 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 million each till March 2025; started from June 2022.	67.22	134.29
b) Term loan - 2 taken from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) carries an interest rate as at 31st March 2024: 8.56% p.a. (previous year: 8.34% p.a.) 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 ₹ 13.63 million each till March 2025; starting from September 2022).	55.02	109.92
c) Term loan taken from HSBC Bank Limited (Akums Drugs and Pharmaceuticals Limited) Carries an interest rate of 6.95% p.a. to 7.99% p.a. linked with 3 month T-Bill (31 March 2023: 6.51% p.a. to 7.64% p.a..) 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.	218.75	250.00
d) Term Loan from HSBC Bank (erstwhileAkums Lifesciences Limited,now merged with Pure and Cure Healthcare Private Limited)* Carries an interest rate as at 31st March 2024: 8.03% p.a. (previous year: 6.12% to 7.95% p.a.) which is linked to prevalent bank MCLR, 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 September 2023.	812.50	1,000.00
e) Term Loan from HDFC Bank Limited (Akums Healthcare Limited) 13.1 The term loan from bank carries an interest rate of 8.28% to 8.40% p.a., linked with 3 months T-Bill, are secured by way of mortgage/ hypothecation on immovable assets of Haridwar unit and movable assets of the Company,both present and future. The loan is repayable in Monthly installments of Rs 1.69 million each till May 2028; (starting from June 2023).	85.11	-
	1,238.60	**1,494.21**

* Akums Lifesciences Limited (erstwhile subsidiary of the Holding Company) has been merged with one of the group company w.e.f 19 October 2023.

19.2 Refer note 44 for assets pledged as security.

19.3 The Group has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan.

19.4 The property on which mortgaged or any charged created during the year has been duly registered with Registrar of companies.

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Particulars	As at 31 March 2024	As at 31 March 2023
20. Other financial liabilities		
Put option liability (refer notes 20.1 below and note 47)	13,653.78	10,076.04
Security deposit received:		
from customers	131.35	151.92
from contractors and suppliers	174.33	128.86
	13,959.46	**10,356.82**

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 and issue 'Exit notice' 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 Holding company per the agreement entered is required to buy back the equity securities held by the investor within 180 days from the date of the exit notice. Further, on 9 February 2024, the Company, shareholders and the Investor entered into a waiver cum amendment agreement wherein exit notice can only be issued by the investor after 6 months from 31 December 2024, subject to the term of the waiver cum amendment agreement. Further, subsequent to year end, the Investor has waived off its rights which requires the Company to buyback the equity shares in accordance with the terms of agreement. [refer note 58(b)].

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" at initial recognition. Refer note 47 for subsequent changes in the fair value.

Particulars	As at 31 March 2024	As at 31 March 2023
21. Provisions		
Provision for employee benefits		
Gratuity (refer note 43)	219.13	190.96
Compensated absences (refer note 43)	91.12	71.31
	310.25	**262.27**
22. Deferred tax liabilities (net)		
Deferred tax liabilities comprises of:		
Temporary difference of book and tax depreciation	631.23	607.51
Right-of-use assets	183.33	141.86
Right to recover products from customer	15.45	10.86
	830.01	**760.23**
Deferred tax assets comprises of:		
Temporary difference of book and tax depreciation	5.35	1.21
Items that are tax deductible on payment basis	177.62	96.50
Carried forward business losses (including unabsorbed depreciation)	1,374.89	154.67
Refund liability	108.91	94.95
Lease liabilities	199.63	218.41
Provision for expected credit loss	36.06	30.50
Provision for dimunition in value of intangible assets	-	175.55
MAT credit entitlement	36.64	50.60
	1,939.10	**822.39**
Deferred tax (assets)/ liabilities (net)	**(1,109.09)**	**(62.16)**
Deferred tax assets	1,230.63	315.17
Deferred tax liablities	121.54	253.01

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 based on convincing evidences such as approved business plans and projections of the respective companies with in the Group.
2. Refer note 48 for details.

Particulars	As at 31 March 2024	As at 31 March 2023
23. Borrowings		
Secured		
Loan repayable on demand (from banks)		
Working capital loan from bank includes interest accrued (refer notes 23.1)	2,674.72	3,875.52
Current maturities of non-current borrowings (refer note 19)	455.63	339.25
Unsecured		
Working capital loan from bank includes interest accrued (refer notes below)	1,002.23	-
	4,132.58	**4,214.77**

Notes:

23.1 Nature of security and repayment terms of the above borrowings are as below:

	Outstanding balance	
	As at 31 March 2024	As at 31 March 2023
(a) Working capital loan from State Bank of India (Akums Drugs and Pharmaceuticals Limited) 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 7.40% to 8.12% p.a. (previous year: 6.60% p.a. to 7.50% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	377.66	352.21
(b) Working capital loan from HDFC Bank Limited (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 7.60% p.a. to 8.67% p.a. (previous year: 4.30% p.a. to 7.80% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	484.36	521.63
(c) Cash credit facility from HDFC Bank Limited (Akums Drugs & Pharmaceuticals Ltd) Cash credit facility from HDFC Bank is secured by hupothecation/ 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. The loan is repayable on demand and carries an interest rate in range of 7.60% to 8.80% p.a. (previous year: 7.2% p.a. to 8.85% p.a.)	181.87	-
(d) Working capital loan from Yes Bank Limited (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 7.60%p.a to 8.10% p.a (previous year: 4.0% p.a to 7.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	500.22	332.02
(e) 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 lies in the range of 31st March 2024: 7.60% p.a. to 7.95% p.a. (previous year: 4.00% p.a. to 7.50% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	-	553.11
(f) Cash Credit facility from HDFC Bank Limited (Pure and Cure Healthcare Private Limited) Cash Credit facility 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 as at 31st March 2024 lies in the range of 8.0% p.a.to 8.80% p.a.	74.25	-

Particulars	As at 31 March 2024	As at 31 March 2023
(g) Working Capital Loan from HDFC Bank Limited (Pure and Cure Healthcare Private Limited)	591.51	652.93
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 carries an interest rate as at 31st March 2024 lies in the range of 7.60% p.a. to 8.60% p.a., (previous year: 4.00% p.a. to 7.80% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(h) Working capital loan from HDFC Bank Limited (Malik Lifesciences Private Limited)	-	180.69
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 of 7.60% to 7.76% p.a (31 March 2023: 6.50% p.a to 7.50% p.a) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(i) Cash Credit facility from HDFC Bank Limited (Malik Lifesciences Private Limited)	18.11	-
Cash credit from HDFC Bank secured by hypothecation (first pari-passu change) of current assets and mortgage of and movable fixed assets and carries an interest rate as at 31st March 2024 in the range of 7.50% p.a. to 8.90% p.a.		
(j) Working capital loan from Citi Bank Limited (Maxcure Nutravedics Limited)	250.27	250.00
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 7.60% to 7.97% p.a. (4.00% p.a.to 7.60% p.a in previous year) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(k) Working capital loan from HDFC Bank Limited (Maxcure Nutravedics Limited)	-	120.42
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 of 7.60% to 7.76% p.a (31 March 2023: 4.20% to 7.60% p.a) and is repayable after minimum 7 days to maximum 180 days		
(l) Cash Credit from IDFC Bank Limited (Maxcure Nutravedics Limited)	-	0.04
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. for financial year ended 31 March 2023		
(m) Working Capital Loan from HDFC Bank Limited (erstwhile Akums Lifesciences Limited, now merged with Pure and Cure Healthcare Private Limited) *	-	551.77
Working Capital Loan taken from HDFC Bank Limited is secured by hypothecation(pari passu) of current assets, movable fixed assets, immovable fixed asssets and carries an interest rate lies in the range of 31st March 2024: 7.60% p.a. to 8.35% p.a. (previous year: 4.36% p.a. to 7.90% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(n) Cash Credit facility from JP Morgan Bank (Nicholas Healthcare Limited)	23.76	-
Cash Credit facility received from JP Morgan chanse Bank N.A.has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 9.54% p.a.		
(o) Cash credit facility from HSBC Bank (Nicholas Healthcare Limited)	15.05	
Cash Credit facility received from HSBC Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 7.85% to 9.00% p.a.(previous year : 8.90% to 9.25% p.a.)		

Particulars	As at 31 March 2024	As at 31 March 2023
(p) Cash Credit facility from ICICI Bank (Amazing Research Laboratories Limited)	-	58.42
Cash credit facility from ICICI 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 an interest rate of 7% p.a. (31 March 2023: 7.5% p.a.)		
(q) Working capital loan from Citi Bank (Unosource Pharma Limited)	-	180.81
FCNR Loan from CITI bank was secured by exclusive charge on all moveable fixed assets and current assets and corporate guarantee from Holding Company and carries a floating interest rate of 7.55% p.a. (31 March 2023 :7.55% p.a)		
(r) Cash Credit facility from HDFC Bank Limited (Plenteous Pharmaceuticals Limited)	46.35	42.56
Cash Credit facility received from HDFC Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 7.85% to 9.00% p.a.(previous year : 8.90% to 9.25% p.a.)		
(s) Cash credit facilty from JP Morgan Chase Bank (Plenteous Pharamaceuticals Limited)	28.94	50.09
Cash Credit facility received from JP Morgan chanse Bank N.A.has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 9.54% p.a.		
(t) Cash credit facilty from HSBC Bank (Medibox Pharma Private Limited)	82.37	-
Cash Credit facility received from HSBC Bank 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 is 8.85% p.a.		
(u) Cash Credit facility from Yes Bank Limited (May & Baker Pharmaceuticals Limited)	-	28.82
Cash Credit facility received from Yes Bank 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.		
Unsecured		
(v) Short term loan from HDFC Bank Limited (Akums Drugs and Pharmaceuticals Limited)	500.00	-
Unsecured short term loan from HDFC Bank availed on 27 September 2023 at an interest rate of 7.60% linked with 1 month T-bill and is repayable after 90 days.		
(i) Short term borrowing loan from HDFC Bank Limited (Pure and Cure Healthcare Private Limited)	502.23	-
Unsecured Short term Loan from HDFC Bank Limited availed on 27th Sept, 2023 at an interest rate of 7.60% linked with 1 month T-bill and is repayable after 90 days on rollover basis.		
	3,676.95	**3,875.52**

* Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with one of the group company w.e.f 19 October 2023.
23.2 Refer note 44 for assets pledged as security
23.3 The above loans have been utilised as per the purpose for these loans were sanctioned
23.4 The group has not defaulted in repayment of interest during the current year. Further, there have been no default in repayment of loan.

24. Trade payables

Total outstanding dues of micro and small enterprises and	472.25	442.16
Total outstanding dues of creditors other than micro and small enterprises	4,849.07	5,229.23
	5,321.32	**5,671.39**
Due from related parties (refer note 45)	-	-
Refer note 55 for the ageing of the trade payables		

25. Other financial liabilities

Book overdraft	-	37.73
Payable towards property, plant and equipment#	212.01	165.85
Refundable advance received from customers*	827.40	-
Others	54.40	53.86
	1,581.37	**628.10**

**amount refundable to customer pursuant to agreement entered subsequent to balance sheet date.*
 # includes ₹ 80.58 million (previous year: 70.46 million) payable to micro enterprises and small enterprises

Particulars	As at 31 March 2024	As at 31 March 2023
26. Other current liabilities		
Advance from customers	289.03	1,084.70
Advance received against sale of assets	1.03	225.10
Statutory dues payable	142.21	112.15
	432.27	**1,421.95**
27. Provisions		
Provision for employee benefits		
Gratuity (refer note 43)	72.92	12.37
Compensated absences (refer note 43)	45.87	14.78
Provision for demand raised by statutory authorities (refer note 41 and 27.1)*	14.49	55.00
Refund liability (refer note 27.2 below)	432.70	377.22
	565.98	**459.37**

*The Group had during the previous year received demand letters in respect of shortfall in meeting the export obligation by the Group against the EPCG license 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 has been provided by the Holding company in the conolidated financial statements prepared for the year ended 31 March 2023. During the current year, the Company has paid ₹ 40.51 million against the said demands.

27.1 Changes in provision for sales tax in accordance with Ind AS - 37

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	55.00	175.23
Add: provision made during the year	-	55.00
Less: provision reversed/ liability paid during the year	(40.51)	(175.23)
Balance as at end of the year	**14.49**	**55.00**

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:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	377.22	383.49
Less: provision made/(written back) during the year (net)	55.48	(6.27)
Balance as at end of the year	**432.70**	**377.22**

28. Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for taxes (net of advance taxes paid)	14.35	187.68
	14.35	**187.68**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
29. Revenue from operations		
Sale of products		
- manufactured	35,398.96	31,016.86
- traded goods	4,313.11	3,405.27
	39,712.07	34,422.13
Other operating revenues		
Job work income	484.75	325.51
Testing and other charges	1,392.76	1,592.76
Scrap sales	192.24	207.80
	41,781.82	**36,548.20**

Refer Note 46 in respect of disclosures under Ind AS 115 - Revenue from contracts with customers.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
30. Other income		
Interest income on items at amortised cost:		
- term deposits	113.20	49.03
- loan to associate	-	4.27
- others	6.79	25.50
Liabilities no longer required, written back	55.53	216.81
Subsidy income	24.84	17.48
Gain on disposal of property, plant and equipment (net)	0.17	47.30
Profit on foreign currency transactions	72.93	18.79
Gain on reassessment or termination of right-of-use assets	1.38	22.36
Reversal of expected credit loss of trade receivables	-	0.09
Royalty income	9.96	6.22
Miscellaneous income	55.45	53.20
	340.25	**461.05**
31. Change in inventories of finished goods, stock-in-trade and work-in-progress		
Opening stock		
Finished goods	1,304.19	1,600.08
Work-in-progress	768.25	670.36
Stock-in-trade	371.51	415.49
(A)	**2,443.95**	**2,685.93**
Less: Closing stock		
Finished goods	1,093.41	1,304.19
Work-in-progress	711.41	768.25
Stock-in-trade	422.79	371.51
(B)	**2,227.61**	**2,443.95**
Movement in right to recover products from customer **(C)**	(18.23)	(1.63)
Loss of inventory due to floods, considered as exceptional item (refer note 36) **(D)**	(74.37)	-
Transfer of inventory to "Asset held for sale" **(E)**	(0.34)	-
Change in inventories of finished goods, stock-in-trade and work-in-progress (A-B+C+D+E)	**123.40**	**240.35**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
32. Employee benefits expense		
Salaries, wages and bonus	5,914.13	5,407.59
Contributions to provident and other funds (refer note 43)*	211.27	202.87
Staff welfare expenses	343.24	290.87
	6,468.64	**5,901.33**

includes ₹ 204.27 million (31 March 2023: 196.38 million) as contribution towards provident fund and employee state insurance fund. Refer note 43 for details.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
33. Other expenses		
Consumption of stores and spare parts	319.87	335.62
Power and fuel	1,608.00	1,474.08
Rent (refer note 54)	59.77	34.76
Repairs and maintenance		
Plant and equipments	283.79	282.08
Buildings	73.55	114.51
Others	343.87	357.53
Insurance	58.03	46.56
Rates and taxes	32.22	31.25
Travelling and conveyance	451.28	503.50
Legal and professional expenses	447.05	474.61
Bad debts	18.74	24.58
Provision for allowances for expected credit losses	115.27	18.65
Provision for demand raised by statutory authorities	-	55.00
Freight and cartage - outward	71.65	94.20
Business promotion	389.87	354.65
Loss on sale of property, plant and equipment	3.34	1.55
Selling and distribution expense	98.21	95.15
Loss on foreign currency transactions	0.88	57.72
Corporate social responsibility expense	35.60	33.72
Miscellaneous*	592.23	578.26
	5,003.22	**4,967.98**

*includes contribution made to political party amounting Rs. 50.00 million (previous year : Nil)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
34. Finance costs		
Interest on financial liabilities (using effective interest rate method):		
- borrowings	430.05	400.70
- security deposit from customers and suppliers	0.69	1.00
- income-tax	2.01	6.80
Interest on lease liability (using effective interest rate method)	69.76	51.23
Other borrowing costs	3.63	2.73
	506.14	**462.46**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
35. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	1,142.55	1,010.55
Amortisation on right-of-use assets (refer note 54)	92.74	99.02
Amortisation of intangible assets	21.11	18.52
	1,256.40	**1,128.09**
36. Exceptional Items		
Impairment of intangible assets under development (refer note 36.1)	-	697.50
Losses incurred due to floods (refer note 36.2)	251.73	-
Loss on sale of asset held for sale (refer note 16.1 and 16.2)	8.61	47.50
	260.34	**745.00**

Note:

36.1: The Holding Company in the previous year had 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 had been provided for in these consolidated financials statements. During the current year, these licenses has been written off.

36.2: In July 2023, owing to floods in Chandigarh and nearby areas, one of the group company has incurred certain damages to inventory along with property, plant and equipment at factory locations in Derra Bassi and Lalru plants. The management has filed necessary claims for the damages made with the insurance authorities. The bifurcation of losses incurred due to flood is as below :-

1. Loss of inventory amounting to ₹ 154.69 million
2. Loss of property, plant and equipment amounting to ₹ 90.00 million (including capital work in progress of ₹ 36.99 million)
3. Other losses amounting to ₹ 7.04 million

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37A The following entities are considered in the preparation of Consolidated Financial Information:

a) Subsidiaries

The Group has following subsidiaries held directly and indirectly by the Parent Company i.e. Akums Drugs and Pharmaceuticals Limited, which operate around the world. Following are the details of shareholdings in the subsidiaries:

S.No.	Name of Company	Principal Activities	Immediate holding company	Country of incorporation and principal place of business	% Ownership interest: Proportion of ownership interest and voting power held by the Group As at 31 March 2024	As at 31 March 2023
	Subsidiaries of Holding Company					
1	Pure and Cure Healthcare Private Limited*	Contact manufacturing of pharmaceutical products and	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
2	Malik Lifesciences Private Limited	Contract manufacturing of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
3	Maxcure Nutravedics Limited	Contract manufacturing of pharmaceutical products and	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
4	Akums Healthcare Limited	Contract manufacturing of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
5	Qualymed Pharma Private Limited (w.e.f. 2 May 2023)	Contract manufacturing of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	100%	-
6	Upadhrish Reserchem LLP	Contract manufacturing and testing of pharmaceutical	Akums Drugs and Pharmaceuticals Limited	India	99.93%	99.93%
7	Akumentis Healthcare Limited#	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	91.49%	91.49%
8	Akums Lifesciences Limited*	API manufacturer and exporter of pharmaceutical products	Akums Drugs and Pharmaceuticals Limited	India	-	100%
9	Unosource Pharma Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
10	Nicholas Healthcare Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
11	Plenteous Pharmaceuticals Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
12	Sarvagunaushdhi Private Limited	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
13	Burroughs Welcome Pharmacia Private Limited (Refer note	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
14	Amazing Research Laboratories Limited (Refer note 16.2)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
15	May and Baker Pharmaceuticals Limited (Refer note 16.2)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	100%	100%
16	AVHA Lifesciences Private Limited (till 28 February 2023)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	-
17	Delcure Lifesciences Limited (till 18 January 2023)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	-
18	Akum Impex LLP (till 30 September 2022)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	-
	Step down subsidiaries of Holding Company					
18	Medibox Pharma Private Limited	Trading of pharmaceutical formulation	Maxcure Nutravedics Limited	India	100%	100%
19	Parabolic Research Labs Limited (till 17 March 2023)**	Trading of pharmaceutical formulation	Pure and Cure Healthcare Private Limited	India	-	-
20	Ziven Lifesciences Limited (till 17 March 2023)**	Trading of pharmaceutical formulation	Pure and Cure Healthcare Private Limited	India	-	-
21	Dhanwantri Vedaresearch LLP (till 30 September 2022)	Trading of pharmaceutical formulation	Sarvagunaushdhi Private Limited	India	-	-
	Associate of Holding Company					
22	AUSL Pharma (till 31 December 2022)	Trading of pharmaceutical formulation	Akums Drugs and Pharmaceuticals Limited	India	-	-

* Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure and Cure Healthcare Private Limited w.e.f 19 October 2023.

**Registrar of companies has strike off the names of the companies from its register on 17 March 2023.

including investment done in compulsory convertible preference shares issued by Akumentis Healthcare Limited.

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37B Disclosure of interest in Subsidiaries and Non Controlling Interest

Summarized financial information for subsidiaries that have non-controlling interests that are material to the Group :-
(amounts before inter-company eliminations)

Particulars (Balance sheet)	Akumentis Healthcare Limited As at 31 March 2024	Akumentis Healthcare Limited As at 31 March 2023
Current assets	2,275.25	1,586.86
Non current assets	132.37	172.02
Current liabilities	1,069.83	985.35
Non current liabilities	46.67	45.16
Equity Interest attributable to the equity holders of the Company	1,291.12	728.37

Particulars (Profit or loss)	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations	3,984.66	3,868.31
Other income	103.51	39.97
Expenses	3,331.46	3,404.44
Profit before tax	756.71	503.84
Tax expense	191.35	155.01
Profit for the year	**565.36**	**348.83**
Profit attributable to the equity holders of the Company	517.25	319.21
Profit attributable to the non controlling interest	48.11	29.62
Profit for the year	**565.36**	**348.83**
Items that will not be reclassified to profit and loss	(2.62)	3.25
Other comprehensive income	**(2.62)**	**3.25**
Other comprehensive income attributable to the equity holders of the Company	(2.40)	2.97
Other comprehensive income attributable to non controlling interest	(0.22)	0.28
Other comprehensive income	**(2.62)**	**3.25**
Total other comprehensive income attributable to the equity holders of the Company	514.85	322.19
Total other comprehensive income attributable to non controlling interest	47.89	29.89
Total other comprehensive income	**562.74**	**352.08**
Ownership held by non-controlling interests	8.51%	8.51%
Accumulated non-controlling interest at the end of the year	**109.88**	**61.85**
Net cash inflow from operating activities	558.55	467.85
Net cash (outflow) from investing activities	(542.24)	(502.48)
Net cash (outflow) from financing activities	(14.68)	(21.17)
Net Cash inflow / (outflow)	**1.63**	**(55.80)**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
38 Earnings per equity share (EPS)		
Profit/ (loss) attributable to equity shareholders (₹)	(40.35)	948.55
Total number of equity shares outstanding at the end of the year*	14,30,64,350	14,30,64,350
Weighted average number of equity shares in calculating basic and diluted EPS*	14,30,64,350	14,30,64,350
Nominal value per share (₹)	2.00	2.00
Basic and Diluted EPS (Rs.)	**(0.28)**	**6.63**

* 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.

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)**

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 2024	As at 31 March 2023
Particulars		
Current assets	-	89.12
Non-current assets	-	0.73
Current liabilities	-	(87.71)
Equity	-	2.14
Group ownership	-	-
Equity proportion of the Group ownership	-	-
Carrying amount of the investment (net of withdrawal made during the period)	-	-

b) Summarised statement of profit and loss

Particulars	Year ended 31 March 2024	Period ended 31 December 2022 (date of loss of control)
Revenue from sale of products	-	205.29
Loss for the period	-	(6.14)
Total comprehensive income	-	(6.14)
Income for the period	-	(6.14)
Group %	-	40.00%
Group's share of profit/(loss) for the period from the date of acquisition	-	**(2.03)**
Add: opening carrying amount of investment amount	-	2.43
Less: profit withdrawn during the period	-	(0.40)
Carrying amount of the investment#	-	**-**

During the period ended 31 March 2023, Group has extinguished its partnership rights from the firm on 31 December 2022 when carrying amount of the investment was 2.03 millions.

41 Contingent liabilities and litigations

	Particulars	As at 31 March 2024	As at 31 March 2023
	Claims against the Group not acknowledged as debt:		
(i)	Income-tax matters (refer note (a) below)	776.67	768.80
(ii)	Product pricing related matters (refer note (b) below)	106.40	44.26
(iii)	Others (refer note (c), (d) and (e) below)	3.15	2.35

(a) (i) Pursuant to the assessment of certain previous years (AY 2017-18, AY 2018-19, AY 2020-21 and AY 2022-23), department has raised demands of ₹ 42.22 millions (31 March 2023: ₹ 28.85 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.
AY 2022-23: Addition on account of unexplained investment u/s 69 of Income Tax Act, 1961 amounting to ₹ 13.37 million.

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 financial year ended 31 March 2023, pursuant to intimation received u/s 143(1) in 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 had 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.

During the financial year ended 31 March 2024, based on the order received from Income Tax deparment, the above demand of ₹ 0.40 million has been cancelled and a refund of ₹ 0.12 million has been allowed.

(iii) During the year ended 31 March 2023, for the A.Y. 2018-19 a demand of ₹ 5.11 million 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. CIT(A) passed an order dated 26 March 2024 in favour of our Group company and the demand is deleted which was raised upon the Group company.

(iv) 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 Group 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.

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). National Pharmaceutical Pricing Authority ('NPPA') has filed a legal case on one of the group company for Rs. 44.26 million on account of increased MRP. NPPA ,vide its order dated 29.11.2023, increased the recovery amount to Rs. 106.40 million on account of levy of interest on overcharged amount for the period from March 2014 to November 2023.

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.

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(c) 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 2023 : ₹ 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.

(d) One of the customer has filed counter claim of Rs. 0.80 milllion which was accepted by the arbitrator. One of the Group Company has filed an appeal against the same in Honorable Delhi high Court which has been accepted and is pending before in the court .Based on discussion with the advocate there is a fair chance of favorable decision and hence no provision is considered against the same.

(e) 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 2023: ₹ 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.

		As at 31 March 2024	As at 31 March 2023
42	**Capital and other commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	929.28	721.07

43 Employees benefits

		Year ended 31 March 2024	Year ended 31 March 2023
A.	**Defined contribution plan**		
	The amount recognised as expense towards contribution to defined contribution plans for the period is as below:		
(a)	Group's contribution to provident fund	191.82	182.05
(b)	Group's contribution to Employees' State Insurance Scheme	12.45	14.33
		204.27	**196.38**

		As at 31 March 2024	As at 31 March 2023
B.	**Defined benefit plan - Gratuity**		
	Non-current	219.13	190.96
	Current	72.92	12.37
		292.05	**203.33**

(i) Changes in the present value of defined benefit obligation recognised in the consolidated balance sheet

	As at 31 March 2024	As at 31 March 2023
Present value of the obligation as at the beginning of the period	203.33	184.99
Interest cost	14.90	12.77
Service cost	46.10	43.57
Benefits paid	(22.78)	(11.95)
Actuarial (gain)/ loss	50.50	(26.05)
Present value of the obligation as at end of the period	**292.05**	**203.33**

(ii) Expense recognised in the consolidated statement of profit and loss consists of:	Year ended 31 March 2024	Year ended 31 March 2023
Service cost	46.10	43.57
Interest cost	14.90	12.77
Net impact on consolidated profit before tax	**61.00**	**56.34**
Actuarial (gain)/ loss recognised during the year	50.50	(26.05)
Amount recognised in total comprehensive income	**111.50**	**30.29**

(iii) Breakup of actuarial (gain)/ loss :	As at 31 March 2024	As at 31 March 2023
Actuarial (gain)/ loss from change in demographic assumption	11.25	-
Actuarial (gain)/ loss from change in financial assumption	287.27	(3.80)
Actuarial (gain)/ loss from experience adjustment	(248.02)	(22.25)
Total actuarial (gain)/ loss	**50.50**	**(26.05)**

(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 2024	As at 31 March 2023
Discount rate (per annum)	7.22%	7.36%
Future salary increase (per annum)	12.00%	5.50%
Withdrawal rate		
Up to 30 Years	26%	3%
From 31 to 44 years	26%	2%
Above 44 years	26%	1%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100%of IALM(2012-14)
Average future service (in years)	23.11 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 2024	As at 31 March 2023
Impact of change in discount rate		
Present value of obligation at the end of the period	292.05	203.33
- Impact due to increase of 0.5 %	(4.45)	(11.11)
- Impact due to decrease of 0.5 %	4.62	12.15
Impact of change in salary increase		
Present value of obligation at the end of the period	292.05	203.33
- Impact due to increase of 0.5 %	4.18	12.14
- Impact due to decrease of 0.5 %	(4.10)	(11.16)

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 (discounted)	As at 31 March 2024	As at 31 March 2023
Within next 12 months	71.74	12.37
Between 1-5 years	159.39	41.22
Beyond 5 years	60.92	149.74

(vii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 64.83 millions as at 31 March 2024 (31 March 2023 : ₹ 72.66 millions).

(viii) Other long-term employee benefits

An amount of ₹ 68.72 millions [31 March 2023 : ₹ 10.99 millions] pertains to expense towards compensated absences.

44 Assets pledged as security (refer notes 19 and 23)

	As at 31 March 2024	As at 31 March 2023
Current		
Non- Financial Assets		
Inventories	6,291.03	6,642.64
Other current assets	1,310.87	1,102.01
Financial Assets		
Cash and cash equivalents	475.40	102.40
Other bank balances	1,616.25	21.54
Loans	-	73.73
Other financial assets	140.55	129.81
Trade receivables*	8,338.12	8,450.87
Total current assets pledged as security	**18,172.22**	**16,523.00**
Non-current Assets		
Non- Financial Assets		
Property, plant and equipment	7,858.71	7,298.67
Capital work-in-progress	115.73	74.76
Total non-current assets pledged as security	**7,974.44**	**7,373.43**
Total assets pledged as security	**26,146.66**	**23,896.43**

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*Total trade receivables pledged at individual company level, amounts to ₹ 9,213.75 millions (Previous year: ₹ 9,568.35 millions) but due to inter company eliminations, total receivables amounts to ₹ 8,338.12 millions (Previous year: ₹ 8,450.87 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 (till 17 January 2024)
Mr. Sanjay Kumar Sinha	Whole Time Director (from 17 January 2024)
Mr. Nand Lal Kalra	Independent Director
Mr. Kewal Handa	Independent Director
Ms. Matangi Gowrishankar	Independent Director
Mr. Satwinder Singh	Independent Director (from 17 January 2024)
Mr. Amit Varma	Nominee Director (till 17 January 2024)
Mr. Sunil Kumar Thakur	Nominee Director (from 17 January 2024)
Mr Dharamvir Malik	Company Secretary #
Mr. Sumeet Sood	Chief Financial Officer #

 # as per Companies Act, 2013

(d) Relatives of KMP*

Mr. Kanishk Jain
Mr. D.C. Jain (till 19 March 2024)
Mr. Manan Jain
Ms. Archana Jain
Ms. Arushi Jain
Ms. Lata Jain
Mr. Umang 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
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)
German Remedies Lifesciences Limited
American Remedies Lifesciences Limited
Dhanwantri Vedaresearch LLP (from 1 October 2022)
Akum Impex LLP (from 1 October 2022)

*with whom the transactions have occurred during the year.
as per Companies Act, 2013.

Particulars	31 March 2024	31 March 2023
(a) Transactions during the period		
Rent paid		
KMP's		
Mr. D.C Jain	0.56	0.56
Mr. Sandeep Jain	25.41	25.43
Mr.Sanjeev Jain	24.19	24.27
Ms. Lata Jain	0.46	0.46
Ms. Archana Jain	0.67	0.67
Entities where significant influence is exercised by KMP and/or their relatives		
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	69.86	34.84
Corporate social responsibility		
Entities where significant influence is exercised by KMP and/or their relatives		
Akums Foundation	4.51	65.44
Akums Heath and Education Society	-	4.00
Professional charges paid		
KMP's		
Mr. D.C Jain	6.02	5.49
Mr. Kewal Handa	1.30	-
Ms. Matangi Gowrishankar	1.10	-
Remuneration paid #		
KMP's		
Mr. Sanjeev Jain	54.22	38.00
Mr. Sandeep Jain	53.67	38.00
Mr. Sanjay Kumar Sinha	2.10	-
Mr. Kanishk Jain	6.93	6.30
Mr. Basant Kumar Singh	4.30	3.49
Mr. Manan Jain	0.45	-
Mr. Umang Jain	0.20	
Mr. Sumeet Sood	22.47	13.23
Ms. Arushi Jain	6.94	6.30
Ms. Lata Jain	5.05	4.60
Ms. Archana Jain	5.05	4.60
Mr. Dharamvir Malik	2.68	2.11
Inter-corporate loan repaid		
Associate		
AUSL Pharma	-	55.00
Interest received		
Associate		
AUSL Pharma	-	4.27

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Particulars	31 March 2024	31 March 2023
Sales of goods and others		
Entities where significant influence is exercised by KMP and/or their relatives		
Akums Heath and Education Society	1.12	3.96
Akums Foundation	4.46	61.18
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	-	0.04
Associate		
AUSL Pharma	-	3.53
Sales of property, plant and equipment		
Entities where significant influence is exercised by KMP and/or their relatives		
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	-	271.00
Akums Heath and Education Society	0.47	-
Purchase of goods and others		
Associate		
AUSL Pharma	-	0.04
Entities where significant influence is exercised by KMP and/or their relatives		
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	0.65	1.86
Expenses paid		
KMP's		
Mr. Nand Lal Kalra	0.02	-
Expenses incurred on behalf of other related party		
Entities where significant influence is exercised by KMP and/or their relatives		
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	1.77	0.62
Akums Foundation	-	-*
Expenses paid by other related party		
Entities where significant influence is exercised by KMP and/or their relatives		
Akome Lifecare Private Limited (formerly Sanjain Lifecare Private Limited)	2.08	-
Associate		
AUSL Pharma	-	0.22
Profit share from investment in Partnership firm/ LLP		
Associate		
AUSL Pharma	-	(2.03)
Director sitting fees		
KMP's		
Mr. Kewal Handa	1.70	2.40
Mr. Nand Lal Kalra	1.16	0.47
Ms. Neena Vivek	-	-
Mr. Dharamvir Malik	0.04	0.04
Ms. Matangi Gowrishankar	1.70	2.20
Mr. Satwinder Singh	0.50	-
Mr. Manan Jain	-	-*
Royalty expense		
Entities where significant influence is exercised by KMP and/or their relatives		
Welcure Pharmaceuticals Private Limited	0.12	0.12

Particulars	31 March 2024	31 March 2023
Sale of non-current investments		
Dhanwantri Vedaresearch LLP	-	0.16
**rounded off to nil.*		
(b) Balance outstanding at period end**		
Trade receivable		
Entities where significant influence is exercised by KMP and/or their relatives		
Akums Health and education society	1.28	1.61
Akum Impex	-	-
Akums Foundation	-	0.01
Akome Lifecare Private Limited	-	0.61
Remuneration payable		
KMP's		
Mr. Sanjeev Jain	10.00	-
Mr. Sandeep Jain	10.00	-
Mr. Sumeet Sood	4.83	-
Mr. Sanjay Kumar Sinha	2.00	-
Advance received against sale of shares		
Entities where significant influence is exercised by KMP and/or their relatives		
Dhanwantri Veda Research LLP	1.03	-
Security deposit		
KMP's		
Sandeep Jain	5.00	5.00
Sanjeev Jain	5.00	5.00

Note: Also refer to the note 23.1 which describes borrowings that are secured against the personal guarantee from certain directors.
**rounded off to nil.*
[#] excludes the post employment benefits and other long term benefits as being done on lumpsum for all the employees of the Group
During the previous year, the Group had taken personal guarantee amounting to ₹ 352.20 million from directors for the loans availed by the Company. In the current year, the directors have withrawn the aforementioned personal guarantee.
** Outstanding balances at reporting period end are unsecured and moreover, are not material to the Group.

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46 Disclosure required under Ind AS 115 - Revenue from customers

A Disaggregation of revenue:

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Revenue from sale of goods - manufactured	35,398.96	31,016.86
Revenue from sale of goods - traded goods	4,313.11	3,405.27
Other operating revenue		
Job work	484.75	325.51
Testing and other charges	1,392.76	1,592.76
Scrap sales	192.24	207.80
	41,781.82	**36,548.20**

Refer note 50 for segment revenue

B Contract balances

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

	As at 31 March 2024	As at 31 March 2023
Contract liabilities		
Advance received from customers	289.03	1,084.70
Refund liabilities	432.70	377.22
Total contract liabilities	**721.73**	**1,461.92**
Receivables		
Right to recover products from customers	61.38	43.15

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Contract liabilities		Contract liabilities	
	Advances from customers	Refund liabilities	Advances from customers	Refund liabilities
Opening balance	1,084.70	377.22	1,450.50	383.49
Addition during the period	289.03	55.48	1,084.70	(6.27)
Revenue recognised/ adjustment during the year	1,084.70	-	1,450.50	-
Closing balance	**289.03**	**432.70**	**1,084.70**	**377.22**

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 (refund liabilities) which is measured based on the Group's estimate of expected sales returns.

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47 Financial instruments

A Financial instruments by category

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

Particulars	As at 31 March 2024	As at 31 March 2023
Financial assets carried at amortised cost		
Trade receivables	8,338.12	8,450.87
Cash and cash equivalents	1,110.50	516.08
Other bank balances	1,660.03	983.81
Loans	-	73.73
Other financial assets	547.22	496.50
Total financial assets	**11,655.87**	**10,520.99**
Financial assets carried at fair value thorugh profit and loss		
Investments	1.43	1.43
Total financial assets	**11,657.30**	**10,522.42**
Financial liabilities carried at amortised cost		
Borrowings	4,915.55	5,369.73
Trade payables	5,321.32	5,671.39
Lease liabilities	736.70	821.21
Other financial liabilities	1,887.05	908.88
Financial liabilities carried at fair value thorugh profit and loss		
Liability arising out of put option	13,653.78	10,076.04
Total financial liabilities	**26,514.40**	**22,847.25**

The carrying amount of trade receivables, trade payables, loans, investments, borrowings, lease liabilites, 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:

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	Year ended	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss					
Investment in equity instruments	31 March 2024	-	-	1.43	1.43
	31 March 2023	-	-	1.43	1.43

B.2 Financial liabilities measured at fair value - recurring fair value measurements

Particulars	Year ended	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss					
Liability arising out of put option	31 March 2024	-	-	13,653.78	13,653.78
	31 March 2023	-	-	10,076.04	10,076.04

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.

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The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value As at 31 March 2024	Fair value As at 31 March 2023	Significant unobservable inputs
Liability arising out of put option (refer note 20.1)	13,653.78	10,076.04	Growth rate & discount rate

B.4 Sensitivity analysis

Description	As at 31 March 2024	As at 31 March 2023
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	547.86	607.03
- Impact due to decrease of 0.5%	(493.37)	(541.27)
Impact on liability arising on account of put options fair value if change in discount rate		
- Impact due to increase of 0.5%	(868.68)	(742.25)
- Impact due to decrease of 0.5%	966.09	835.87

B.5 The following table presents the changes in put option fair value measured in level 3 for the year ended 31 March 2023 and 31 March 2024

Particulars	Liability arising out of put option
As at 1 April 2022	10,515.74
Add: fair value changes during the year*	(439.69)
As at 31 March 2023	**10,076.04**
Add: fair value changes during the year*	3,577.74
As at 31 March 2024	**13,653.78**

*Disclosed in consolidated Statement of profit and loss for the year ended 31 March 2024 and 31 March 2023 and also refer note 20.1.

B.6 The following table presents the changes in investment in equity instruments measured at level 3 for the year ended on 31 March 2023 and 31 March 2024:

Particulars	Investment in equity instruments
As at 1 April 2022/ 31 March 2023 and 31 March 2024	**1.43**

Valuation inputs and relationships to fair value

Particulars	Valuation Technique	Significant unobservable input	Inter relationship between significan unobservable inputs and fair value measurement
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.

Foreign currency risk exposur

Particulars	31 March 2024		31 March 2023	
	Foreign currency	₹ millions	Foreign currency	₹ millions
Trade receivables (USD)	66,80,895	551.85	48,63,853	398.18
Trade receivables (Euro)	5,87,535	52.14	3,40,247	30.40
Trade and other payables (JPY)	22,000	0.01	-	-
Trade and other payables (Euro)	39,113	3.52	-	-
Trade and other payables (USD)	38,07,967	318.80	65,86,424	551.48
Total	**1,11,37,510**	**926.32**	**1,17,90,524**	**980.06**

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

Particulars	Currency	31 March 2024		31 March 2023	
		Increase	Decrease	Increase	Decrease
(31 March 2023: 1%) INR/USD- change by 1%*	USD	2.33	(2.33)	(1.53)	1.53
(31 March 2023: 1%) INR/USD- change by 1%*	Euro	0.49	(0.49)	0.30	(0.30)
INR/USD- change by 1%*	JPY	(0.00)	0.00	-	-

(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 interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits contractually carry fixed interest rates.
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 2024	As at 31 March 2023
Variable rate borrowing	3,676.95	3,875.52
Fixed rate borrowing	1,238.60	1,494.21
Total borrowings	**4,915.55**	**5,369.73**

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

Particulars	As at 31 March 2024	As at 31 March 2023
Interest sensitivity*		
Interest rates – increase by 100 basis points	36.77	38.76
Interest rates – decrease by 100 basis points	(36.77)	(38.76)

* 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.

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(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 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 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, other bank balances, financial assets measured at amortised cost	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 –
As at 31 March 2024

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	1,110.50	-	1,110.50
Other bank balances	1,660.03	-	1,660.03
Investments	1.43	-	1.43
Other financial assets	547.22	-	547.22
Moderate credit risk			
Trade receivables	8,560.67	(222.55)	8,338.12
Total	**11,879.85**	**(222.55)**	**11,657.30**

As at 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	8,760.38	(147.48)	8,612.90
Total	**10,831.93**	**(147.48)**	**10,684.45**

All of the entity's financial assets (other than trade receivables) measured at amortised cost, are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for cash and cash equivalents and other bank balances being maintained with scheduled banks. Other instruments are considered to have low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.
The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.
Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.
Impairment losses on trade receivables and contract assets are presented as net impairment losses. Subsequent recoveries of amounts previously written off are credited against the same line item.
The Group assumes increase in credit risk since initial recognition when financial assets are more than 30 days past due.
The carrying amounts of financial assets above represents the maximum exposure to credit risk.

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

As at 31 March 2024	Gross carrying amount	% of expected cred losses	Allowance for expected credit	Carrying amount net of loss allowance
Amount not yet due	4,822.18	-	-	4,822.18
Between one to six month overdue	2,672.93	-	-	2,672.93
Between six month to one year overdue	275.49	0.44%	(1.20)	274.29
Greater than one year overdue	790.07	28.02%	(221.35)	568.72
Total	**8,560.67**		**(222.55)**	**8,338.12**

As at 31 March 2023	Gross carrying amount	% of expected cred losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	4,668.07	-	-	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**

Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2022	169.37
provision charged during the year	18.65
Provision reversed during the year	(40.54)
Loss allowance on 31 March 2023/ 1 April 2023	147.48
provision charged during the year	115.27
Provision reversed during the year	(40.20)
Loss allowance on 31 March 2024	**222.55**

(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 (un-utilised)

Particulars	As at 31 March 2024	As at 31 March 2023
Working capital facility	7,051.37	5,884.11
Term loan facility	450.00	1,050.00

ii. Maturities of financial liabilities (excluding finance cost obligation for future payments, as applicable)

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

As at 31 March 2024	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	4,132.58	782.97	-	4,915.55
Trade payable	5,321.32	-	-	5,321.32
Lease liabilities	57.65	145.30	533.75	736.70
Other financial liabilities	1,581.37	13,959.46	-	15,540.83
Total	**11,092.92**	**14,887.73**	**533.75**	**26,514.40**

As at 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**

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48 Taxes

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current tax		
- current year	740.25	781.30
- tax for earlier years	15.18	16.09
Deferred tax charge/(reversal)		
- Deferred tax charge/ (credit)	166.67	(272.59)
- Tax effect on other comprehensive income(OCI)	(13.72)	5.99
Adjustment on account of merger (refer note 57 (c))		
- Income-tax for earlier years	(182.90)	-
- Deferred tax	(1,199.88)	-
Tax expense	**(474.40)**	**530.79**

(a) Current tax

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit/ (loss) before income-tax	(452.78)	1,502.97
Income tax using the Company's domestic tax rate *	25.17%	25.17%
Expected tax expense [A]	**(113.96)**	**378.27**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of non-deductible expenses/ impact of tax rates	906.92	(90.19)
Change in tax rates	-	(2.59)
Income tax on Capital gains	15.41	-
Effect of write-off in value of investment	(60.40)	-
Deferred Tax recognised on brought forward losses not recognised earlier	-	(90.80)
Deferred tax asset not recognised on current year business loss of Group companies	145.68	529.62
Tax for earlier years	15.18	16.09
Set off for previous years unabsorbed losses	(53.06)	(112.46)
Derecognition of (Deferred Tax Liability)/ Deferred Tax Assets due to closure of business	16.04	-
Others (including impact on other comprehensive income)	36.57	(97.15)
Impact on account of merger (refer note 57 (c))		
Income- tax for earlier years - due to impact of merger	(182.90)	-
Recognition of deferred tax assets on carry forward business losses	(1,199.88)	-
Total adjustments [B]	**(360.44)**	**152.52**
Actual tax expense [C=A+B]	**(474.40)**	**530.79**

* 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%

(This space has been intentionally left blank.)

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

Particulars	As at 31 March 2023	Recognised in OCI	Recognised in profit and loss	As at 31 March 2024
Deferred tax liability consists of:				
Temporary difference of book and tax depreciation	607.51	-	23.72	631.23
Right-of-use assets	141.86	-	41.47	183.33
Right to recover products from customer	10.86	-	4.59	15.45
	760.23	-	**69.78**	**830.01**
Deferred tax assets consists of:				
Temporary difference of book and tax depreciation	1.21	-	4.14	5.35
Items that are tax deductible on payment basis	96.50	13.72	67.40	177.62
Provision for expected credit loss	30.50	-	5.56	36.06
Lease liabilities	218.41	-	(18.78)	199.63
Refund liability	94.95	-	13.96	108.91
Carried forward business losses	154.67	-	1,220.22	1,374.89
MAT credit entitlement	50.60	-	(13.96)	36.64
Provision for dimunition in value of intangible assets	175.55	-	(175.55)	-
Net deferred tax asset / (liabi	**822.39**	**13.72**	**1,102.99**	**1,939.10**
Total	**(62.16)**	**(13.72)**	**(1,033.21)**	**(1,109.09)**

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 profi and loss	As at 31 March 2023
Deferred tax liability consists of:				
Temporary difference of book and tax depreciation	552.27	-	55.24	607.51
Right-of-use assets	75.82	-	66.04	141.86
Right to recover products from customer	10.45	-	0.41	10.86
	638.54	**-**	**121.69**	**760.23**
Deferred tax assets consists of:				
Temporary difference of book and tax depreciation	1.38	-	(0.17)	1.21
Items that are tax deductible on payment basis	120.54	(5.99)	(18.05)	96.50
Provision for expected credit loss	11.06	-	19.44	30.50
Lease liabilities	81.81	-	136.60	218.41
Refund liability	101.02	-	(6.07)	94.95
Carried forward busienss losses	67.40	-	87.27	154.67
MAT credit entitlement	50.88	-	(0.28)	50.60
Provision for dimunition in value of intangible assets	-		175.55	175.55
Net deferred tax asset / (liabi	**434.09**	**(5.99)**	**394.29**	**822.39**
Net impact	**204.45**	**5.99**	**(272.60)**	**(62.16)**

(c) Details of unused tax credits (MAT credit entitlement)

Particulars	As at 31 March 2024		As at 31 March 2023	
	₹	Expiry date	₹	Expiry date
A.Y. 2010-11	-	2025-26	0.09	2025-26
A.Y. 2011-12	-	2026-27	0.05	2026-27
A.Y. 2012-13	-	2027-28	0.10	2027-28
A.Y. 2014-15	-	2029-30	0.35	2029-30
A.Y. 2015-16	-	2030-31	0.75	2030-31
A.Y. 2016-17	13.58	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	9.52	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	8.22	2037-38
	44.74		**50.62**	

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(d) Details in respect of carried forward business losses
The amount and expiry of date of unused tax credits are:

Particulars	As at			As at		
	Business losses	Expiry date	Unabsorbed depreciation (with n expiry)	Business losses	Expiry date	Unabsorbed depreciation (with nc expiry)
A.Y 2015-16	-	2023-24	4.93	-	2023-24	4.93
A.Y 2016-17	-	2024-25	23.93	-	2024-25	23.93
A.Y 2017-18	3.84	2025-26	39.17	121.91	2025-26	39.17
A.Y 2018-19	150.79	2026-27	40.55	202.38	2026-27	40.55
A.Y 2019-20	137.14	2027-28	35.74	137.14	2027-28	35.74
A.Y 2020-21	120.82	2028-29	18.30	120.82	2028-29	18.30
A.Y 2021-22	60.53	2029-30	7.64	60.53	2029-30	7.64
A.Y 2022-23	46.45	2030-31	15.69	52.13	2030-31	15.71
A.Y 2023-24	5,901.58	2031-32	3,479.80	6,140.06	2031-32	3,515.09
A.Y 2024-25	557.38	2032-33	27.51			
	6,978.53		**3,693.26**	**6,834.97**		**3,701.06**

Note:-

(a) Unabsorbed business lossess of A.Y. 2023-24 includes long term capital loss of ₹ 9.31 million and A.Y. 2024-25 includes short term capital loss of ₹ 4.76 million.

(b) As per provisions of Income tax Act 1961 and rules made thereunder, due to merger of two Group Companies, business losses incurred in earlier years of Akums Lifesciences Limited (amalgamating entity) can be set off against business profits of Pure and Cure Healthcare Private Limited (amalgamated entity) in next 8 years from the financial year in which merger is effected (i.e. F.Y. 2022-2023).

49 Research and development expenditure

The Group has its research and development centres (approved by DSIR) located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to ₹ 325.75 million (31 March 2023: ₹ 247.08 million) (including depreciation of ₹ 45.22 million (31 March 2023: ₹ 30.86 million) and interest expense of ₹ 0.83 million (31 March 2023: ₹ 1.14 million) recognised in the standalone statement of profit and loss.

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) ContractDevelopmentand ManufacturingOperations(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 company is engaged in marketing and distribution of branded and generic pharmaceutical formulations.

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
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'

Segment results excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as exceptional items, where the such impacts are result of non-recurring events. It also excludes the effects of finance costs, interest income, fair value gains and losses on financial instruments etc which 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'.

All the transactions are at arm length price.

Information related to each reportable segment is set out below. 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.

No single external customer amounts to 10% or more of the group's revenue in any of the periods reported below.

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	Total segment revenue	Inter segment revenue	Revenue from external customer	Total segmen revenue	Inter segment revenue	Revenue from external customer
Revenue						
CDMO (gross)	41,571.22			36,159.27		
Less: Intra segment revenue	5,374.90			4,953.25		
CDMO (net)	36,196.32	3,532.84	32,663.48	31,206.02	3,975.94	27,230.08
API	2,784.29	659.13	2,125.16	2,222.73	450.24	1,772.49
Branded and generic formulations (gross)	7,299.16			7,675.20		
Less: Intra segment revenue	303.76			125.93		
Branded and generic formulations (net)	6,995.40	2.22	6,993.18	7,549.27	3.64	7,545.63
Total	**51,654.67**		**41,781.82**	**46,057.20**		**36,548.20**

	Year ended 31 March 2024	Year ended 31 March 2023
Segment result before depreciation		
CDMO	4,866.92	3,922.87
API	(455.14)	(1,034.45)
Branded and generic formulations	590.58	451.05
Segment result		
CDMO	3,886.14	3,097.76
API	(736.53)	(1,305.84)
Branded and generic formulations	525.88	367.23
Total segment result	3,675.49	2,159.14
Unallocated corporate income/ (expenses) [net]	(3,552.23)	447.79
Interest income	120.00	53.30
Finance costs	(435.70)	(410.23)
Profit/ (loss) before share of profit of an associate, exceptional items and tax	(192.44)	2,250.00
Exceptional items	260.34	745.00
Profit/ (loss) before share of profit of an associate	(452.78)	1,505.00
Share of loss of an associate	-	(2.03)
Profit/ (loss) before tax	(452.78)	1,502.97
Tax expenses	(460.68)	524.80
Profit/ (loss) for the year	7.90	978.17

Other information	Depreciation and Amortization		Segment assets		Segment liabilities	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
CDMO	918.62	788.23	24,318.00	23,574.52	7,401.31	8,094.95
API	281.39	270.54	4,680.03	4,870.68	423.63	511.24
Branded and generic formulations	56.40	69.32	2,825.96	3,345.04	2,226.73	2,363.66
Less :- Inter-segment eliminations			(783.76)	(1,274.82)	(783.76)	(1,274.83)
Segment total	1,256.41	1,128.09	31,040.23	30,515.42	9,267.91	9,695.02
Un-allocated corporate assets/ liabities	-	-	4,123.42	2,149.85	18,690.88	15,736.51
Total assets/ liabilities	1,256.41	1,128.09	35,163.65	32,665.27	27,958.79	25,431.53

There are no investments in associate and joint ventures accounted for by the equity method included in and reported for segment assets under different segments.
All the assets of the Group are domiciled with in India only.

 # Addition of Non current assets other than financial assets and deferred taxes for the year ended 31 March 2024 and 31 March 2023

	Year ended 31 March 2024	Year ended 31 March 2023
CDMO	2,972.98	3,555.90
API	152.23	372.02
Branded and generic formulations	16.26	21.04
	3,141.47	**3,948.96**

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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 (net debt excludes put option liability). 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 via expansion.

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 requirements.

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current borrowing	1,238.60	1,494.21
Current borrowing	3,676.95	3,875.52
Less:		
Cash and cash equivalents	1,110.50	516.08
Other bank balances	1,660.03	983.81
Net debt (A)	**2,145.02**	**3,869.84**
Total equity* (B)	7,204.86	7,233.74
Capital and net debt (C = A+B)	9,349.88	11,103.58
Gearing ratio (A/C)	22.94%	34.85%

*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 year ended 31 March 2024 and 31 March 2023.

52 Goodwill on consolidation as on the consolidated balance sheet date comprises of the following:

Name of the entity	As at 31 March 2024	As at 31 March 2023
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
Pure & Cure Healthcare Private Limited*	1,007.95	1,007.95
Total (B)	**1,029.98**	**1,029.98**

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* On account acquistion of Akums lifesciences limited (erstwhile subsidiary of the Holding company) which has been merged with one of the group company w.e.f 19 October 2023.

Changes in carrying values of goodwill during the year

	Amount
Gross carrying amount	
Balance as at 1 April 2022	250.40
Add: Acquired during the year	-
Balance as at 31 March 2023/ 1 April 2023	**250.40**
Add: Acquired during the year	-
Balance as at 31 March 2024	**250.40**
Impairment	
Balance as at 1 April 2022	229.77
Less: Impairment during the year	-
Balance as at 31 March 2023/ 1 April 2023	**229.77**
Less: Impairment during the year (refer note below)	-
Balance as at 31 March 2024	**229.77**
Carrying amount as at 31 March 2023	**20.63**
Carrying amount as at 31 March 2024	**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 recoverable value (using value in use), we utilize various assumptions, including operating results, business plans and projections of future cash flows. During the previous years, the management has reviewed the carrying value of its goodwill against the recoverable amounts of these CGUs, using internal and external information available and has recorded an impairment of above mentioned amount ₹ 229.77 million in respective year in the statement of the profit and loss account. Further, as at reporting date, the carrying value of goodwill in the consolidated financial statements of the Group, is not material and hence not considered for an impairment assessment.

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AKUMS DRUGS AND PHARMACEUTICALS LIMITED

CIN-U24239DL2004PLC12588

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

(All amounts in ₹ million unless otherwise stated)

53 Details relating to net assets and profit/(loss) is as follows:

For the year ended 31 March 2024

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 net assets	Rs.	As % of consolidated profit/ (loss)	Rs.	As % of consolidated OCI	Rs.	As % of total consolidated income
Parent								
Akums Drugs and Pharmaceuticals Limited	1,438.78	19.97%	(1,654.51)	-20953.77%	(21.75)	59.14%	(1,676.26)	5803.42%
Subsidiaries (Indian)								
Pure and Cure Healthcare Private Limited#	5,340.75	74.13%	1,246.06	15780.90%	(9.86)	26.81%	1,236.20	-4279.88%
Malik Lifesciences Private limited	285.50	3.96%	25.64	324.72%	(2.56)	6.96%	23.08	-79.91%
Maxcure Nutravedics Limited	1,146.94	15.92%	192.09	2432.75%	(2.00)	5.44%	190.09	-658.12%
Unosource Pharma Limited	(207.47)	-2.88%	125.31	1587.01%	(1.67)	4.54%	123.64	-428.06%
Akumentis Healthcare Limited	1,181.24	16.40%	517.12	6549.14%	(2.40)	6.53%	514.72	-1782.02%
Sarvagunaushdhi Private Limited	441.73	6.13%	(51.94)	-657.80%	-	-	(51.94)	179.82%
Plenteous Pharmaceuticals Limited	(171.63)	-2.38%	(145.78)	-1846.25%	0.38	-1.03%	(145.40)	503.39%
Upadhrish Reserchem LLP	121.81	1.69%	89.45	1132.85%	-	-	89.45	-309.69%
Nicholas Healthcare Limited	514.04	7.13%	(39.35)	-498.35%	0.36	-0.98%	(38.99)	134.99%
Medibox Pharma Private Limited	(90.87)	-1.26%	(93.29)	-1181.48%	1.97	-5.36%	(91.32)	316.16%
Akums Healthcare Limited	357.83	4.97%	(209.13)	-2648.56%	0.94	-2.56%	(208.19)	720.78%
Qualymed Pharma Private Limited	(10.39)	-0.14%	(10.49)	-132.85%	-	-	(10.49)	36.32%
Amazing Research Laboratories Limited	9.40	0.13%	90.87	1150.84%	-	-	90.87	-314.60%
May and Baker Pharmaceuticals Limited	(0.31)	0.00%	(70.75)	-896.02%	-	-	(70.75)	244.95%
Burroughs Welcome Pharmacia Limited	3.03	0.04%	38.42	486.58%	-	-	38.42	-133.01%
Non-controlling interest in all subsidiaries	109.88	1.53%	48.25	611.07%	(0.22)	0.60%	48.03	-166.29%
Intra group eliminations	(3,265.40)	-45.32%	(90.07)	-1140.75%	0.03	-0.08%	(90.04)	311.74%
Total	**7,204.86**	**100.00%**	**7.90**	**100.00%**	**(36.78)**	**100.00%**	**(28.88)**	**100.00%**

Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure & cure healthcare private limited w.e.f 19 October 2023.

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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 net assets	Rs.	As % of consolidated profit/ (loss)	Rs.	As % of consolidated OCI	Rs.	As % of total consolidated income
Holding Compnay								
Akums Drugs and Pharmaceuticals Ltd.	3,115.04	43.06%	1,254.30	128.23%	5.36	26.72%	1,259.66	126.19%
Subsidiaries (Indian)								
Pure and Cure Healthcare Private Limited#	4,104.63	56.74%	(1,085.45)	-110.97%	5.58	27.82%	(1,079.87)	-108.18%
Malik Lifesciences Private limited	262.42	3.63%	(28.97)	-2.96%	2.82	14.06%	(26.15)	-2.62%
Maxcure Nutravedics Limited	956.85	13.23%	59.75	6.11%	1.00	4.99%	60.75	6.09%
Unosource Pharma Limited	(331.11)	-4.58%	166.99	17.07%	0.51	2.54%	167.50	16.78%
Akumentis Healthcare Limited	666.52	9.21%	319.21	32.63%	2.97	14.81%	322.18	32.28%
Nicholas Healthcare Limited	553.03	7.65%	272.96	27.90%	1.23	6.13%	274.19	27.47%
Sarvagunaushdhi Private Limited	493.67	6.82%	354.94	36.29%	0.82	4.09%	355.76	35.64%
Plenteous Pharmaceuticals Limited	(26.23)	-0.36%	(165.46)	-16.92%	1.16	5.76%	(164.31)	-16.46%
Delcure Lifesciences Limited*	-	-	(0.39)	-0.04%	-	-	(0.39)	-0.04%
Avha Lifesciences Private Limited*	-	-	40.42	4.13%	-	-	40.42	4.05%
Upadhrish Reserchem LLP	55.36	0.77%	53.86	5.51%	-	-	53.86	5.40%
Medibox Pharma Private Limited	0.46	0.01%	(27.63)	-2.82%	-	-	(27.63)	-2.77%
Akum Impex LLP*	-	-	-	0.00%	-	-	-	-
Akums Healthcare Limited	566.02	7.82%	(177.84)	-18.18%	(2.20)	-10.97%	(180.04)	-18.04%
Dhanwantri Vedaresearch LLP*	-	-	-	0.00%	-	-	-	0.00%
Amazing Research Laboratories Limited	(81.46)	-1.13%	(97.17)	-9.93%	0.41	2.04%	(96.76)	-9.69%
May and Baker Pharmaceuticals Limited	70.44	0.97%	(13.92)	-1.42%	0.51	2.54%	(13.41)	-1.34%
Burroughs Welcome Pharmacia Limited	(35.39)	-0.49%	(29.43)	-3.01%	0.06	0.30%	(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	(3,198.36)	-44.21%	54.42	5.56%	(0.45)	-2.22%	53.97	5.41%
Total	**7,233.74**	**100.00%**	**978.18**	**100.00%**	**20.06**	**100.00%**	**998.23**	**100.00%**

* till the date it ceased to be the subsidiary

Akums Lifesciences Limited (erstwhile subsidiary of the Holding company) has been merged with Pure & cure healthcare private limited w.e.f 19 October 2023.

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AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN-U24239DL2004PLC12588
Summary of material accounting policies and other explanatory information for the year ended 31 March 2024
(All amounts in ₹ million unless otherwise stated)

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:

As at 31 March 2024

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	17	29.5 - 91.5 years	83.5 years
Building	12	1.5 - 8.5 years	4.5 years

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)
Leasehold land	16	30-92 years	84 years
Building	19	2-9 years	5 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 2022	**458.82**	**351.77**	**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/ 1 April 2023	**992.52**	**271.07**	**1,263.59**
Add: Additions during the year	17.84	9.56	27.40
Less: deletion during the year	-	(26.36)	(26.36)
Less: amortisation charged on the right-of-use assets	(22.97)	(69.74)	(92.71)
Balance as at 31 March 2024	**987.39**	**184.53**	**1,171.92**

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Expenses relating to short term leases (included in other expenses)	59.77	34.76
Total	**59.77**	**34.76**

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(f) The total cash outflow for leases for the year ended 31 March 2024 was ₹ 153.93 millions (31 March 2023: ₹ 129.98 millions)

(g) Future minimum lease payments as on 31 March 2024 are as follows:

Minimum lease payments due	As at 31 March 2024		
	Lease payment	Finance charges	Net present value
Within 1 year	121.43	63.78	57.65
1-5 years	361.02	215.72	145.30
More than 5 years	1,223.09	689.34	533.75
Total	**1,705.54**	**968.84**	**736.70**

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

Minimum lease payments due	As at 31 March 2023		
	Lease payment	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**

55 Ageing of trade receivables and trade payables as per Schedule III

A Trade receivables ageing

The table below analyse the outstanding trade receivables:

As at 31 March 2024

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	7,495.11	273.87	310.66	117.63	1.49	**8,198.76**
Undisputed trade receivables- which have significant increase in credit risk	-	1.06	19.88	14.16	48.14	**83.24**
Disputed trade receivables- which have significant increase in credit risk	-	0.56	18.14	86.44	173.53	**278.67**
Provision for expected credit loss	-	(1.20)	(10.76)	(80.99)	(129.60)	**(222.55)**
	7,495.11	**274.29**	**337.92**	**137.24**	**93.56**	**8,338.12**

*includes not due amount of ₹ 4,822.18 million

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As at 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	250.58	23.28	4.30	**8,288.84**
Undisputed trade receivables- which have significant increase in credit risk	-	-	48.80	7.33	42.17	**98.30**
Disputed trade receivables- which have significant increase in credit risk	9.66	4.79	60.95	15.08	120.73	**211.21**
Provision for expected credit loss	(6.92)	(1.32)	(60.55)	(11.11)	(67.58)	**(147.48)**
	7,081.79	**935.10**	**299.78**	**34.58**	**99.62**	**8,450.87**

*includes not due amount of ₹ 4,668.07 million

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:

As at 31 March 2024

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	469.92	2.33	-	-	**472.25**
Others	4,234.62	178.34	6.15	5.14	**4,424.25**
Unbilled dues	424.82	-	-	-	**424.82**
	5,129.36	**180.67**	**6.15**	**5.14**	**5,321.32**

As at 31 March 2023

Particulars	Outstanding for the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	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**

Note :- There are no undue payables, hence same is not disclosed in the ageing schedule.

56 Share based payments

The Holding Company has implemented Employee Stock Option Scheme 2022 (ESOP Scheme 2022) as approved by the shareholder on 31 March 2022. The scheme entitles employees and directors of the Holding Company and its subsidiaries to purchase shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions. The nomination and remuneration committee of the Board of the Company administers the Employee Stock Option Scheme 2022 and grants stock options to eligible employees.

Details of the options granted during the year ended 31 March 2024 under the scheme are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
Employee Stock Option Scheme 2022 (ESOP Scheme 2022)	1 April 2023	14,000	1,010	5 years	5 years from date of vesting of options

The options are granted at an exercise price, which is in accordance with the relevant provisions of the Companies Act, 2013, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value ₹ 2 each. The options were granted on 1 April 2023 and were then forfeited during the period. Hence, there is no impact on the financial performance of the group during the period.

The vesting conditions are mix of service and performance based conditions. Further, during the vesting period, there will graded vesting which will be 25% each in last 4 years of vesting period. The fair values of options are measured based on the Black-Scholes-Merton model.

Particulars	ESOP Scheme 2022
Weighted average share price (₹)	1,010.34

Stock option activity under the scheme for the year ended 31 March 2024 is set out below:

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding as at 1 April 2023	-	-	-	-
Granted during the year	14,000	1,010.00	1,010.00	4.75
Forfeited/ cancelled during the year	(14,000)	1,010.00	1,010.00	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding as at 31 March 2024	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Weighted average share price for options exercised during the period :

Particulars	ESOP Scheme 2022
Weighted average share price (₹)	1,010.34
Fair value per Option at grant date (₹)	376.94- 553.33
Excercise price (₹)	1,010.00
Expected Volatility	38.82%-37.72%
Expected Life (in years)	3.5 - 7.5
Expected dividends	0.00%
Risk-free interest rate	6.87%- 7.03%

57. Other information:

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

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

The Holding Company and its four subsidiaries has used payroll software for maintaining its books of account. During the current financial year, the audit trail (edit log) feature for any direct changes made at the database level were not enabled for the said software. However, the audit trails (edit log) at the applications level (entered from the frontend by users) for the accounting software were operating for all relevant transactions recorded in the software.
Further, the Holding Company and its three subsidiaries, has used payroll software used at plant which is operated by a third-party software service provider. The Company has obtained the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information). However, the service auditor has not specifically covered the existence of audit trail for any direct changes at database level in line with the requirements by MCA.

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

(b) Initial Public Offering (IPO): The Board of Directors (Board) of the Holding Company in their board meeting dated 26 October 2023 has approved raising of capital for the Holding Company through an Initial Public Offering (IPO). As part of its proposed IPO, the Holding Company filed Draft Red Hearing Prospectus (DRHP) with the Securities Exchange Board of India (SEBI) on 11 February 2024. Apart from the fresh issue of shares by the Holding Company, existing shareholders also proposes to sell their individual stake presently held in the Holding Company.

(c) Pure and Cure Healthcare Limited and Akums Lifesciences Limited (both wholly owned subsidiaries of Akums Drugs and Pharmaceuticals Limited) had filed a Scheme of Arrangement ('Scheme') under the provisions of Section 230 - 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for the amalgamation of Akums Lifesciences Limited with and into Pure and Cure Healthcare Private Limited.. The Scheme was approved by NCLT vide its order dated 24 August 2023 and 17 October 2023 by Chandigarh and New Delhi NCLT respectively, with the appointed date as 1 April 2022. The Scheme was effective on 19 October 2023 upon filing of the Scheme with the Registrar of Companies. Accordingly, the impact of the aforesaid Scheme has been given effect to in the accompanying consolidated financial statements in accordance with the requirements of the Scheme.

As per provisions of Income tax Act 1961 and rules made thereunder, pursuant to the scheme of arrangement, business losses incurred in earlier years of Akums Lifesciences Limited (amalgamating entity) can be set off against business profits of Pure and Cure Healthcare Private Limited (amalgamated entity) in next 8 years from the financial year in which merger is effected (i.e. F.Y. 2022-2023).

(d) Manufacturing unit at Derrabassi and Lalru location of API segment are being considered as two different cash generating unit ("CGU"). During the current year, management has conducted impairment assessment of these two CGU's and compares the carrying amount of CGU's with its recoverable amount. Recoverable amount is value in use of the CGU computed based upon discounted cash flow projections. The key assumptions used for computation of value in use are the sales growth rate and discount rate as specified below. The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

Key assumptions :-

Particulars	As at 31 March
Discount rate	15.01%
Average sales growth rate	12.30%

Discount rate is the weighted average cost of capital of the respective CGU's.

The Group, for CGU, has considered it appropriate to undertake the impairment assessment with reference to the latest business plan and cash flow forecast.

Recoverable value of the above CGU's at the end of the year as valued by an accredited independent valuer is significantly higher than the carrying value of each respective CGU. Hence, no provision for impairment has been made in the consolidated financial statements.

58 Subsequent events

(a) The management vide board resolution dated 18 March 2024 decided to sell its investments done in wholly owned subsidiaries: a) Amazing Research Laboratories Limited, b) May and Baker Pharmaecuticals Limited and c) Burroughs Welcome Pharmacia Private Limited. Subsequent to year end, the sale transactions has been concluded.
(b) On 29 May 2024, the Investor waived off its rights which requires the Holding Company to buyback the equity shares in accordance with the terms of the shareholder's agreement dated 3 October 2019 read with the waiver cum amendment agreement dated 9 February 2024. Accordingly, the Holding Company is no longer required to buyback the equity shares held by the Investor in the event the Holding Company and/or its Promoters are unable to facilitate an exit for the Investor in accordance with the shareholder's agreement dated 3 October 2019.

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59 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 Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like 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.

(i) The Group has complied with the approved scheme of arrangement.

(j) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous periods.

(k) The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

Summary of the material accounting policies and other explanatory information **1-59**

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 : 31 May 2024

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

NOTES

Akums

AKUMS DRUGS &
PHARMACEUTICALS LTD.