

**ANM Pharma Private Limited**  
**Balance Sheet as at December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	Notes	As at December 31, 2022	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	56.70	57.01
Financial assets			
(i) Others financial assets	5	2.49	0.54
Income tax assets (net)	6	5.09	52.51
<b>Total non-current assets</b>		<b>64.28</b>	<b>110.06</b>
<b>Current assets</b>			
Inventories	7	953.78	377.25
Financial assets			
(i) Trade receivables	8	8,463.78	5,861.74
(ii) Cash and cash equivalents	9	1.14	227.04
Other current assets	10	173.60	192.74
<b>Total current assets</b>		<b>9,592.30</b>	<b>6,658.77</b>
<b>Total assets</b>		<b>9,656.58</b>	<b>6,768.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	231.06	231.06
Other equity	12	912.09	820.53
<b>Total equity</b>		<b>1,143.15</b>	<b>1,051.59</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	13	5.75	5.34
<b>Total non-current liabilities</b>		<b>5.75</b>	<b>5.34</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	697.49	464.26
(ii) Trade payables	15		
(a) total outstanding dues of micro enterprises and small enterprises		3.90	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,797.16	5,241.17
Other current liabilities	16	9.13	6.47
<b>Total current liabilities</b>		<b>8,507.68</b>	<b>5,711.90</b>
<b>Total liabilities</b>		<b>8,513.43</b>	<b>5,717.24</b>
<b>Total equity and liabilities</b>		<b>9,656.58</b>	<b>6,768.83</b>

See accompanying notes are forming part of these standalone financial statements 1-34

As per our report of even date

For Bhagi Bhardwaj Gaur & Co.  
Chartered Accountants  
Firm Reg. no. 007895N

Mohit Gupta  
Partner  
M.No. 528337



Place: New Delhi  
Date:

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

Bharat B. Shah

Bharat Balubhai Shah  
Director  
DIN - 02181279

Place: New Delhi  
Date:

Anshul Sikri  
Director  
DIN - 00448268

**ANM Pharma Private Limited**  
**Statement of Profit and Loss for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	Notes	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021
<b>I Income</b>			
Revenue from operations	17	14,855.38	13,091.83
Other income	18	48.93	100.92
<b>Total income (I)</b>		<b>14,904.31</b>	<b>13,192.75</b>
<b>II Expenses</b>			
Purchases of stock-in-trade	19	14,868.71	11,882.58
Changes in inventories of stock in trade	20	(576.53)	765.41
Employee benefits expense	21	37.48	40.42
Finance costs	22	74.50	113.36
Depreciation expense	23	1.26	1.36
Other expenses	24	373.53	271.42
<b>Total expenses (II)</b>		<b>14,778.95</b>	<b>13,024.55</b>
<b>III Profit before tax (I-II)</b>		<b>125.36</b>	<b>168.20</b>
<b>IV Tax Expense:</b>			
Current tax	25	33.36	41.96
Deferred tax	25	0.41	0.40
Adjustment of tax relating to earlier periods	25	0.03	-
<b>Total tax expense (IV)</b>		<b>33.80</b>	<b>42.36</b>
<b>V Profit for the period (III-IV)</b>		<b>91.56</b>	<b>125.84</b>
<b>VI Other comprehensive income</b>			
(i) Item that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of the defined benefit plan		-	-
(ii) Income tax relating to item that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of the defined benefit plan		-	-
<b>Other comprehensive income for the period (VI)</b>		<b>-</b>	<b>-</b>
<b>VII Total comprehensive income for the period (V+VI)</b>		<b>91.56</b>	<b>125.84</b>
<b>Earnings per equity share (EPS) (face value of INR 10 each)(see note 31):</b>			
Basic EPS (in INR)		3.96	5.45
Diluted EPS (in INR)		3.96	5.45

See accompanying notes are forming part of these standalone financial statements

1-34

As per our report of even date

For Bhaqi Bhardwaj Gaur & Co.  
Chartered Accountants  
Firm Reg. no. 007695N

Mohit Gupta  
Partner  
M.No. 528337

Place: New Delhi  
Date:



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

Bharat B. Shah

Bharat Balubhai Shah  
Director  
DIN - 02181279

Place: New Delhi  
Date:

Anshul Sikri  
Director  
DIN - 00448268

**ANM Pharma Private Limited**  
**Statement of Cash Flows for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021
<b>A. Cash flow from Operating activities</b>		
Profit before tax	125.36	168.20
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	1.26	1.36
Net foreign exchange differences	130.28	(69.29)
Finance income	(5.64)	(1.77)
Finance costs	29.03	113.36
<i>Working capital adjustments:</i>		
(Increase)/ Decrease in trade receivables	(2,602.04)	(1,155.43)
(Increase)/ Decrease in inventories	(576.53)	765.41
(Increase)/ Decrease in financial asset - others	(1.93)	0.01
(Increase)/ Decrease in other asset	19.14	(178.54)
Increase/ (Decrease) in trade payable	2,429.61	1,910.52
Increase/ (Decrease) in other liability	2.66	68.84
	<u>(448.80)</u>	<u>1,622.67</u>
Income tax paid	14.03	(17.64)
<b>Net cash flows from operating activities (A)</b>	<u>(434.77)</u>	<u>1,605.03</u>
<b>B. Cash flow from Investing activities</b>		
Purchase of property, plant and equipment	(0.95)	(2.47)
Interest received (finance income)	5.62	1.75
<b>Net cash flows from investing activities (B)</b>	<u>4.67</u>	<u>(0.72)</u>
<b>C. Cash flow from Financing activities</b>		
Interest paid	(29.03)	(113.36)
Proceeds from borrowings	233.23	-
Repayment of borrowings	-	(914.00)
<b>Net cash flows from financing activities (C)</b>	<u>204.20</u>	<u>(1,027.36)</u>
Net increase in cash and cash equivalents (A+B+C)	(225.90)	576.95
Cash and cash equivalents at the beginning of the period	227.04	59.04
<b>Cash and cash equivalents at the end of the period</b>	<u>1.14</u>	<u>635.99</u>
<b>Components of cash and cash equivalents</b>		
Balances with banks (refer note 9)		
- In current account	0.97	635.85
- in overdraft account	-	-
Cash in hand	0.17	0.14
	<u>1.14</u>	<u>635.99</u>

See accompanying notes are forming part of these standalone financial statements

1-34

As per our report of even date

For **Bhagi Bhardwaj Gaur & Co.**  
Chartered Accountants  
Firm Reg. no. 007895N

**Mohit Gupta**  
Partner  
M.No. 528337



Place: New Delhi  
Date:

For and on behalf of the Board of Directors of  
**ANM Pharma Private Limited**

*Bharat B. Shah*

**Bharat Balubhal Shah**  
Director  
DIN - 02181279

Place :New Delhi  
Date :

*Anshul Sikri*  
**Anshul Sikri**  
Director  
DIN - 00448268

**ANM Pharma Private Limited**  
**Statement of Changes in Equity for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

**a. Equity share capital**

Particulars	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>	
As at April 01, 2021	231.06
Changes in equity share capital during the year	-
<b>As at March 31, 2022</b>	<b>231.06</b>
Changes in equity share capital during the period	-
<b>As at December 31, 2022</b>	<b>231.06</b>

**b. Other equity**

Particulars	Reserves and Surplus	Total
	Retained earnings	
<b>Balance as at April 01, 2021</b>	<b>632.67</b>	<b>632.67</b>
Profit for the period	125.84	125.84
<b>Total comprehensive income for the period</b>	<b>125.84</b>	<b>125.84</b>
<b>Balance as at December 31, 2021</b>	<b>758.51</b>	<b>758.51</b>
<b>Balance as at April 01, 2022</b>	<b>820.53</b>	<b>820.53</b>
Profit for the period	91.56	91.56
<b>Total comprehensive income for the period</b>	<b>91.56</b>	<b>91.56</b>
<b>Balance as at December 31, 2022</b>	<b>912.09</b>	<b>912.09</b>

See accompanying notes are forming part of these standalone financial statements 1-34

As per our report of even date

**For Bhagi Bhardwaj Gaur & Co.**  
Chartered Accountants  
Firm Reg. no. 007895N

**For and on behalf of the Board of Directors**

**Mohit Gupta**  
Partner  
M.No. 528337



Place: New Delhi  
Date:

*Bharat B. Shah*

**Bharat Balubhai Shah**  
Director  
DIN - 02181279

**Anshul Sikri**  
Director  
DIN - 00448268

Place :New Delhi  
Date :

## 1 Corporate information

ANM Pharma Pvt Ltd ("hereinafter referred to the Company") was incorporated on 24 Dec 2013 It is a associate company of Mankind Pharma Limited. The company is engaged in the trading of pharmaceutical and related drugs in India.

## 2 Basis of preparation

### 2.1. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards 34 "Interim Financial Reporting" (referred to as "Ind AS"), as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III, as amended). These financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

These financial statements have been prepared by the Management for the preparation of Restated Summary Statements for the purpose of inclusion in the Red Herring Prospectus ("RHP").

The financial statements have been prepared on a historical cost basis unless otherwise indicated.

### 2.2. Basis of presentation and preparation of separate financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 'Leases' and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 2.3. Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting.

### 2.4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified 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 their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.5. Functional and presentation currency

These financial statements are presented in Indian rupee (INR), which is the functional currency of the Company.



**2.6. New and amended standards adopted by the Company**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- i) Extension of COVID-19 related concessions – amendments to Ind AS 116.
- ii) Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.
- iii) Conceptual framework for financial reporting under Ind AS issued by ICAI
- iv) Ind AS 103: Business combination
- v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Further the Company has applied reclassifications consequent to amendments in schedule III as amended by Ministry of corporate affairs on March 24, 2021 to current year and comparative periods.

**2.7. Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**(i) Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**(ii) Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**(iii) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**(iv) Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**(v) Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**3. Significant accounting policies**

The Company has applied the following accounting policies to all periods presented in these Ind AS financial statements.

**3.1. Revenue recognition**

Revenues are measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates, trade discounts and other similar allowances.

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Sale of goods

Revenue from sale of goods are recognised on transfer of significant risks and rewards of ownership to the buyer, where recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The transfer of significant risks and rewards of ownership generally coincides with the delivery of goods to customers. Revenue from sale of goods includes excise duty but exclude sales tax and value added tax.

Income from services

Revenues from services are recognised when services are rendered and related costs are incurred.

Other income

Interest income is recognised on time proportion basis with reference to effective interest rate method. Dividend income is accounted for when the right to receive it is established.

Export benefits available under prevalent schemes are accounted to the extent considered receivable.



**3.2. Inventories**

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories includes all costs and overheads in bringing the inventories to their present condition. Cost is arrived at moving weighted average basis. Work-in-process and finished goods include appropriate proportion of overheads.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make sale.

**3.3. Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**3.4. Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**3.5. Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, wherever applicable. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, on initial recognition, expenditure to be incurred towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

*Subsequent costs and disposal*

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

*Capital work in progress*

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

*Depreciation and amortisation*

Depreciation on Property, plant and equipment has been provided on the straight-line method (SLM) to allocate their cost, net of their residual values, as per useful life prescribed in Schedule II to the Act. Management's assessment of independent technical evaluation/advice takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support. The depreciation method, asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period prospectively.

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of mobile phones in which case life of the asset is considered to be 2 years.

Additions on account of insurance spares, additions/extensions forming an integral part of existing plants and the revised carrying amount of the assets identified as impaired, are depreciated over residual life of the respective asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation methods, useful lives and residual values are reviewed at each financial year and changes in estimates, if any, are accounted for prospectively.



### 3.6. Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of all of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the assets (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

### 3.7. Foreign currency transactions and translations

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

### 3.8. Employee benefits

Employee benefits include provident fund, employee state insurance scheme.

#### Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

The Provision of Payment of Gratuity Act 1972 are not applicable to the company.

### 3.9. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The Company's lease asset classes primarily comprise of lease for land and building. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The company has entered into lease agreement for building which has been assessed as operating lease and accordingly the company has recognised rental expenses on a straight line basis over the tenure of lease.

### 3.10. Earnings per share





Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 3.11. Taxes on income

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates items recognised directly in equity or in Other Comprehensive Income.

#### Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

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

Deferred tax assets on unused tax losses are recognised only to the extent of net Deferred tax Liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.12. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as Contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.



### 3.13. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 3.14. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in statement of profit and loss.

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the Statement of Profit and Loss.

#### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss is included in the 'other gains and losses' line item.

#### Impairment of financial assets

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument 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.

#### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.



On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

##### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in statement of profit and loss. The remaining amount of change in the fair value of liability is recognised in statement of profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to statement of profit and loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in statement of profit and loss.

##### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.



The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

### 3.15. Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

### 3.16. Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following accounting policies and/or notes:

#### Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered.

#### Critical estimates and judgements in applying accounting policies

The following are the critical judgements, apart from those estimations that the management has made in the process of applying the Company Accounting Policies and that have most significant effect on the amounts recognised in the financial statements.

#### Provisions and contingencies

The significant capital commitments in relation to various capital projects are not recognized in the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

#### Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The fair values of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted price in active markets are available are measured using valuation techniques. 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. Judgments 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.

#### Impairment of assets



In assessing the property, plant and equipment and intangible assets for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Company's business plans and changes in regulatory environment are taken into consideration. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the abovementioned factors could impact the carrying value of the assets.

#### Useful life of property, plant and equipment

Property, plant and equipment and intangible assets as disclosed above are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Company also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Company's business plans and changes in regulatory environment are taken into consideration.

The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

#### Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. The liabilities which are assessed as possible and hence are not recognised in these financial statements.

#### Measurement of defined benefit obligations

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to probable maturity of the post-employment benefit obligations.

### 3.17 Key sources of estimation uncertainty

#### (a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

#### (b) Impairment of Financial assets

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

#### (c) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



4 Property, plant and equipment

	As at December 31, 2022	As at March 31, 2022
Carrying amounts of:		
Building	52.63	53.33
Furniture and fixtures	0.66	0.75
Vehicles	0.61	0.72
Office equipment	2.57	1.98
Computers	0.23	0.23
	<b>56.70</b>	<b>57.01</b>

	Building	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
<b>Cost/ carrying value:</b>						
<b>Balance as at April 01, 2021</b>	58.58	1.03	0.44	1.19	0.78	62.02
Additions	-	-	0.77	1.70	-	2.47
Disposals/ adjustments	-	-	-	-	-	-
<b>Balance as at December 31, 2021</b>	58.58	1.03	1.21	2.89	0.78	64.49
<b>Balance as at April 01, 2021</b>	58.58	1.03	0.44	1.19	0.78	62.02
Additions	-	0.14	0.77	2.46	-	3.37
Disposals/ adjustments	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	58.58	1.17	1.21	3.65	0.78	65.39
Additions	-	-	-	0.95	-	0.95
Disposals/ adjustments	-	-	-	-	-	-
<b>Balance as at December 31, 2022</b>	58.58	1.17	1.21	4.60	0.78	66.34
<b>Accumulated depreciation:</b>						
<b>Balance as at April 01, 2021</b>	4.32	0.30	0.34	1.05	0.55	6.56
Depreciation expense	0.70	0.08	0.11	0.47	-	1.36
Disposals/ adjustments	-	-	-	-	-	-
<b>Balance as at December 31, 2021</b>	5.02	0.38	0.45	1.52	0.55	7.92
<b>Balance as at April 01, 2021</b>	4.32	0.30	0.34	1.05	0.55	6.56
Depreciation expense	0.93	0.12	0.15	0.62	-	1.82
Disposals/ adjustments	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	5.25	0.42	0.49	1.67	0.55	8.38
Depreciation expense	0.70	0.09	0.11	0.36	-	1.26
Disposals/ adjustments	-	-	-	-	-	-
<b>Balance as at December 31, 2022</b>	5.95	0.51	0.60	2.03	0.55	9.64
<b>Net Carrying value</b>						
<b>Balance as at December 31, 2021</b>	53.56	0.65	0.76	1.37	0.23	56.57
<b>Balance as at March 31, 2022</b>	53.33	0.75	0.72	1.98	0.23	57.01
<b>Balance as at December 31, 2022</b>	52.63	0.66	0.61	2.57	0.23	56.70

Note :

1. The Company undisputedly possesses the title deeds for all properties held by the Company, presented under 'Buildings' in the above schedule. Further, the Company does not hold any property where-in the title deed does not convey a lucid ownership interest in favor of the Company with respect to such property.



**ANM Pharma Private Limited**

Notes forming part of the financial statements for the nine months ended December 31, 2022

All amounts are in INR lacs unless otherwise stated

	<u>As at December 31, 2022</u>	<u>As at March 31, 2022</u>
<b>5 Other financial assets</b>		
<b>Non-Current (Unsecured and considered good) Financial assets carried at amortised cost</b>		
Security deposits (see note (a) below)	0.25	0.25
Fixed deposits with original maturity of more than 12 months (see note (b) below)	0.3	0.29
	<u><b>2.49</b></u>	<u><b>0.54</b></u>
<b>Notes:</b>		
a. Security deposits include deposits of INR 0.15 lacs as at December 31, 2022 and INR 0.15 lacs as at March 31, 2022 are lien marked with banks against which bank guarantees have been issued to government authorities.		
b. Bank deposits includes interest accrued and not due amounting to INR 0.15 lacs and INR 0.14 lacs as at December 31, 2022 and as at March 31, 2022 respectively.		
<b>6 Income tax assets and liabilities</b>		
<b>Income tax assets</b>		
Income tax receivable (net of provisions)	5.09	52.51
	<u><b>5.09</b></u>	<u><b>52.51</b></u>
<b>7 Inventories</b>		
Stock in trade		
In hand	730.87	353.67
In transit	222.91	23.58
	<u><b>953.78</b></u>	<u><b>377.25</b></u>



ANH Pharma Private Limited  
Notes forming part of the financial statements for the nine months ended December 31, 2022  
All amounts are in INR lacs unless otherwise stated

	As at December 31, 2022	As at March 31, 2022
<b>B Trade receivables</b>		
Unsecured, considered good	8,463.78	5,861.74
	<u>8,463.78</u>	<u>5,861.74</u>

**B.1 Trade Receivables ageing schedule**  
As at December 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable - considered good	-	8,242.13	221.63	0.02	-	-	8,463.78
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
		<u>8,242.13</u>	<u>221.63</u>	<u>0.02</u>	-	-	<u>8,463.78</u>

As at March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	5546.39	217.57	55.63	42.15	-	-	5,861.74
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<u>5,546.39</u>	<u>217.57</u>	<u>55.63</u>	<u>42.15</u>	-	-	<u>5,861.74</u>

- The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on historical credit loss experience and adjusted for forward looking information.
- The average credit period to customers ranges upto 90 days. No interest is charged on trade receivables upto the due date from the date of the invoice.
- Trade Receivables include due to related parties as at December 31, 2022 : INR 7,006.54 lacs (March 31, 2022 : INR 4,417.05 lacs)

**9 Cash and cash equivalents**

	As at December 31, 2022	As at March 31, 2022
Balances with banks		
- In current account	0.97	5.74
- In overdraft account	-	220.71
Cash in hand	0.17	0.59
	<u>1.14</u>	<u>227.04</u>

Note:

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

**10 Other assets**

	As at December 31, 2022	As at March 31, 2022
<b>Current</b>		
(Unsecured and considered good)		
Prepaid expenses	6.73	3.81
Advances to vendors	0.05	84.58
Advances to employees	0.55	-
Balances with Government authorities	165.27	162.70
Other receivables	-	1.65
	<u>173.60</u>	<u>162.74</u>







ANM Pharma Private Limited  
Notes forming part of the financial statements for the nine months ended December 31, 2022  
All amounts are in INR lacs unless otherwise stated

	As at December 31, 2022	As at December 31, 2021	As at March 31, 2022
<b>13 Deferred tax balances</b>			
Deferred tax liabilities	(5.75)	(5.20)	(5.34)
Deferred tax assets	-	-	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(5.75)</b>	<b>(5.20)</b>	<b>(5.34)</b>
<b>For the nine months ended December 31, 2022</b>	<b>Opening Balance</b>	<b>Recognised/reversed in Profit or loss</b>	<b>Recognised in other comprehensive Income</b>
Deferred tax liabilities in relation to Property, plant and equipment	(5.34)	(0.41)	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(5.34)</b>	<b>(0.41)</b>	<b>-</b>
<b>For the year ended March 31, 2022</b>	<b>Opening Balance</b>	<b>Recognised/reversed in Profit or loss</b>	<b>Recognised in other comprehensive Income</b>
Deferred tax liabilities in relation to Property, plant and equipment	(4.80)	(0.54)	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(4.80)</b>	<b>(0.54)</b>	<b>-</b>
<b>For the nine months ended December 31, 2021</b>	<b>Opening Balance</b>	<b>Recognised/reversed in Profit or loss</b>	<b>Recognised in other comprehensive Income</b>
Deferred tax liabilities in relation to Property, plant and equipment	(4.80)	(0.40)	-
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(4.80)</b>	<b>(0.40)</b>	<b>-</b>

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.



ANM Pharma Private Limited  
 Notes forming part of the financial statements for the nine months ended December 31, 2022  
 All amounts are in INR lacs unless otherwise stated

	As at December 31, 2022	As at March 31, 2022
<b>14 Borrowings</b>		
<b>Current</b>		
<b>(Secured, valued at amortised cost)</b>		
Credit facilities from banks	697.49	464.26
	<b>697.49</b>	<b>464.26</b>

**Note:**

- (a) The company has taken credit facilities from IDFC bank and HDFC bank which are secured by:  
 (i) First pari passu charge on all current assets and movable fixed assets (both present and future).  
 (ii) Unconditional and irrevocable corporate guarantee of Mankind Pharma Ltd.  
 (b) The cash credit facility from IDFC bank carries an interest rate of 9.25% p.a.  
 (c) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.  
 (d) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

**14.1 Changes in liability arising from financing activity.**

**Particulars**

	As at December 31, 2022	As at December 31, 2021
Opening balances	464.26	1,415.74
Interest Expense	29.03	68.36
Cash Outflows	-	(914.00)
Interest Paid	(29.03)	(68.36)
<b>Closing balances</b>	<b>231.03</b>	<b>501.74</b>



ANM Pharma Private Limited  
Notes forming part of the financial statements for the nine months ended December 31, 2022  
All amounts are in INR lacs unless otherwise stated

	As at December 31, 2022	As at March 31, 2022
<b>15 Trade payables</b>		
<b>Current</b>		
i. total outstanding dues of micro enterprises and small enterprises (see note c below)	3.90	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	7,797.16	5,241.17
	<b>7,801.06</b>	<b>5,241.17</b>

**15.1 Trade Payable ageing schedule**

As at December 31, 2022							
Particulars	Unbilled due	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	3.90	-	-	-	3.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	8.45	7,788.13	0.58	-	-	7,797.16
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	-	<b>8.45</b>	<b>7,792.03</b>	<b>0.58</b>	-	-	<b>7,801.06</b>
As at March 31, 2022							
Particulars	Unbilled due	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.58	4,891.87	347.14	0.58	-	-	5,241.17
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>1.58</b>	<b>4,891.87</b>	<b>347.14</b>	<b>0.58</b>	-	-	<b>5,241.17</b>

**Note:**

- a. The average credit period on purchases is upto 60 days for the Company.  
b. Trade Payables include due to related parties INR 122.70 lacs (March 31, 2022 : INR 145.24 lacs).  
c. Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the period ended December 31, 2022 and year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at December 31, 2022	As at March 31, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier covered under MSMED Act: - Principal amount	3.90	-
- Interest thereon	-	-
(ii) the amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

**16 Other liabilities**

	As at December 31, 2022	As at March 31, 2022
<b>Current</b>		
Statutory liabilities	9.13	6.47
	<b>9.13</b>	<b>6.47</b>



**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021
<b>17 Revenue from operations</b>		
<b>17.1 Revenue from contracts with customers</b>		
Sale of products	14,852.02	13,083.57
Sale of services	3.36	8.26
	<u>14,855.38</u>	<u>13,091.83</u>
<b>(a) Disaggregated revenue information</b>		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
<b>Segment</b>		
<b>Particulars</b>	<b>For the nine months ended December 31, 2022</b>	<b>For the nine months ended December 31, 2021</b>
<b>(i) Type of goods/services</b>		
Pharmaceutical Products (Bulk Drugs)	14,852.02	13,083.57
Commission	3.36	8.26
<b>Total revenue from contracts with customers</b>	<u>14,855.38</u>	<u>13,091.83</u>
<b>(ii) Geographical Information</b>		
Within India	14,855.38	13,091.83
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<u>14,855.38</u>	<u>13,091.83</u>
<b>(b) Contract balances</b>		
Trade receivables (refer note 8)	8,463.78	5,099.63
Trade receivables are non interest bearing. Credit period generally falls in the range of 30 to 90 days.		
<b>(c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	14,883.24	13,094.28
<b>Adjustments:</b>		
Sales return	(27.86)	(2.45)
<b>Revenue from contracts with customers</b>	<u>14,855.38</u>	<u>13,091.83</u>
<b>(d) Performance obligations</b>		
Sales of goods:- Performance obligation is satisfied when control of goods is transferred to the customers, generally on delivery of goods.		
Sales of services:- The Performance obligation in respect of services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of services.		
<b>18 Other income</b>	<b>For the nine months ended December 31, 2022</b>	<b>For the nine months ended December 31, 2021</b>
<b>Interest income</b>		
Interest income earned on:		
- bank deposits (at amortised cost)	0.15	0.02
- Interest from loan to related parties (at amortised cost)	0.82	-
Interest received on income tax refund	4.67	1.75
	<u>5.64</u>	<u>1.77</u>
<b>Other non-operating income</b>		
Insurance claim received	-	0.12
Others	43.29	29.74
	<u>43.29</u>	<u>29.86</u>
<b>Other gains and losses</b>		
Gain on foreign currency transactions and translation (net)	-	69.29
	<u>48.93</u>	<u>100.92</u>



**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021
<b>19 Purchases of stock-in-trade</b>		
Purchases	14,868.71	11,882.58
	<b>14,868.71</b>	<b>11,882.58</b>
<b>20 Changes in inventories of Stock in trade</b>		
<b>Opening Stock:</b>		
Stock in trade		
a. In hand	353.67	788.97
b. In transit	23.58	824.48
	377.25	1,613.45
<b>Closing Stock:</b>		
Stock in trade		
a. In hand	730.87	848.04
b. In transit	222.91	-
	953.78	848.04
<b>Net decrease/(increase)</b>	<b>(576.53)</b>	<b>765.41</b>
<b>21 Employee benefits expense</b>		
Salaries and wages	36.66	38.94
Contribution to provident and other fund	0.79	0.85
Staff welfare expenses	0.03	0.63
	<b>37.48</b>	<b>40.42</b>
<b>22 Finance Costs</b>		
Interest expense on borrowings	29.03	68.36
Interest on delay deposit of income tax	0.47	-
Other finance costs*	45.00	45.00
* Guarantee Commission	<b>74.50</b>	<b>113.36</b>
<b>23 Depreciation expense</b>		
Depreciation on property, plant and equipment (refer note 4)	1.26	1.36
	<b>1.26</b>	<b>1.36</b>



**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

	<u>For the nine months ended December 31, 2022</u>	<u>For the nine months ended December 31, 2021</u>
<b>24 Other expenses</b>		
Power and fuel	0.58	0.53
Rent	0.57	-
Repair and maintenance		
- Building	0.71	0.20
- others	0.43	0.61
Insurance	16.24	12.70
Rates and taxes	7.88	0.09
Communication expenses	0.46	0.48
Postage and courier	0.36	0.33
Travelling and conveyance	0.72	0.90
Printing and stationery	0.22	-
Freight cartage and other distribution cost	4.48	5.78
Commission and brokerage	149.06	141.12
Legal and professional charges	39.32	40.77
Payments to auditors	1.31	1.31
Advertising and sales promotion expenses	-	0.39
Bank charges	18.09	16.21
Loss on foreign exchange fluctuation	130.28	-
Miscellaneous expenses	2.82	-
<b>Total</b>	<b><u>373.53</u></b>	<b><u>221.42</u></b>
<b>Note:</b>		
Payments to the auditors (excluding input tax)		
I To statutory auditors		
a) Audit fees	0.75	0.75
b) Tax audit fees	0.56	0.56
	<b><u>1.31</u></b>	<b><u>1.31</u></b>



ANM Pharma Private Limited  
Notes forming part of the financial statements for the nine months ended December 31, 2022  
All amounts are in INR lacs unless otherwise stated

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021	For the year ended March 31, 2022
<b>25 Income taxes</b>			
<b>25.1 Income tax recognised in the Statement of profit and loss</b>			
<b>Current tax</b>			
In respect of the current period/year	33.36	41.96	63.25
In respect of the previous period/year	0.03	-	1.68
	<b>33.39</b>	<b>41.96</b>	<b>64.93</b>
<b>Deferred tax</b>			
In respect of the current period/year	0.41	0.40	0.54
Impact of change in tax rate	-	-	-
	<b>0.41</b>	<b>0.40</b>	<b>0.54</b>
<b>Total income tax expense recognised in the current period/year</b>	<b>33.80</b>	<b>42.36</b>	<b>65.47</b>
The Income tax expense for the period/year can be reconciled to the accounting profit as follows:			
<b>Profit before tax from continuing and discontinuing operations</b>	<b>125.36</b>	<b>168.20</b>	<b>253.33</b>
Statutory income tax rate	25.168%	25.168%	25.168%
Income tax expense at statutory income tax rate	31.55	42.32	63.75
Effect of expenses that are not deductible in determining taxable profit	2.22	0.03	0.04
Adjustments recognised in the current year in relation to the previous years	0.03	-	1.68
<b>At an effective income tax rate of 26.96% December 31, 2022 (December 31, 2021: 25.19%) (: 25.84%)</b>	<b>33.80</b>	<b>42.36</b>	<b>65.47</b>
<b>25.2 Income tax recognised in other comprehensive income</b>			
Income tax relating to item that will not be reclassified to profit or loss	-	-	-
Items that will be reclassified to profit or loss	-	-	-
- Remeasurement of the defined benefit plan	-	-	-
<b>Total income tax expense recognised in other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bifurcation of the income tax recognised in other comprehensive income into:			
- Items that will be reclassified to profit or loss	-	-	-
- Items that will not be reclassified to profit or loss	-	-	-





**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

**26 Contingent liabilities and commitments (to the extent not provided for)**

**(i) Contingent liabilities**

The Company does not have any pending litigations which would impact its financial statements.

**(ii) Commitments**

The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

**27 Segment Reporting**

**A. Basis for segmentation**

The operations of the Company are limited to one segment viz. Pharmaceutical products, which as per Ind AS - 108 "Operating Segments" is considered the only reportable segment.

**B. Geographic Segment**

The Company operates only in one Country and does not have any separate identifiable geographic segment.

**C. Major Customer**

There are customers which accounted for 10% or more of the Company's revenue. The total amount of revenue from such customers is INR 10,139.03 lacs, INR 5,217.70 lacs and INR 9,965.80 lacs for period ended December 31, 2022, December 31, 2021 and year ended March 31, 2022 respectively.

**28 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based and financing through short term borrowings. The funding requirements are met through a mixture of equity, internal fund generation and short term borrowings as per the Company's policy to meet anticipated funding requirements.

No changes were made in the objectives, policies or processes for managing capital during the period ended December 31, 2022 and year ended March 31, 2022.

**29 Financial Instruments**

**A. Financial risk management objective and policies**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 and Note 3.

**Financial assets and liabilities:**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

December 31, 2022	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
<b>Financial assets</b>					
Trade receivables	-	-	8,463.78	8,463.78	8,463.78
Cash and cash equivalents	-	-	1.14	1.14	1.14
Other financial assets	-	-	2.49	2.49	2.49
<b>Total</b>	-	-	<b>8,467.41</b>	<b>8,467.41</b>	<b>8,467.41</b>
<b>Financial liabilities</b>					
Borrowings	-	-	697.49	697.49	697.49
Trade payables	-	-	7,801.06	7,801.06	7,801.06
<b>Total</b>	-	-	<b>8,498.55</b>	<b>8,498.55</b>	<b>8,498.55</b>

March 31, 2022	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
<b>Financial assets</b>					
Trade receivables	-	-	5,861.74	5,861.74	5,861.74
Cash and cash equivalents	-	-	227.04	227.04	227.04
Other financial assets	-	-	0.54	0.54	0.54
<b>Total</b>	-	-	<b>6,089.32</b>	<b>6,089.32</b>	<b>6,089.32</b>
<b>Financial liabilities</b>					
Borrowings	-	-	464.26	464.26	464.26
Trade payables	-	-	5,241.17	5,241.17	5,241.17
<b>Total</b>	-	-	<b>5,705.43</b>	<b>5,705.43</b>	<b>5,705.43</b>

**Fair value measurements**

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)



**Risk management framework**

Risk management framework

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk;
- Interest rate risk; and
- Credit risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

**a) Liquidity Risk**

The Company requires funds both for short-term operational needs as well as for long-term investment programme mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

As at December 31, 2022					
Financial liabilities	<1 year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	697.49	-	-	-	697.49
Trade payables	7,801.06	-	-	-	7,801.06
<b>Total</b>	<b>8,498.55</b>	-	-	-	<b>8,498.55</b>

  

As at March 31, 2022					
Financial liabilities	<1 year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	464.26	-	-	-	464.26
Trade payables	5,241.17	-	-	-	5,241.17
<b>Total</b>	<b>5,705.43</b>	-	-	-	<b>5,705.43</b>

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Company's fixed rate financial liabilities to interest rate risk as follows:

	As at	Closing balance	Impact on profit and loss	
			1% Increase	1% Decrease
Borrowings	December 31, 2022	697.49	(6.97)	6.97
Borrowings	December 31, 2021	501.74	(5.02)	5.02
Borrowings	March 31, 2022	464.26	(4.64)	4.64

**c) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company regularly monitors its counterparty limits by reviewing the outstanding balance and ageing of the same.

Possible credit risk

Credit risk management

Credit risk related to trade receivables

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Credit risk related to bank balances

Company holds bank balances with reputed and creditworthy banking institution within the approved exposures limit of each bank. None of the Company's cash equivalents, including time deposits with banks, are past due or impaired.

Other credit risk

The company is exposed to credit risk in relation to security deposits.

The carrying value of the financial assets other than cash represents the maximum credit exposure. The company's maximum exposure to credit risk at December 31, 2022 is INR 8,467.24 lacs and at March 31, 2022 is INR 6,088.73 lacs.



**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

d) Foreign currency risk

The company is exposed to currency risk on account of import of goods or services from other countries. The functional currency of the company is Indian Rupee. Considering the countries and economic environment from which the company imports, its operations are subject to risks arising from the fluctuations primarily in the US dollar. Currency risk exposure is evaluated and managed through advance payments for procurements and forward contract hedging.

		As at December 31, 2022		Impact on profit before tax and equity	
Nature	Currency	Foreign Currency in Lacs.	Indian Rupees in Lacs.	1% increase in Lacs.	1% decrease in Lacs.
Payable	US Dollar (USD)	17.97	1,487.70	14.88	(14.88)

		As at December 31, 2021		Impact on profit before tax and equity	
Nature	Currency	Foreign Currency in Lacs.	Indian Rupees in Lacs.	1% increase in Lacs.	1% decrease in Lacs.
Payable	US Dollar (USD)	12.16	906.06	9.06	(9.06)

		As at March 31, 2022		Impact on profit before tax and equity	
Nature	Currency	Foreign Currency in Lacs.	Indian Rupees in Lacs.	1% increase in Lacs.	1% decrease in Lacs.
Payable	US Dollar (USD)	18.61	1,412.25	14.12	(14.12)



**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

**30 Related Party Disclosures**

In accordance with the requirements of Indian Accounting Standard Ind (AS) – 24 "Related Party Disclosures" the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions / period end / year end balances with them.

**A. List of Related Parties (with whom the company had transactions during the period/year)**

Key Management Personnel (KMP)	Bharat Balubhai shah Anshul Sikri Nidhi Arora
Relatives of Key Management Personnel (KMP)	Bodhi Raj Sikri
Others	ABS Mercantile Private Limited Copmed Pharmaceuticals private Limited J.K. Print Pack JPR Labs Private Limited Mankind Pharma Limited Mediforce Healthcare Private Limited Next Wave India Nischem International Private Limited Om Sai Pharma Pack Pharma Force lab Relax Pharmaceuticals Private Limited Shree Jee Laboratory Private Limited Sirmour Remedies Private Limited Vetbesta Lab Penta Kraft

**B. Transactions during the period**

Particulars	KMP		Others	
	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021
<b>(i). Sale of goods</b>				
Nischem International Private Limited	-	-	225.80	485.88
Mankind Pharma Limited	-	-	4,367.07	785.20
Pharma Force lab	-	-	499.30	493.89
Next Wave India	-	-	-	6.45
ABS Mercantile Private Limited	-	-	5,771.95	5,223.17
J.K. Print Pack	-	-	106.30	6.86
Mediforce Healthcare Private Limited	-	-	158.14	262.10
Sirmour Remedies Private Limited	-	-	-	102.88
Om Sai Pharma Pack	-	-	9.73	2.40
Penta Kraft	-	-	-	12.51
			<b>11,138.29</b>	<b>7,381.33</b>
<b>(ii).Purchase of goods</b>				
Shree Jee Laboratory Private Limited	-	-	-	-
Nischem International Private Limited	-	-	123.56	-
			<b>123.56</b>	<b>-</b>
<b>(iii). Interest Received</b>				
ABS Mercantile Private Limited	-	-	0.82	-
			<b>0.82</b>	<b>-</b>
<b>(iv). Sale of Service</b>				
Shree Jee Laboratory Private Limited	-	-	-	1.54
JPR Labs Private Limited	-	-	2.49	6.72
			<b>2.49</b>	<b>8.26</b>
<b>(v). Consultancy charges</b>				
Nidhi Arora	22.50	22.50	-	-
Bharat Balubhai shah	13.50	13.50	-	-
	<b>36.00</b>	<b>36.00</b>	<b>-</b>	<b>-</b>
<b>(vi). Remuneration paid</b>				
Bodhi Raj Sikri	22.50	22.50	-	-
	<b>22.50</b>	<b>22.50</b>	<b>-</b>	<b>-</b>



ANM Pharma Private Limited  
Notes forming part of the financial statements for the nine months ended December 31, 2022  
All amounts are in INR lacs unless otherwise stated

<b>(vii). Payment made on behalf of company by</b>				
Nischem International Private Limited	-	-	530.59	135.41
ABS Mercantile Private Limited	-	-	1,321.65	405.00
Next Wave India	-	-	-	2.63
Mankind Pharma Limited	-	-	53.62	-
			<b>1,852.24</b>	<b>543.05</b>
<b>(viii). Guarantee Commission Paid</b>				
Mankind Pharma Limited	-	-	45.00	45.00
			<b>45.00</b>	<b>45.00</b>
<b>(ix). Loans to related parties</b>				
ABS Mercantile Private Limited	-	-	500.00	-
			<b>500.00</b>	-
<b>(x). Loan repayments from related parties</b>				
ABS Mercantile Private Limited	-	-	500.00	-
			<b>500.00</b>	-
<b>C. Balances outstanding as at</b>				

Particulars	KMP		Others	
	As at December 31, 2022	As at March 31, 2022	As at December 31, 2022	As at March 31, 2022
<b>(i). Trade Receivables</b>				
Mankind Pharma Limited	-	-	1,647.37	641.74
Nischem International Private Limited	-	-	3.25	76.56
Pharma Force lab	-	-	261.45	151.62
Next Wave India	-	-	-	15.16
J.K. Print Pack	-	-	14.93	50.02
ABS Mercantile Private Limited	-	-	5,075.62	3,469.85
Mediforce Healthcare Private Limited	-	-	164.70	-
Shree Jee Laboratory Private Limited	-	-	-	0.39
JPR Labs Private Limited	-	-	2.94	5.64
Om Sai Pharma Pack	-	-	3.92	6.07
			<b>7,174.18</b>	<b>4,417.05</b>
<b>(ii). Trade Payables</b>				
Nidhi Arora	2.70	2.70	-	-
Bharat Balubhai shah	1.35	1.35	-	-
Nischem International Private Limited	-	-	-	73.39
Mankind Pharma Limited	-	-	118.65	67.80
	<b>4.05</b>	<b>4.05</b>	<b>118.65</b>	<b>141.19</b>
<b>(iii). Remuneration payable</b>				
Bodh Raj Sikri	1.75	1.75	-	-
	<b>1.75</b>	<b>1.75</b>	-	-
<b>(iv). Financial guarantees taken</b>				
Mankind Pharma Limited	-	-	10,000.00	10,000.00
			<b>10,000.00</b>	<b>10,000.00</b>



**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

**31. Earnings per Equity Shares**

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

		<u>For the nine months ended December 31, 2022</u>	<u>For the nine months ended December 31, 2021</u>
Net profit after tax	INR lacs	91.56	125.84
Weighted average number of equity shares outstanding during the period	Numbers	23,10,606	23,10,606
Nominal value of equity shares	INR	10	10
Basic earnings per share	INR	3.96	5.45
Diluted earnings per share	INR	3.96	5.45

**32** There were no amounts which were required to be transferred to Investor Education and Protection Fund by the company.



**ANM Pharma Private Limited**  
**Notes forming part of the financial statements for the nine months ended December 31, 2022**  
**All amounts are in INR lacs unless otherwise stated**

**33 Ratio analysis and its elements**

Ratio	Numerator	Denominator	For the nine months ended December 31, 2022	For the nine months ended December 31, 2021	% Change	Remarks
Current Ratio Debt-Equity Ratio	Current Assets Total Debt	Current Liabilities Shareholder's Equity	1.13 0.61	1.15 0.51	-3.28% 38.70%	Refer comment 1
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(2.08)	0.28	-585.67%	Refer comment 2
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	2.15%	3.50%	-56.23%	Refer comment 3
Inventory Turnover ratio	Cost of goods sold	Average Inventory	15.85	15.07	-11.51%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.19	2.12	132.27%	Refer comment 4
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.25	2.04	138.88%	Refer comment 5
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	13.70	14.60	-29.68%	Refer comment 6
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.62%	0.96%	-39.32%	Refer comment 7
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	10.82%	16.81%	-57.24%	Refer comment 8
Return on Investment	Interest (Finance Income)	Investment	NA	NA	0.00%	

**Reason for change more than 25% :**

1. Low Utilization of credit facilities from banks.
2. The movement in current year is on account of disproportionate movement in earning and debt service.
3. The movement in current year is on account of disproportionate decrease in net profit and disproportionate increase in other equity.
4. The movement in current year is on account of disproportionate increase in Sales and disproportionate increase in trade receivable.
5. The movement in current year is on account of disproportionate increase in Purchase and disproportionate increase in trade Payable.
6. The movement in current year is on account of disproportionate increase in Sales and disproportionate increase in working capital.
7. The movement in current year is on account of disproportionate increase in Sales and disproportionate decrease in net profit.
8. The movement in current year is on account of disproportionate increase in Capital employed and disproportionate decrease in earning before interest and taxes.

**34 Other Information**

- (j) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (i) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial period/year
- (ii) 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:
- (a) 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
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) 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:
- (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (v) 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 period/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)

For Bhagi Bhardwaj Gaur & Co.  
 Chartered Accountants  
 Firm No. 007855N

Mohit Gupta  
 Partner  
 M.No. 528337  
 Place: New Delhi  
 Date:



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

Bharat B. Shah

Bharat Balubhai Shah  
 Director  
 DIN - 02181229

Place: New Delhi  
 Date:

Anshul Shah  
 Director  
 DIN - 00448268