
Independent Auditors' Report on the Consolidated Financial Statements

To
The Members
Visakha Pharmacy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Visakha Pharmacy Limited** ('the Company'), its subsidiaries (the company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flow and the Statement of Changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matter in the Notes to the consolidated financial statements:

Note No. 40 to the consolidated financial statements which describe the uncertainty in connection with the Charge sheet filed by CBI against company and the attachment order of the Enforcement Directorate in respect of certain assets of the company. The Management believes that it has complied with the provisions of the concession agreement. Our report is not qualified in respect of this matter as the consequential financial impact of the said regulatory action will be reliably known only when the matter is resolved.

Our opinion is not modified in respect of this matter

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

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

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.2.53 Millions as at 31 March 2023, total revenue of Rs. 0.12 Millions and net cash inflows amounting to Rs.0.10 Millions for the year ended on that date. These financial statements have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report of other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Company as on 31 March 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure A which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

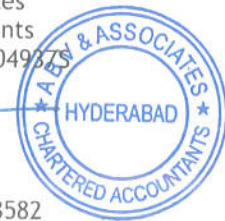
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group - Refer Note No. 40 & 41 to the consolidated financial statements;
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India;
 - iv. a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement, and
- v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries, to which reporting under CARO is applicable, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

for A B V & Associates
Chartered Accountants
Firm Registration No. 0049375


(A.S.Naidu)
Partner
Membership No. 208582
UDIN: 23208582BGSLHK5660



Place: Hyderabad
Date: 24-05-2023

Annexure- A to the Independent Auditors' Report:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Visakha Pharmacity Limited** as of 31st March 2023 in conjunction with our audit of the Consolidated financial statements of the Company and its subsidiary companies and its associate companies incorporated in India for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are Company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting


Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

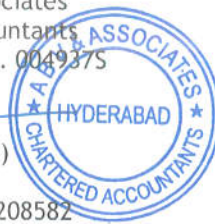
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, its subsidiary companies and its associate companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such companies. Our opinion is not qualified in respect of this matter.

for A B V & Associates
Chartered Accountants
Firm Registration No. 0049375

(A.S.Naidu)
Partner
Membership No. 208582
UDIN: 23208582BGSLHK5660



Place: Hyderabad
Date: 24-05-2023

VISAKHA PHARMACY LIMITED
(CIN: U24239TG2004PLC042855)
Consolidated Balance Sheet as at 31st March 2023

(INR in Millions)

	Notes	As at 31st March 2023
Assets		
Non-current assets		
Property, plant and equipment	3A	1,377.96
Capital work-in-progress	3B	668.26
Intangible assets under development	3C	29.25
Right-of-Use Assets	3D	51.35
Financial assets		
i) Non-current investments	4	67.58
ii) Loans	5	1,687.53
iii) Other financial assets	6	57.99
Total non-current assets		3,939.92
Current assets		
Inventories	7	806.80
Financial assets		
i) Trade receivables	8	1,231.72
ii) Cash and cash equivalents	9	130.66
iii) Bank balances other than Cash and cash equivalents	10	6.60
iv) Loans	11	91.76
v) Others financial assets	12	4.64
Current tax assets (net)	13	9.78
Other current assets	14	434.30
Total current assets		2,716.26
Total assets		6,656.18
Equity and liabilities		
Equity		
Equity share capital	15	180.00
Other equity		
General reserve	16	50.00
Retained earnings		2,382.16
Other comprehensive income		0.59
Total equity		2,612.75
Liabilities		
Non-current liabilities		
Financial liabilities		
i) Other financial liabilities	17	910.37
Provisions	18	2.62
Deferred tax liabilities, net	19	71.67
Total non-current liabilities		984.66
Current liabilities		
Financial liabilities		
i) Trade and other payables	20	3.29
a) Total outstanding dues to micro and small enterprises		3.29
b) Outstanding dues to creditors other than micro and small enterprises		969.98
Other current liabilities	21	2,084.27
Provisions	22	1.21
Current tax liabilities (net)	23	0.02
Total current liabilities		3,058.77
Total liabilities		4,043.43
Total equity and liabilities		6,656.18

The notes 1 to 43 are an integral part of these financial statements.

In terms of our report attached.

for A B V & Associates

Chartered Accountants

Firm Regn No: 0049375

CA A.S.Naidu

Partner

Membership No: 208582

UDIN:23208582BGSLHK5660

Place : Hyderabad

Date : 24-05-2023



For and on behalf of the Board of Directors of
Visakha Pharmacy Limited

P.P. Lal Krishna

Managing Director

DIN: 03515181

Divakar Marri

Director

DIN: 06865376

A. Satyan Naidu

C.F.O

Kesava Datta Nanduri

Company Secretary

VISAKHA PHARMACY LIMITED

(CIN: U24239TG2004PLC042855)

Statement of Consolidated Profit and Loss for the Year Ended 31st March 2023

(INR in Millions)

Particulars	Notes	For the year ended 31st March 2023
Revenue		
Revenue from contracts with customers	24	3,883.80
Other income	25	129.16
Total income		4,012.96
Expenses		
Operating expenses	26	3,261.18
Purchases of stock-in-trade		0.08
Employee benefits expense	27	63.19
Finance costs	28	18.66
Depreciation expense	3A & 3D	106.94
Other expenses	29	201.42
Total expenses		3,651.47
Profit before tax		361.49
Current tax		108.95
Deferred tax		(3.63)
Taxes of earlier years		(0.09)
MAT Credit Entitlements		-
Income tax expense		105.23
Profit for the year		256.26
Other comprehensive income		
<i>Items that will not be re classified to profit and loss</i>		
Actuarial gains/(losses) of defined benefit plans loss		(0.40)
		0.12
Other comprehensive income for the year, net of income tax		(0.28)
Total comprehensive income for the year		255.98
Earnings per share		
Basic earnings per share (INR)		14.24
Diluted earnings per share (INR)		14.24

The notes 1 to 43 are an integral part of these financial statements.

In terms of our report attached.

for A B V & Associates

Chartered Accountants

Firm Regn No: 0049375


CA A.S. Naidu

Partner

Membership No: 208582

UDIN:23208582BGSLHK5660



For and on behalf of the Board of Directors of
Visakha Pharmacy Limited


P.P. Lal Krishna

Managing Director

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Divakar Marri

Director

DIN: 06865376

Place : Hyderabad

Date : 24-05-2023


A. Satyam Naidu

C.F.O


Kesava Datta Nanduri

Company Secretary

VISAKHA PHARMACY LIMITED
(CIN: U24239TG2004PLC042855)

Statement of Consolidated CashFlows for the Year Ended 31st March 2023

(INR in Millions)

Particulars	For the year ended 31-03-2023
Cash flows from operating activities	
Profit for the year (before tax)	361.49
<i>Adjustments for:</i>	
Depreciation expense	106.94
Bad debts written off	99.77
Provision for Doubtful debts	16.50
Finance costs	18.59
Interest Income	(98.09)
	505.20
Working capital adjustments:	
(Increase) decrease in inventories	(0.31)
(Increase) Decrease in trade receivables	(210.36)
(Increase) Decrease in other financial assets	(5.21)
(Increase) Decrease in other current assets	(109.86)
Increase (decrease) in trade payables	590.63
Increase (decrease) in other financial liabilities	607.93
Increase (decrease) in other current liabilities	470.11
Increase (decrease) in provisions	1.98
Cash generated from (used in) operations	1,850.11
Income tax paid (Net)	(114.16)
Net cash from (used in) operating activities (A)	1,735.95
Cash flows from investing activities	
Purchase of property, plant and equipment	(577.74)
Increase in Right of use assets	(52.03)
Loans to Related Parties	(1,046.46)
Interest received	94.49
Bank Balances not considered as Cash and Cash equivalents	(0.31)
Net cash from investing activities (B)	(1,582.05)
Cash flows from financing activities	
Proceeds (Repayment) of long term borrowings	-
Interest expense	(18.59)
Dividend Paid	(90.00)
Net cash from (used in) financing activities (C)	(108.59)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	45.31
Cash and cash equivalents at the beginning of the year	85.35
Closing cash and cash equivalents at the end of the year	130.66

The notes 1 to 43 are an integral part of these financial statements.

In terms of our report attached,

for A B V & Associates
Chartered Accountants
Firm Regn No: 0049375


CA A.S.Naidu
Partner
Membership No: 208582
UDIN:23208582BGLSHK5660



For and on behalf of the Board of Directors of
Visakha Pharmacy Limited

 
P.P. Lal Krishna
Managing Director
DIN: 03515181

 
A.Satyam Naidu
C.F.O.



Divakar Marri
Director
DIN: 06865376

Kesava Datta Nanduri
Company Secretary

Place : Hyderabad
Date : 24-05-2023

VISAKHA PHARMACY LIMITED

Statement of Consolidated Changes in Equity for the Year Ended 31st March 2023

a. Equity share capital

(INR in Millions)

	Amount
Balance at 01st April 2022	180.00
Changes in Equity Share Capital Due to Prior period Errors	-
Restated Balance at 01st April 2022	180.00
Changes in equity share capital during 2022-23	-
Balance as at the 31st March 2023	180.00

b. Other equity

(INR in Millions)

	General reserve	Reserves and surplus	Items of Other comprehensive income (OCI)	Total
	General reserve	Retained earnings	Others	
Balance at 01st April 2022	50.00	2,215.90	0.87	2,266.77
Changes in accounting policy or prior period errors				
Restated Balance at 01st April 2022	50.00	2,215.90	0.87	2,266.77
Profit or loss for the year	-	256.26	-	256.26
Other comprehensive income(net of tax)	-	-	(0.28)	(0.28)
Total comprehensive income	-	256.26	(0.28)	255.98
Transactions with owners in their capacity as owners	-	-	-	-
Dividend	-	(90.00)	-	(90.00)
Tax on final dividend	-	-	-	-
Balance at 31st March 2023	50.00	2,382.16	0.59	2,432.75

The notes 1 to 43 are an integral part of these financial statements.

In terms of our report attached.

for A B V & Associates

Chartered Accountants

Firm Regn No: 0049375

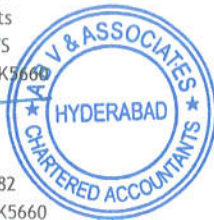
UDIN:23208582BGS LHK5660

CA A.S.Naidu

Partner

Membership No: 208582

UDIN:23208582BGS LHK5660



For and on behalf of the Board of Directors of
Visakha Pharmacy Limited

P.P. Lal Krishna Divakar Marri

Managing Director Director

DIN: 03515181 DIN: 06865376

A.Satyam Naidu

C.F.O

Kesava Datta Nanduri

Company Secretary

Place : Hyderabad

Date : 24-05-2023

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023

1. Basis of preparation

A. Statement of compliance

a) Compliance with Indian Accounting Standards (Ind As)

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

The financial statements have been prepared on the historical cost basis except for certain 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. The Company has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest Millions, unless otherwise indicated.

b) Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

c) Principles of consolidation:

The consolidated financial statements of the group have been prepared on the following basis:

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognised in the consolidated financial statements as goodwill / capital reserve on consolidation. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities

VISAKHA PHARMACITY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the subsidiaries and associates used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March 2021.

The financial statements of the subsidiary companies taken in the consolidation relates to the period from which these companies have become subsidiaries and the consolidated financial statements are drawn for the entire financial year.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. The group's investment in associates includes goodwill identified on acquisition

The financial statements were authorized for issue by the Company's Board of Directors on 24-05-2023

Details of the Company's accounting policies are included in Note 2.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Millions, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Present value of defined benefit obligations

D. Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 19 – realization of deferred tax assets

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:

- Note 2(c) – impairment test of non-financial assets.
- Note 19 – recognition of deferred tax assets
- Note 34 – measurement of defined benefit obligations: key actuarial assumptions;

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 35 – financial instruments;

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

2. Significant accounting policies

a. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Computer accessories	3 years	3 years
Social infrastructure	20 years	30 Years
Vehicles	8 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

b. Financial instruments

Non-derivative financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortized cost; non derivative financial liabilities at amortized cost. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition

Non- derivative financial assets

Financial assets are initially measured at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The company's financial assets include security deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current assets.

Non-derivative financial liabilities

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

The company has the following financial liabilities: loans and borrowings, trade and other payables including deposits collected from various parties.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- i. the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- ii. the financial asset is 90 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expect to receive).

Presentation of allowance for expected credit losses in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

d. Revenue recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue from land and development is recognised based on the percentage of completion method where the performance obligations are satisfied over time. Operation or service revenue is recognised in the period in which the services are provided by the Company.

When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Rental income

Rental income is recognized in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

e. Inventories

Inventories comprise of lands and development expenditure. It is valued at direct development cost including related incidental expenditure attributable to the said property to bring it to the marketable stage.

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realizable value.

f. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

iii. *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. *Compensated absences:*

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

g. **Provisions (other than employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

h. **Borrowing costs**

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

i. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

j. Income tax

Income tax comprises of current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

k. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

l. 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 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.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to those items that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

VISAKHA PHARMACY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Investments in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

n. Other Investments

All other investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive income'.

3A. Property, plant and equipment

(INR in Millions)

Particulars	Freehold land**	Social infrastructure	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer accessories	Total
Deemed cost (gross carrying amount)								
Balance at 01st April 2022	64.67	475.63	1,305.30	1.54	12.12	4.08	2.68	1,866.02
Additions	-	-	24.68	1.22	3.61	0.47	4.99	34.97
Disposals	-	-	-	-	-	-	-	-
Balance at 31st March 2023	64.67	475.63	1,329.98	2.76	15.73	4.55	7.67	1,900.99
Accumulated depreciation								
Balance at 01st April 2022	-	125.32	277.46	1.20	8.06	2.13	1.64	415.81
Depreciation for the year	-	18.22	85.58	0.16	1.62	0.57	1.07	107.22
Disposals	-	-	-	-	-	-	-	-
Balance at 31st March 2023	-	143.54	363.04	1.36	9.68	2.70	2.71	523.03
Carrying amounts(net)								
As at 31st March 2023	64.67	332.09	966.94	1.40	6.05	1.85	4.96	1,377.96

* Out of total depreciation during the year an amount of Rs. 0.96 Millions was transferred to Intangible assets under development.

** Refer note no.40

3B. Capital work-in-progress

(INR in Millions)

	As at 31st March 2023
Capital work -in-progress	668.26
	668.26

Ageing Schedule of Capital work-in-progress:

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	Morethan 3 years	
As at 31st March 2023					
- Projects in progress	515.93	152.33	-	-	668.26
- Projects temporarily suspended					

3C. Intangible assets under development

	As at 31st March 2023
Opening Balance	-
Add: Additions during the year	29.25
Closing balance	29.25

Ageing Schedule of Intangible assets under development:

Particulars	Amount in IAUD for a period of				Total
	<1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
- Projects in progress	29.25	-	-	-	29.25
- Projects temporarily suspended	-	-	-	-	-

3D. Right of use assets:

Particulars	As at 31st March 2023
	(INR in Millions)
Gross Carrying Amount	
Land	
Opening balance	-
Add: Additions	52.03
Less: Deletions	-
(a) Closing Balance	52.03
Amortisation	
Opening balance	-
Add: During the year	0.68
Less: Deletions	-
(b) Closing Balance	0.68
(c) Net Carrying Amount	51.35

4. Non-current investments

(INR in Millions)	
Particulars	31st March 2023
a) In mutual funds, at fair value through profit and loss	
25,026.552 units in Bandhan Liquid Fund - Regular Plan -Growth (IDFC Cash Fund-Growth-(Direct Plan)) (Face value of Rs.1000/-each) (Refer Note no:40)	67.58
	67.58

5. Loans

(INR in Millions)	
Particulars	31st March 2023
<i>Unsecured, considered good:</i>	
Loans to Related Parties	1,687.53
	1,687.53

The above loans will be repayable with in 24 to 60 months and interest @ 8% p.a.

6. Other non-current financial assets

(INR in Millions)	
Particulars	31st March 2023
<i>Unsecured, considered good:</i>	
Security deposits	57.99
	57.99

7. Inventories

(valued at lower of cost or net realisable value)

(INR in Millions)	
Particulars	31st March 2023
Development expenditure	805.52
Stock of stores, consumables and trading goods	1.28
	806.80

8. Trade receivables

(INR in Millions)	
Particulars	31st March 2023
Unsecured, considered good	1,231.72
Credit impaired	16.50
	1,248.22
Less: Provision for doubtful debts	(16.50)
	1,231.72

Ageing details refer note no: 36

VISAKHA PHARMACY LIMITED
Notes to the consolidated financial statements
For the Year Ended 31st March 2023

9. Cash and Cash equivalents

Particulars	(INR in Millions)	
	31st March 2023	
Cash on hand		0.03
Cheques on hand		1.00
Balances with banks:		
- in current accounts		127.12
- in deposit accounts with maturity is less than 3 months		2.51
		130.66

10. Bank balances other than Cash and cash equivalents

Particulars	(INR in Millions)	
	31st March 2023	
Balances with banks:		
- in Margin money deposits against guarantees		6.60
		6.60

11. Loans

Particulars	(INR in Millions)	
	31st March 2023	
<i>Unsecured, considered good</i>		
Loans to related parties		91.76
		91.76

* The above loan repayable on demand and interest @ 8% p.a

12. Other current financial assets

Particulars	(INR in Millions)	
	31st March 2023	
<i>Unsecured, considered good</i>		
Other loans and advances		4.64
		4.64

13. Current tax assets (net)

Particulars	31st March 2023	
Advance Tax , Net of Provision for Income Tax		9.78
		9.78

14. Other current assets

Particulars	(INR in Millions)	
	31st March 2023	
Advances recoverable in cash or in kind		24.30
Cenvat/GST receivable		311.73
Pre-paid expenses		5.18
Other Current Assets		93.09
		434.30

15. Share capital

Particulars	(INR in Millions)	
	31st March 2023	
Authorised		
Equity shares of Rs. 10/- each		180.00
		180.00
Issued, subscribed and paid-up		
Equity shares of Rs.10/- each		180.00
		180.00

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

	31st March 2023	
	Number	(INR in Millions)
At the commencement of the period	1,80,00,000	180.00
Shares issued for cash	-	-
At the end of the period	1,80,00,000	180.00

B. Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

C. Shareholders holding more than 5% of equity share capital

	31st March 2023	
	Number of shares held	% of holding
Ramky Infrastructure Limited	91,80,000	51%
Ramky Estates and Farms Limited	68,40,000	38%
Andhra Pradesh Industrial Infrastructure Corporation Limited	19,80,000	11%
	1,80,00,000	100%

D. Shares held by holding company

	(INR in Millions)	
	31st March 2023	
	Number	Amount
Equity share of Rs. 10 each fully paid up		
Ramky Infrastructure Limited	91,80,000	91.80
	91,80,000	91.80

E. Shares held by the promoter

31st March 2023

Promoter Name	Class of Equity Shares	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Ramky Infrastructure Limited	Equity shares of Rs.10 each	91,80,000	-	91,80,000.00	51.00%	-
Ramky Estates and Farms Limited	Equity shares of Rs.10 each	68,40,000	-	68,40,000.00	38.00%	-
Andhra Pradesh Industrial Infrastructure Corporation Limited	Equity shares of Rs.10 each	19,80,000	-	19,80,000.00	11.00%	-

16. Other equity

(INR in Millions)	
Particulars	31st March 2023
General reserve	50.00
Surplus in the statement of profit and loss	
Balance at the beginning of the year	2,215.90
Profit for the year	256.26
Dividend	(90.00)
Balance at the end of the year	2,382.16
Other comprehensive income	
Balance at the beginning of the year	0.87
Changes during the year	(0.28)
Balance at the end of the year	0.59
	2,432.75

17. Other non-current financial liabilities

(INR in Millions)	
Particulars	31st March 2023
Security deposits	94.17
Capital creditors	816.20
	910.37

18. Non-current provisions

(INR in Millions)	
Particulars	31st March 2023
Provision for employee benefits	
- Gratuity	0.78
- Compensated absences	1.84
	2.62

19. Deferred tax assets /(liabilities) , net

Movement in temporary differences

(INR in Millions)	
Particulars	31st March 2023
Deferred tax asset	
MAT credit entitlement	47.94
	47.94
Deferred tax liability	
Property, plant and equipment	120.40
Investments	9.37
Others	(10.16)
	119.61
	(71.67)

B. Reconciliation of effective Tax Rate

(INR in Millions)	
Particulars	31st March 2023
Profit Before Tax	361.49
Tax using the Company's domestic tax rate	105.27
Effect of:	
Non-deductible expenses / incomes not taxable	0.06
Effective tax rate	105.32

20. Trade payables

(INR in Millions)	
Particulars	31st March 2023
- due to micro and small enterprises	3.29
- due to other than micro and small enterprises	969.98
	973.27

Ageing details refer note no: 37

21. Other current liabilities

(INR in Millions)	
Particulars	31st March 2023
Advance from customers	2,049.96
Dues to statutory / government authorities	18.98
Accrued salaries, wages and benefits	4.65
Expenses payable	10.61
MSME Interest payable	0.07
	2,084.27

VISAKHA PHARMACY LIMITED

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22. Current provisions

Particulars	(INR in Millions)
	31st March 2023
Provision for employee benefits:	
- Gratuity	0.00
- Compensated absences	1.21
	1.21

23. Current tax liabilities (net)

Particulars	(INR in Millions)
	31st March 2023
Provision for income tax (net)	0.02
	0.02

24. Revenue from contracts with customers

Particulars	(INR in Millions)
	Year ended 31st March 2023
Operations and maintenance revenue	3,881.71
Sale of goods	2.09
	3,883.80

25. Other income

Particulars	(INR in Millions)
	Year ended 31st March 2023
Interest income	96.75
Other non-operating income	12.77
Liabilities no longer required, written back	19.64
	129.16

26. Operating expenses

Particulars	(INR in Millions)
	Year ended 31st March 2023
Operating and maintainance expenditure	3,246.05
Chemicals and reagents	5.66
Power and fuel	9.47
	3,261.18

27. Employee benefits expense

Particulars	(INR in Millions)	
	Year ended 31st March 2023	
Salaries and wages		55.92
Contribution to provident and other funds		3.13
Workmen and staff welfare expenses		4.14
		63.19

28. Finance costs

Particulars	(INR in Millions)	
	Year ended 31st March 2023	
Interest expense		-
- on term loans		18.60
- others		
Other borrowing costs		0.06
- bank charges		
		18.66

29. Other expenses

Particulars	(INR in Millions)	
	Year ended 31st March 2023	
Rates and taxes		1.99
Professional and technical charges		53.74
Fees and charges		0.38
Business promotion		1.51
Advertisement		0.30
Travelling and conveyance		4.59
Printing and stationary		0.30
Audit fees		1.24
Communication charges		0.94
Repairs and maintenance		4.09
Insurance		6.59
CSR expenditure		6.00
Bad debts and advances written off		99.77
Provision for Doubtful debts		16.50
Miscellaneous expenses		3.48
		201.42

30. Related parties

A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	Ramky Infrastructure Limited	Holding company
2	Ramky Estates and Farms Limited	Group Company
3	RE Sustainability Limited	Group Company
4	Smilax Laboratories Limited	Group Company
5	Ramky Foundation	Group Concern
6	Frank Lloyd Tech Management Services Limited	Fellow subsidiary
7	I.W. Vijaya Kumar*	Whole Time Director
8	P. P. Lal krishna	Managing Director and C.E.O.
9	A. Satyam Naidu	C.F.O.
10	V.Murahari Reddy	Director
11	E.Sankar Rao	Director
12	P.Eshwar Reddy	Director
13	M.Divakar	Director
14	M.Siva Satyanarayana Reddy	Director
15	S.Ravi kumar Reddy	Director
16	N.Kesava Datta	Company Secretary

* upto 09-11-2022

B. Transactions with related parties during the year ended

S. No.	Name of the related party	Nature of transactions	(INR in Millions)
			31st March 2023
1	Ramky Infrastructure Limited	Contract expenditure	3,227.67
		Inter Corporate Deposits given	120.00
		Capital Expenditure	502.07
		Interest Income	66.40
		Inter Corporate Deposits received back	3.75
		Recovery of Expenses Incurred	746.32
		Expenses incurred on behalf	0.01
	Dividend paid	45.90	
2	Ramky Estates and Farms Limited	Dividend paid	34.20
		Inter Corporate Deposits given	100.00
		Inter Corporate Deposits Received back	13.00
		Interest on ICD	5.29
3	Re Sustainability Limited	Op&M Income	224.02
4	Smilax Laboratories Limited	Op&M Income	75.11
5	Madhya Pradesh Waste Management Private Limited	Inter Corporate Deposits given	811.00
		Inter Corporate Deposits Received back	50.12
		Interest on ICD	19.79
7	Ramky Foundation	CSR expenses	6.00
8	P.P Lal krishna	Director Remuneration	5.80
9	I.W.Vijaya Kumar	Director Remuneration	6.08
10	A. Satyam Naidu	Salary	2.03
11	V.Murahari Reddy	Director Sitting fee	0.19
12	E.Sankar Rao	Director Sitting fee	0.10
13	P.Eshwar Reddy	Director Sitting fee	0.15
14	S.Ravi kumar Reddy	Director Sitting fee	0.19

C. Balances outstanding

S. No.	Name of the related party	Details	31st March 2023
1	Ramky Infrastructure Limited	Security deposit payable	50.00
		Inter Corporate Deposits given	908.84
		Trade Payables	550.00
		Capital creditors (before discounting)	838.31
		Expenses payable	0.01
		Share Capital	91.80
2	Ramky Estates and Farms Limited	Share capital	68.40
		Inter Corporate Deposits given	91.76
3	Re Sustainability Limited	Trade receivables	48.06
4	Madhya Pradesh Waste Management Private Limited	Inter Corporate Deposits given	778.69
5	Smilax Laboratories	Trade Receivables	74.00
7	Frank Lloyd Tech Management services Limited	Expenses Payable	3.48
8	P.P.Lal krishna	salary payable	0.27
9	Satyam Naidu	salary payable	0.09

31. Description of the Group

The Company has the following subsidiaries which are included in consolidated financial statements and Group's holding there in are as follows:

Entity	Country of incorporation	% Holding 2022-23
JNPC Pharma Innovation Limited	India	100%
RECEPS Limited	India	100%
Visakha Energy Limited	India	100%
Visakha Pharma Innovation and Incubation Limited	India	100%

32. Capital management

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at 31 March 2023 was as follows:

	(INR in Millions)
	31st March 2023
Debt	-
Less: cash and cash equivalents	130.66
Adjusted net debt	(130.66)
Total equity	2,612.75
Adjusted net debt to adjusted equity ratio	0.00

33. Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

	(INR in Millions)
	31st March 2023
i. Profit (loss) attributable to equity shareholders(basic)	256.26
ii. Weighted average number of equity shares (basic)	1,80,00,000
Basic EPS (In Rs.)	14.24

The Company does not have any potentially dilutive equity shares outstanding during the year.

34. Assets and liabilities relating to employee benefits

For details about the related employee benefit expenses, see Note 27.

The Company operates the following post-employment defined benefit plan:

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk

A. Funding

The gratuity plan is funded.

B. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

Plan A	(INR in Millions)
Liability	31st March 2023
Balance at the beginning of the year	
Benefits paid	3.31
Current service cost	-
Interest cost	1.42
Actuarial (gains) losses recognised in other comprehensive income	0.24
- changes in demographic assumptions	-
- changes in financial assumptions	(0.05)
- experience adjustments	0.42
Balance at the end of the year	5.34

Fund assets	31st March 2023
Fair value of plan assets at the beginning of the year	7.01
Interest income	0.51
Contributions	0.10
Benefits paid	-
Remeasurement - return on assets	(0.03)
Balance at the end of the year	7.59

Plan B

	31st March 2023
Balance at the beginning of the year	1.44
Benefits paid	(0.29)
Current service cost	1.59
Interest cost	0.16
Actuarial (gains) losses recognised in other comprehensive income	-
- changes in demographic assumptions	-
- changes in financial assumptions	(0.01)
- experience adjustments	0.16
Balance at the end of the year	3.05

Expense recognised in profit or loss

Plan A

	31st March 2023
Current service cost	1.42
Interest cost	0.24
Interest income	(0.51)
	1.15

Plan B

	31st March 2023
Current service cost	1.59
Interest cost	0.16
Past service gain	0.15
	1.90

Remeasurements recognised in other comprehensive income

Plan A

	31st March 2023
Actuarial (gain) loss on defined benefit obligation	0.37
Return on plan assets excluding interest income	0.03
	0.40

Plan B

	31st March 2023
Actuarial (gain) loss on defined benefit obligation	-
Return on plan assets excluding interest income	-
	-

C. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Plan A

	31st March 2023
Discount rate	7.50%
Future salary growth	8.00%
Withdrawal Rate	1.00%
Mortality table (as % of IALM(2006-08)(Mod.) Ult. Mortality Table)	100.00%

Plan B

	31st March 2023
Discount rate	7.50%
Future salary growth	8.00%
Attrition rate	1.00%
Mortality table (as % of IALM(2006-08)(Mod.) Ult. Mortality Table)	100.00%

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ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Plan A (INR in Millions)

	31st March 2023	
	Increase	Decrease
Discount rate (1% movement)	5.04	5.71
Future salary growth (1% movement)	5.71	5.03
Withdrawal rate (1% movement)	5.30	5.36

Plan B

	31st March 2023	
	Increase	Decrease
Discount rate (1% movement)	2.95	3.15
Future salary growth (1% movement)	3.16	2.94
Attrition rate (1% movement)	3.04	3.05

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

35. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The carrying amounts of financial assets and liabilities recognized in the financial statements approximate their fair values and hence no further details about the fair value measurements including their levels in the fair value hierarchy is not given.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

31st March 2023

	Carrying Amount				(INR in Millions)
	Financial assets - FVTPL	Other financial assets - amortised cost	Financial liabilities - FVTPL	Other financial liabilities - amortised cost	Total carrying amount
Financial assets measured at fair value					
Investment in mutual funds*	67.58	-	-	-	67.58
	67.58	-	-	-	67.58
Financial assets not measured at fair value					
Security deposits	-	57.99	-	-	57.99
Loans	-	1,779.29	-	-	1,779.29
Trade receivables	-	1,231.72	-	-	1,231.72
Cash and cash equivalents	-	130.66	-	-	130.66
Bank balances other than Cash and cash equivalents	-	6.60	-	-	6.60
Other current financial assets	-	4.64	-	-	4.64
	-	3,210.90	-	-	3,210.90
Financial liabilities not measured at fair value					
Security deposits received	-	-	-	94.17	94.17
Capital creditors**	-	-	816.20	-	816.20
Trade payables	-	-	-	973.27	973.27
	-	-	816.20	1,067.44	1,883.64

*Level 1 Inputs used

**Level 3 Inputs used

- Level1 inputs - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level2 inputs - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level3 inputs - Unobservable inputs for the asset or liability.

35. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

i) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements

31st March 2023

		(INR in Millions)					
	Carrying Amount	Contractual Cashflows					
		Total	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities							
Other non-current financial liabilities	910.37	910.37	-	-	816.20	-	94.17
Trade payables	973.27	973.27	973.27	-	-	-	-
	1,883.66	1,883.66	973.29	-	816.20	-	94.17

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

ii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company adopts a policy of ensuring that between 80 and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate instruments.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

		(INR in Millions)
		31st March 2023
Fixed rate instruments		
Financial assets		
Financial liabilities		1,785.89
		-

36. Ageing Schedule of Trade receivables:

Particulars	(INR in Millions)					Total
	Outstanding for the following periods from the due date of payment					
	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March 2023						
Undisputed Trade receivables - Considered good	311.22	774.02	75.90	53.77	16.81	1,231.72
Undisputed Trade Receivables - Considered Doubtful	-	-	1.49	3.51	3.55	8.55
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	1.01	2.64	4.30	7.95

37. Ageing Schedule of Trade Payable

Particulars	(INR in Millions)					Total
	Outstanding for the following periods from the due date of payment					
	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March 2023						
Micro Small Medium Enterprises						
- Undisputed Dues	3.29	-	-	-	-	3.29
- Disputed dues	-	-	-	-	-	-
Other than Micro Small Medium Enterprises						
- Undisputed Dues						
- Related parties	257.80	289.20	-	-	3.48	550.48
- Others	126.73	288.24	0.46	0.05	4.02	419.50
- Disputed dues	-	-	-	-	-	-

38. Other Statutory Information:

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- Transactions with struck off companies: Nil
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: 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 The Group have not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company and any of its subsidiaries has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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39. Disclosure in terms of Schedule III of the Companies Act, 2013:

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs.in Millions	As % of consolidated profit or loss	Amount Rs.in Millions	As % of consolidated other comprehensive income	Amount Rs.in Millions	As % of total comprehensive income	Amount Rs.in Millions
Parent								
Visakha Pharmacy Limited	100.06%	2,614.33	100.86%	258.47	100.00%	(0.28)	100.86%	258.19
Subsidiaries								
Indian								
JNPC Pharma Innovation Limited	0.03%	0.68	0.02%	0.05	0.00%	-	0.02%	0.05
RECEPS Limited	-0.03%	(0.88)	-0.34%	(0.88)	0.00%	-	-0.34%	(0.88)
Visakha Energy Limited	0.00%	(0.02)	-0.01%	(0.02)	0.00%	-	-0.01%	(0.02)
Visakha Pharma Innovation and Incubation Limited	0.00%	(0.01)	-0.01%	(0.01)	0.00%	-	-0.01%	(0.01)
Non - controlling interests in all subsidiaries								
Inter Company Eliminations	-0.05%	(1.35)	-0.52%	(1.35)	0.00%	-	-0.53%	(1.35)
Total	100.00%	2,612.75	100.00%	256.26	100.00%	-0.28	100.00%	255.98

40. During the F.Year 2012-13 a Charge sheet has been filed by CBI against company with the CBI court, Nampally, Hyderabad alleging certain irregularities by the company pertaining to reduction of Green belt area and also the Company has received a provisional attachment order under Section 5 (1) of the Prevention of Money Laundering Act, 2002 from Enforcement Directorate (ED) dated 07 January 2013 for attachment of assets/properties valued at Rs 1337.4 Millions comprising Land and facilities valuing Rs. 1305.4 Millions and Mutual Fund of Rs. 32.0 Millions. During the previous year the adjudicating authority passed a confirmation order of the above provisional attachment order and the company has preferred an appeal before the Appellate Tribunal. In the meantime, the office of Joint Director, Enforcement Directorate, Hyderabad Zonal office has served a Notice for taking the possession of the referred properties under section 8(4) of the PMLA 2002. The company has filed a writ petition before the honorable High court of Andhra Pradesh, Hyderabad seeking for stay of proceedings. The honorable High court of Andhra Pradesh has granted a interim stay of all further proceedings till a stay application is considered and appropriate orders passed by the Appellate authority. On 20th November, 2013, the Appellate Tribunal has considered the stay application and stayed the EDs notice. Since the Appellate Tribunal ceased of the matter, the cause in the writ petition does not survive. Hence, the above referred Writ Petition is dismissed. The case is posted for hearing on 29th July 2015 with the Appellate Tribunal. However, Mutual Fund of Rs. 32.00 Millions was transferred in the name of the Directorate of Enforcement. Further on 26th March 2015, the Joint Director, Enforcement directorate, Hyderabad zonal office has passed a provisional attachment order for Rs 2161.80 Millions on the assets of company. The Joint Director has filed a complaint under PMLA before the Adjudicating authority seeking for confirmation of the above provisional attachment order on 10 April 2015. The Adjudicating Authority (AA) has served a show cause notice on 22 April 2015 calling upon to show cause as to why the provisional attachment order shall not be confirmed and directed to appear before the AA on 15 June 2015 and on 04-08-2015 the AA confirmed the provisional attached order and this order is in continuation to the order passed by ED for 1337.40 Millions. On 18-08-2015 the office of Joint Director, Enforcement Directorate, Hyderabad Zonal office has served a Notice for taking the possession of the referred properties under section 8(4) of the PMLA 2002.
- During the Previous Year, the Appellate Tribunal has reversed the orders of the ED Courts, Hyderabad and passed directions to release the attachment of the parcels of land in the Pharma City subject to certain conditions such as:
- a) To maintain 50 meter inward buffer zone until decided by the Special court and the company shall not dispose off and sell buffer zone area nor raise any construction thereon, unless final order is passed in its favour.
- c) The possession of 16 unsold plots be restored to the company on a condition that the said plots or to raise any construction or to create third party interest. The company may also move an application for removal of said condition if no charges are framed against the company by the Special Court.
- The Company has filed an appeal before the Hon'ble High Court of Telangana challenging the condition not to dispose of the said plots or to raise any construction or to create third party interest on the 16 plots attached in O C 441 of 2015 made in FPAPMLA1052/HYD/2015 on the file of Appellate Tribunal Prevention of Money Laundering Act at New Delhi in appeals against the Adjudicating Authority order dated 06/06/2013 in O C 441 of 2015 and release all properties in O C 441 of 2015 unconditionally.
- No adjustments have been made in the financial statements, as the Management believes that the project of the company is being carried out in accordance with the provisions of the Concession Agreement executed between the company and Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) after obtaining the requisite approvals and following the due process of law.

- 41 Contingent liabilities and commitments: (to the extent not provided for):

Particulars	(INR in Millions)	
	31st March 2023	
i. Disputed Service Tax & GST demands (including penalty) and net of amount paid under protest		393.78
ii. Disputed Income Tax demands		27.57
iii. Other claims against the company not acknowledged as debts		77.18

- 42 Balances in respect of Creditors, receivables and various Advances are subject to confirmation from the respective parties. Previous year's figures are not available as this is the first year of consolidation.
- 43 Subsequent events: After the reporting date, dividend of INR 5.00 per equity share of INR 10 each is proposed by the Board of Directors, subject to approval at the annual general meeting. Such dividend has not been recognised as liability as on 31 March 2023.

The notes 1 to 43 are an integral part of these financial statements.

In terms of our report attached.

for A B V & Associates

Chartered Accountants

Firm Regn No: 0049375

CA A.S.Naidu

Partner

Membership No: 208582

UDIN:23208582BGSLHK5660

Place : Hyderabad

Date : 24-05-2023

For and on behalf of the Board of Directors of
Visakha Pharmacy Limited


P.P. Lal Krishna
Managing Director
DIN: 03515181


A. Satyam Naidu
C.F.O




Divakar Marri
Director
DIN: 06865376


Kesava Datta Nanduri
Company Secretary