

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

### To the Members of API Holdings Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of API Holdings Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate companies (refer Note 53 (a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associate companies as at March 31, 2023, of consolidated total comprehensive Income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, and its associate companies in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 13 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 58 to the Consolidated Financial Statements regarding preparation of financial statements of one of the subsidiary in the group, Care Easy Health Tech Private Limited on a realisable value basis as the Company has ceased to carry on its business operations. Our opinion is not modified in respect of this matter.

---

*Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 3, Western Express Highway, Goregaon East, Mumbai – 400 063*  
T: +91 (22) 61198000, F: +91(22) 61198799

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002  
Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC 5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of API Holdings Limited  
Report on the Consolidated Financial Statements  
Page 2 of 7

## Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 13 below), 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.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies are responsible for assessing the ability of the Group and of its associate companies 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.
8. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for overseeing the financial reporting process of the Group and of its associate companies.

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of API Holdings Limited  
Report on the Consolidated Financial Statements  
Page 3 of 7

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. 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 consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of 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 ability of the Group and its associate companies 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.
  - Evaluate the overall presentation, structure and content of the consolidated 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 and its associate companies 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.

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of API Holdings Limited  
Report on the Consolidated Financial Statements  
Page 4 of 7

11. 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.
12. 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

13. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflect total assets of Rs 16,705.33 million and net assets of Rs 7,480.53 million as at March 31, 2023, total revenue of Rs. 16,735.92 million, total comprehensive income (comprising of loss and other comprehensive income) of Rs 2,009.53 million and net cash flows amounting to Rs 277.95 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 31.83 million for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of three associate companies, whose financial statements have not been audited by us. 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 insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, and associate companies, is based solely on the reports of the 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.

## Report on Other Legal and Regulatory Requirements

14. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that the auditors of the below mentioned subsidiaries and associates of the Holding Company have given the following comments in their CARO 2020 report on the standalone financial statements of the below mentioned subsidiaries and associates, as reproduced below :

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of API Holdings Limited  
Report on the Consolidated Financial Statements  
Page 5 of 7

Sr no	Name of the Company	CIN	Relation	Paragraph No.
1	Akna Medical Private Limited	U74999HR2018PTC073972	Subsidiary	vii (a), xvii
2	Shreeji Distributors Pharma Private Limited	U52310MH2006PTC159945	Subsidiary	xvii
3	Care Easy Health Tech Private Limited	U85100MH2021PTC371921	Subsidiary	xix

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and associate companies incorporated in India, none of the directors of the Group companies, and its associate companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, and its associate companies– Refer Note 54 to the consolidated financial statements.
    - The Group, and its associate companies were not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group, and its associates did not have any derivative contracts as at March 31, 2023.

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of API Holdings Limited  
Report on the Consolidated Financial Statements  
Page 6 of 7

- iii. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, and associate companies incorporated in India.
- iv. (a) The respective Managements of the Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, 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/associates to or in any other person(s) or entity(ies), including foreign entities ("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/associates ("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/associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries/associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries/associates 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 has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared during the year by the Holding Company, its subsidiary companies, and associate companies, is in compliance with Section 123 of the Act.

# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT  
To the Members of API Holdings Limited  
Report on the Consolidated Financial Statements  
Page 7 of 7

- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Group, associate companies and only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
- 
16. The Group, its associate companies have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Sd/-

Nitin Khatri  
Partner  
Membership Number: 110282

UDIN: 23110282BGYBDM1371  
Place: Mumbai  
Date: December 05, 2023

# Price Waterhouse Chartered Accountants LLP

## Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of API Holdings Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on [for example, “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 (“the Guidance Note”) 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 the respective 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 Act.

### Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

---

*Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park, Nesco Complex, Gate No. 3, Western Express Highway, Goregaon East, Mumbai – 400 063  
T: +91 (22) 61198000, F: +91(22) 61198799*

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002  
Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC 5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



## **Annexure A to Independent Auditor's Report**

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of API Holdings Limited on the consolidated financial statements for the year ended March 31, 2023  
Page 2 of 3

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 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 financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Holding 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

## **Annexure A to Independent Auditor's Report**

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of API Holdings Limited on the consolidated financial statements for the year ended March 31, 2023  
Page 3 of 3

### **Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to seven subsidiary companies, and three associates companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Sd/-

Nitin Khatri  
Partner  
Membership Number: 110282

UDIN: 23110282BGYBDM1371  
Place: Mumbai  
Date: December 05, 2023

**API Holdings Limited**  
**Consolidated Balance Sheet as at March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,378.97	3,613.83
Right-of-use assets	4	1,541.02	1,994.89
Capital work-in-progress	3(i)	30.63	69.59
Goodwill	5	42,699.35	70,955.45
Other intangible assets	6	5,742.05	6,635.14
Intangible assets under development	6A	10.74	9.97
Investments accounted for using the equity method	7	2,016.06	2,965.22
Financial assets			
Investments	8	173.62	152.79
Other financial assets	9	353.17	380.11
Deferred tax assets (net)	10	219.18	168.16
Non-current tax assets (net)	11	844.92	558.46
Other non-current assets	12	205.82	1,457.61
<b>Total non-current assets</b>		<b>57,215.53</b>	<b>88,961.22</b>
<b>Current assets</b>			
Inventories	13	6,881.60	7,612.40
Financial assets			
Investments	14	1,232.37	1,261.53
Trade receivables	15	9,050.34	8,608.50
Cash and cash equivalents	16	1,936.48	1,543.97
Other bank balances	17	1,038.69	1,748.18
Loans	18	1,171.28	555.36
Other financial assets	19	920.24	757.24
Other current assets	20	3,116.49	2,934.87
Assets classified as held for sale	3(ii)	1.14	-
<b>Total current assets</b>		<b>25,348.63</b>	<b>25,022.05</b>
<b>Total assets</b>		<b>82,564.16</b>	<b>113,983.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	21	6,142.04	6,142.04
<b>Other equity</b>			
Instruments entirely in the nature of equity	22	-	-
Equity component of compound financial instruments	23	78.90	78.90
Reserves and surplus	23	14,703.77	60,751.91
<b>Equity attributable to owners of API Holdings Limited</b>		<b>20,924.71</b>	<b>66,972.85</b>
Non-controlling interests	53	3,444.18	3,251.96
<b>Total equity</b>		<b>24,368.89</b>	<b>70,224.81</b>

**API Holdings Limited**  
**Consolidated Balance Sheet as at March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	24	32,009.08	1,000.69
Lease liabilities	48	1,028.72	1,505.61
Other financial liabilities	25	-	1,528.19
Provisions	26	131.36	129.45
Deferred tax liabilities (net)	10	1,793.71	1,977.56
Contract liabilities	27	0.17	0.90
<b>Total non-current liabilities</b>		<b>34,963.04</b>	<b>6,142.40</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	28	9,190.76	24,853.54
Lease liabilities	48	333.82	382.52
Trade payables			
-total outstanding dues of micro and small enterprises	29	181.25	185.67
-total outstanding dues of other than micro and small enterprises	29	3,952.86	4,403.14
Other financial liabilities	30	7,473.88	5,965.89
Other current liabilities	31	1,491.32	1,150.26
Contract liabilities	32	141.70	189.73
Provisions	33	366.24	438.12
Current tax liabilities (net)	34	100.40	47.19
<b>Total current liabilities</b>		<b>23,232.23</b>	<b>37,616.06</b>
<b>Total liabilities</b>		<b>58,195.27</b>	<b>43,758.46</b>
<b>Total equity and liabilities</b>		<b>82,564.16</b>	<b>113,983.27</b>

Significant accounting policies 2  
The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited**  
CIN : U60100MH2019PTC323444

Sd/-  
**Nitin Khatri**  
Partner  
Membership number: 110282

Sd/-  
**Siddharth Shah**  
Managing Director and Chief  
Executive Officer  
DIN: 05186193

Sd/-  
**Dharmil Sheth**  
Whole time Director  
DIN: 06999772

Sd/-  
**Yatharth Bhargava**  
Chief Financial Officer  
ICAI Membership No.: 504705

Sd/-  
**Drashti Shah**  
Company Secretary and  
Chief Compliance Officer  
Membership No.: ACS22968

Place: Mumbai  
Date: December 05, 2023

Place: Mumbai  
Date: December 05, 2023

API Holdings Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended Mar 31, 2022
<b>Income</b>			
Revenue from operations	35	66,439.38	57,288.21
Other income	36	558.33	521.81
<b>Total income</b>		<b>66,997.71</b>	<b>57,810.02</b>
<b>Expenses</b>			
Cost of Material Consumed	37	1,569.20	854.60
Purchase of stock-in-trade	38	55,120.60	52,566.12
Changes in inventories of stock-in-trade	39	618.96	(2,290.53)
Employee benefits expense	40	12,833.20	14,589.71
Finance costs	41	6,655.43	2,582.64
Depreciation and amortisation expense	42	2,434.40	1,587.85
Other expenses	43	10,508.31	15,025.51
<b>Total expenses</b>		<b>89,740.10</b>	<b>84,915.90</b>
<b>Loss before exceptional items, share of net profit/(loss) of Investments accounted for using the equity method and tax</b>		<b>(22,742.39)</b>	<b>(27,105.88)</b>
Share of profit/(loss) of Investments accounted for using the equity method		(2.99)	6.61
<b>Loss before exceptional items and tax</b>		<b>(22,745.38)</b>	<b>(27,099.27)</b>
<b>Exceptional items</b>	44		
- Impairment of goodwill (refer note 5)		(28,256.10)	(12,671.00)
- Impairment of investments in associates (refer note 7)		(963.74)	-
- Others		-	62.57
<b>Loss before tax</b>		<b>(51,965.22)</b>	<b>(39,707.70)</b>
<b>Tax expense</b>	45		
Current tax		389.48	342.74
Deferred tax charge / (credit)		(241.11)	(125.48)
Tax expense pertaining to prior periods		3.75	-
<b>Total tax expense</b>		<b>152.12</b>	<b>217.26</b>
<b>Loss after tax</b>		<b>(52,117.34)</b>	<b>(39,924.96)</b>
<b>Loss for the year</b>		<b>(52,117.34)</b>	<b>(39,924.96)</b>

**API Holdings Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended Mar 31, 2022
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of post-employment defined benefit plans	49	97.95	105.98
Income tax relating to above items	45	(6.22)	0.07
		<b>91.73</b>	<b>106.05</b>
<b>Total comprehensive loss</b>		<b>(52,025.61)</b>	<b>(39,818.91)</b>
<b>Profit/(loss) for the period attributable to:</b>			
- Owners of API Holdings Limited		(52,295.46)	(40,276.98)
- Non controlling interest		178.12	352.02
		<b>(52,117.34)</b>	<b>(39,924.96)</b>
<b>Other comprehensive income / (loss) for the period attributable to:</b>			
- Owners of API Holdings Limited		86.81	106.28
- Non controlling interest		4.92	(0.23)
		<b>91.73</b>	<b>106.05</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>			
- Owners of API Holdings Limited		(52,208.65)	(40,170.70)
- Non controlling interest		183.04	351.79
		<b>(52,025.61)</b>	<b>(39,818.91)</b>
<b>Loss per share (face value of Rs. 1 each) attributable to owners of the group</b>	46		
Basic		(8.51)	(7.28)
Diluted		(8.51)	(7.28)

Significant accounting policies

2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited**  
CIN : U60100MH2019PTC323444

Sd/-  
**Nitin Khatri**  
Partner  
Membership number: 110282

Sd/-  
**Siddharth Shah**  
Managing Director and Chief  
Executive Officer  
DIN: 05186193

Sd/-  
**Dharmil Sheth**  
Whole time Director  
DIN: 06999772

Sd/-  
**Yatharth Bhargava**  
Chief Financial Officer  
ICAI Membership No.: 504705

Sd/-  
**Drashti Shah**  
Company Secretary and  
Chief Compliance Officer  
Membership No.: ACS22968

Place: Mumbai  
Date: December 05, 2023

Place: Mumbai  
Date: December 05, 2023

API Holdings Limited  
**Consolidated Statement of Changes in Equity for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

**A. Equity Share Capital**

Particulars	Amount
Balance as at April 1, 2021	256.20
Changes during the year	5,885.84
Balance as at March 31, 2022	6,142.04
Changes during the year	-
Balance as at March 31, 2023	6,142.04

**B. Instruments entirely equity in nature**

Particulars	Amount
Balance as at April 1, 2021	115.47
Changes during the year (refer note 22)	(115.47)
Balance as at March 31, 2022	-
Changes during the year	-
Balance as at March 31, 2023	-

**C. Other equity**

Particulars	Attributable to owners of the group							Non controlling interest	Total
	Equity component of compound financial instruments	Reserves and surplus					Total other equity		
		Securities premium reserve	Employee stock options outstanding	Capital reserve	Amalgamation deficit balance	Retained earnings			
Balance as at April 1, 2021	828.90	47,157.69	1,086.59	1.30	(27.28)	(15,025.06)	34,022.14	1,417.96	35,440.10
Profit / (loss) for the year	-	-	-	-	-	(40,276.98)	(40,276.98)	352.02	(39,924.96)
Other comprehensive income / (loss)	-	-	-	-	-	106.28	106.28	(0.23)	106.05
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(40,170.70)	(40,170.70)	351.79	(39,818.91)
<b>Transactions with owners in their capacity as owners</b>									
Reclassification of Non Controlling Interest to Employee Stock Option Outstanding*	-	-	1,093.93	-	-	-	1,093.93	(1,093.93)	-
Issue of equity shares and instruments in the nature of equity	-	67,314.51	-	-	-	-	67,314.51	-	67,314.51
Bonus shares issued	-	(5,583.67)	-	-	-	-	(5,583.67)	-	(5,583.67)
Transaction cost on issue of equity instruments	-	(131.57)	-	-	-	-	(131.57)	-	(131.57)
Transfer on exercise of stock option	-	935.70	(923.33)	-	-	-	12.37	18.00	30.37
Employee share based payment expense	-	-	6,300.45	-	-	-	6,300.45	-	6,300.45
Employee share options repurchased during the year	-	-	(506.17)	-	-	(352.59)	(858.76)	-	(858.76)
Adjustment on conversion during the year	(750.00)	-	-	-	-	-	(750.00)	-	(750.00)
Change in value of put liability	-	-	-	-	-	(417.89)	(417.89)	-	(417.89)
Non-controlling interests on acquisition of business	-	-	-	-	-	-	-	2,558.14	2,558.14
Balance as at March 31, 2022	78.90	109,692.66	7,051.47	1.30	(27.28)	(55,966.24)	60,830.81	3,251.96	64,082.77
Profit / (loss) for the year	-	-	-	-	-	(52,295.46)	(52,295.46)	178.12	(52,117.34)
Other comprehensive income / (loss)	-	-	-	-	-	86.81	86.81	4.92	91.73
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(52,208.65)	(52,208.65)	183.04	(52,025.61)
<b>Transactions with owners in their capacity as owners</b>									
Share based payment expense	-	-	6,237.50	-	-	-	6,237.50	-	6,237.50
Change in value of put liability	-	-	-	-	-	152.52	152.52	-	152.52
Non-controlling interests on acquisition of business	-	-	-	-	-	-	-	9.18	9.18
Sale of subsidiary	-	-	-	(0.85)	-	-	(0.85)	-	(0.85)
Dividend declared during the year	-	-	-	-	-	(228.66)	(228.66)	-	(228.66)
Balance as at March 31, 2023	78.90	109,692.66	13,288.97	0.45	(27.28)	(108,251.03)	14,782.67	3,444.18	18,226.85

\* Reclassification of Non Controlling Interest to Employee stock option outstanding pursuant to replacement of employee stock options of the subsidiary company with employee stock option of the holding company pursuant to the merger of subsidiary with the holding company (refer note 51).

Significant accounting policies

2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/NS00016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited**  
CIN :U60100MH2019PTC323444

Sd/-  
**Nitin Khatri**  
Partner  
Membership number: 110282

Sd/-  
**Siddharth Shah**  
Managing Director and Chief  
Executive Officer  
DIN: 05186193

Sd/-  
**Dharmil Sheth**  
Whole time Director  
DIN: 06999772

Sd/-  
**Yatharth Bhargova**  
Chief Financial Officer  
ICAI Membership No.: 504705

Sd/-  
**Drashti Shah**  
Company Secretary and  
Chief Compliance Officer  
Membership No.: ACS22968

Place: Mumbai  
Date: December 05, 2023

Place: Mumbai  
Date: December 05, 2023



**API Holdings Limited**  
**Consolidated Statement of Cash Flows for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
Loss before tax	(51,965.22)	(39,707.70)
<b>Adjustments for :</b>		
Depreciation and Amortisation Expenses	2,434.40	1,587.85
Finance Costs	6,655.43	2,582.64
Net (gain)/ loss on sale of property, plant and equipment	72.91	6.19
Bad debts written off	8.44	3.61
Gain on fair valuation of financial instruments measured at fair value through profit and loss (net)	(107.35)	(91.51)
Gain loss on sale of financial assets measured at fair value through profit and loss (net)	(8.13)	(27.70)
Gain on fair value of contingent consideration	-	(62.57)
Impairment of goodwill	28,256.10	12,671.00
Impairment of investments accounted for using the equity method	963.74	-
Gain on termination /modification of leases	(94.24)	(18.92)
Liabilities no longer required written back	(72.97)	(30.09)
Share based payment expense	6,237.50	6,300.45
Unwinding of interest on security deposits	(19.04)	(17.06)
Impairment allowance for doubtful advances and balances with government authorities	811.34	1,931.12
Expected credit loss provision on financial assets	674.93	347.60
Share of (gain) / loss of Investments accounted for using the equity method	2.99	(6.61)
Trade advances written off	5.01	71.06
Profit on sale of business undertaking	-	(21.30)
Amortization of financial guarantee liability	(16.49)	(9.28)
Interest income	(208.24)	(247.21)
<b>Operating (loss) before working capital changes</b>	<b>(6,368.89)</b>	<b>(14,738.43)</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in other current and non-current financial assets	(46.91)	(2,409.99)
(Increase)/decrease in other current and non-current assets	250.76	(512.04)
(Increase)/decrease in trade receivables	(1,125.21)	(2,256.63)
(Increase)/decrease in inventories	730.80	(1,954.94)
Increase/(decrease) in other current and non-current financial liabilities	(121.41)	(3,530.67)
Increase/(decrease) in other current and non-current liabilities	341.06	283.58
Increase/(decrease) in trade payables	(454.69)	(183.36)
Increase/(decrease) in provisions	21.76	139.09
Increase/(decrease) in contract liabilities	(48.76)	114.11
<b>Cash used in operations</b>	<b>(6,821.49)</b>	<b>(25,049.28)</b>
Income taxes paid (net)	(620.23)	(844.41)
<b>Net cash flow used in operating activities (A)</b>	<b>(7,441.72)</b>	<b>(25,893.69)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(951.57)	(1,430.99)
Proceeds from sale of property, plant and equipment and intangible assets	79.58	50.86
Investment made in equity instruments	-	(20.90)
Investment in Investments accounted for using the equity method	-	(2,548.00)
Investment in compulsorily convertible preference shares	-	(123.76)
Payments for purchase of investments (net)	(39.10)	-
Investment in mutual funds	(1,810.40)	(980.00)
Sale of mutual funds	1,932.92	803.90
Loans and advances given	(742.32)	(551.22)
Proceeds from repayment of loans and advances given	126.40	-
Bank balances not considered as cash and cash equivalents (net)	679.15	(777.71)
Interest received	138.12	236.11
Sale of business undertaking	-	42.50
Consideration paid for business acquisitions (net of cash and cash equivalents acquired)	(135.62)	(52,592.85)
<b>Net cash flow used in investing activities (B)</b>	<b>(722.84)</b>	<b>(57,892.06)</b>

**API Holdings Limited**  
**Consolidated Statement of Cash Flows for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity instruments	-	63,521.76
Payment of share issue costs	-	(131.57)
Proceed from issue of instruments entirely in the nature of equity	-	47.89
Proceed from issue of compulsorily convertible instruments	-	3,209.33
Proceed from issue of compulsorily convertible preference shares	5,483.47	-
Payment of dividend	(228.66)	-
Employee share options bought-back during the year/period	-	(858.76)
Proceeds / (repayments) from short term borrowings (net)	(14,982.73)	22,257.78
Repayment of long term borrowings	(4,465.86)	(4,163.05)
Proceeds from long term borrowings	25,970.79	2,066.18
Finance costs paid	(2,795.46)	(2,649.74)
Principal element of lease payments	(446.70)	(246.14)
<b>Net cash flow from financing activities (C)</b>	<b>8,534.85</b>	<b>83,053.68</b>
<b>Net cash flows during the year (A+B+C)</b>	<b>370.29</b>	<b>(732.07)</b>
Cash and cash equivalents (opening balance)	1,568.76	2,300.83
Cash and cash equivalents (closing balance)	<b>1,939.05</b>	<b>1,568.76</b>
<b>Cash and cash equivalents at the end of the year</b>		
Comprises :		
Cash on hand	37.69	28.75
Cheque in hand	-	3.03
Balance with banks		
In current accounts	1,838.79	1,512.09
In deposit accounts	60.00	0.10
Add: Earmarked funds with banks (refer note 17)	12.07	42.41
Less: Temporary book overdraft	(9.50)	(17.62)
	<b>1,939.05</b>	<b>1,568.76</b>

**Details of non-cash investing and financing activities**

**The following are the non cash investing and financing activities:**

Gain on fair valuation of financial assets measured at fair value through profit and loss	107.33	91.51
Acquisition of Right to use assets	799.27	1,058.82
Bonus Issue of shares	-	5,583.67
Adjustment on conversion of equity component of compound financial instruments	-	750.00
Conversion of Optional Convertible Redeemable Debentures ("OCRD") into Equity	-	3.00
Conversion of Compulsorily Convertible Debentures ("CCD") into Equity	-	3,210.04
Conversion of Compulsorily Convertible Preference Shares ("CCPS") into Equity	-	19,092.40
Amount transferred to securities premium on exercise of share options	-	923.33

Also, refer note 24, Net Debt reconciliation for disclosure of non-cash financing activities

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

**For Price Waterhouse Chartered Accountants LLP**  
**Firm's Registration No: 012754N/N500016**

Sd/-  
**Nitin Khatri**  
Partner  
Membership number: 110282

**For and on behalf of the Board of Directors of**  
**API Holdings Limited**  
CIN : U60100MH2019PTC323444

Sd/-  
**Siddharth Shah**  
Managing Director and  
Chief Executive Officer  
DIN: 05186193

Sd/-  
**Dharmil Sheth**  
Whole time Director  
DIN: 06999772

Sd/-  
**Yatharth Bhargava**  
Chief Financial Officer  
ICAI Membership No.: 504705

Sd/-  
**Drashti Shah**  
Company Secretary and  
Chief Compliance Officer  
Membership No.: ACS22968

Place: Mumbai  
Date: December 05, 2023

Place: Mumbai  
Date: December 05, 2023

## API Holdings Limited

### Notes to consolidated financial statements

#### Note 1. Background

API Holdings Limited (“API” or “the Company”) is a public Company limited by shares, incorporated on March 31, 2019 and domiciled in India. The Company, its subsidiaries (collectively the “Group”) and its associates, are engaged in diversified businesses primarily trading of pharmaceutical and cosmetic goods, licensing of internet portals or mobile applications related to sales and distribution of pharmaceutical and cosmetic goods, diagnostic services, teleconsulting etc. The registered address of the Company is 902, 9th Floor, Raheja Plaza 1, B-Wing, Opposite R-City Mall, L.B.S Marg, Ghatkopar (W) Mumbai 400086.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the annual general meeting of the shareholders of the Company held on October 1, 2021 and consequently the name of the Company has changed to API Holdings Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on October 28, 2021.

During the year, following businesses were transferred within the entities in the group, These transfers have been accounted as per Appendix C of Ind AS 103 Business Combination. There is no change in the control over such entities pursuant to such transaction and accordingly there is no impact in the Consolidated Financial Statements.

Transferor	Transferee	Nature of business transferred	Date of transfer
Threpsi Solutions Private Limited	API Holdings Limited	Trading business of Pharmaceutical products of Hyderabad and Kolkata location	March 30, 2023 and March 23, 2023 respectively
API Holdings Limited	Docon Technologies Private Limited	Diagnostic	March 10, 2023
Muthu Pharma Private Limited	Ascent Wellness and Pharma Solutions Private Limited	Trading business of Pharmaceutical products	November 03, 2022
Pearl Medicals Private Limited	Ascent Wellness and Pharma Solutions Private Limited	Trading business of Pharmaceutical products	November 03, 2022
Rau and Co Pharma Private Limited	Ascent Wellness and Pharma Solutions Private Limited	Trading business of Pharmaceutical products	November 03, 2022
Shell Pharmaceutical Private Limited	Ascent Wellness and Pharma Solutions Private Limited	Trading business of Pharmaceutical products	November 03, 2022
Instinct Innovative Private Limited	API Holdings Limited	Trading business of Pharmaceutical products	March 29, 2023
Aarush Tirupati Enterprise Private Limited	API Holdings Limited	Trading business of Pharmaceutical products	March 17, 2023

#### Note 2: Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. These financial statements are for the group consisting of API Holdings Limited, its subsidiaries (collectively referred to as “Group”) and its associates.

## **API Holdings Limited**

### Notes to consolidated financial statements

#### A. Basis of preparation

The group has incurred cash losses during the financial years ended March 31, 2023. Further, there has been a breach of certain covenants relating to the non-convertible debentures issued by the group. These consolidated financial statements have been prepared on a going concern basis, considering the business plan for 12 months from the reporting period as approved by the Board of Directors of the Holding Company and that of its subsidiaries and associates, which includes planned reduction in certain recurring and non-recurring costs (e.g. employee benefits, marketing and legal and professional fees, etc.), funds raised through the rights issue of equity shares subsequent to the balance sheet date, restructuring of terms for non-convertible debentures (including waiver of breach of covenants) subsequent to the reporting period, and binding term sheets entered by the Company with certain existing and new investors. Based on the above, the group is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

##### (i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

These financial statements were authorised for issue by the Company's Board of Directors on December 05, 2023.

##### (ii) Historical cost convention

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

- certain financial assets and liabilities (including derivative instruments) and contingent consideration (if any) is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments

##### (iii) New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period ended March 31, 2023:

- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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

The Group has applied the following amendments to the Schedule III Division II of the Companies Act 2013 while preparing the consolidated financial statements:

- Additional disclosures related to ageing of trade receivables, trade payables, unbilled revenue, capital work in progress, intangibles under developments etc.
- Additional disclosures related to title deeds of immovable properties, ratios, corporate social responsibility, loans given, utilisation borrowed funds and securities premium, reconciliation of returns submitted to banks with books of accounts, delay in registration of charges outstanding, promoter's shareholding, relationship with struck off companies, surrendered income, revaluation of Property, plant and equipment and valuation of investment properties, etc.
- Presentation of lease liabilities and current maturities of long-term borrowings in the financial statements.

The Group has applied the above amendments to the extent applicable to these consolidated financial statements.

## API Holdings Limited

### Notes to consolidated financial statements

#### (iv) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules'), which amend certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income Taxes and Ind AS 1, Presentation of Financial Statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

#### (v) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorized 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 I 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).

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

#### (vi) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

## API Holdings Limited

### Notes to consolidated financial statements

#### Significant judgements:

a) Recognition of deferred tax assets:

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilized. Estimation of the level of future taxable profits is therefore required to determine the appropriate carrying value of the deferred tax assets. Considering past losses, uncertainty of its ability to generate future taxable profit in the parent and certain subsidiaries, the Group has recognised deferred tax assets in the parent entity and certain subsidiaries only to the extent of deferred tax liabilities.

b) Business combination:

In accounting for business combinations, judgment is required in identifying the acquirer and acquiree for the purpose of business combination and whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

c) Investments

A judgement is involved in determining whether the investor has a significant influence over the investee. It is dependent on various factors such as the quantum of investments, representation on board of directors or other governing bodies, participation in policy making processes, including decisions on dividend distributions, material transactions between investor and investee, interchange of managerial personnel or provision of essential technical information. The Group has determined that it has a significant influence over its investee, Marg ERP Limited, with 49% equity interest along with a call option on remaining equity interest which is exercisable at a future date. The Group does not have a significant influence over Aarman Solutions Private Limited considering, 19.99% equity interest in the investee with a written call on its entire interest in investee exercisable at fair value at any time, absence of board representation and absence of voting rights on policy making decisions.

d) Going concern assessment

The business plan for 12 months from reporting period end is based on management estimates of future revenue, planned reduction of recurring costs, equity and debt commitments which are based on information available up to the date of issue of these consolidated financial statements and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the management assessment of the going concern.

#### Critical estimates:

a) Fair value of employee share options

The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions include expected volatility, share price, expected dividends, term and discount rate, under this pricing model.

b) Impairment of goodwill

The Company tests whether goodwill has suffered any impairment loss on an annual basis. The recoverable amount of the cash generating units (CGUs) is determined based on higher of value-in-use calculations or fair value less cost to sell which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management. Cash flows beyond the initial period are extrapolated using the estimated growth rates. The revenue or earnings multiples used in the fair value less cost to sale estimates is based on that of the comparable companies. These growth

## API Holdings Limited

### Notes to consolidated financial statements

rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

#### (vii) Current/non-current classification

The Group classifies an asset as current when:

- it expects to realise the asset or intends to sell or consume it in normal operating cycle
- it holds the asset primarily for the purpose of trading
- it expects to realise the assets within twelve months after the reporting period, or
- the asset is Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

The Group classifies a liability as current when:

- it expects to settle the liability in normal operating cycle
- it holds the liability primarily for the purpose of trading
- the liability is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

#### Operating cycle

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

#### B. Basis of consolidation and Equity accounting

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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 consolidated balance sheet, respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

## **API Holdings Limited**

### Notes to consolidated financial statements

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. 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 initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2(l) below.

When the Group ceases to consolidate or equity account an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **C. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director and Chief Executive Officer of the Company, which assesses the financial performance and position of the Group as a whole and makes strategic decisions, has been identified as the chief operating decision maker.

#### **D. Foreign currency translation**

##### **(ii) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (Rupees), which is the functional and presentation currency of the Group.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.



## API Holdings Limited

### Notes to consolidated financial statements

All the foreign exchange gains and losses are presented in the statement of profit and loss on a net basis with other income/other expenses as applicable. Foreign exchange differences arising on foreign currency borrowings are presented in the statement of profit and loss, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at FVOCI are recognised in other comprehensive income.

#### E. Revenue recognition

##### (ii) Sale of goods

The Group sells a range of pharmaceutical and cosmetic goods. Sales are recognised when control of the products is transferred, which occurs when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and goods and service tax. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level.

No significant element of financing is deemed present as the sales are made with a credit term consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### (ii) Sale of services

The Group provides services of delivery person, software, diagnostic services such as testing and imaging, and technology platform services. Revenue is recognised in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. Revenue from testing and imaging services is recognized at a point in time once the testing samples are processed for requisitioned diagnostic tests.

Some contracts include multiple performance obligations, such as the sale of hardware and sale of software. The hardware can be procured from any other party and does not include an integration service. It is therefore accounted for as a separate performance obligation. If contracts include the sale of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

## API Holdings Limited

### Notes to consolidated financial statements

The customer pays a fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognized in the amount to which the Group has a right to invoice. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods and service tax.

Customers are invoiced on a periodic basis and consideration is payable when invoiced in accordance with the credit period.

#### (iii) Customer loyalty programme

The Group operates a loyalty programme where customers accumulate points for purchases made. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire. A contract liability is recognized until the points are redeemed or expire.

#### (iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. No significant element of financing is deemed present as the sales are made with a credit term consistent with market practice.

## F. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

## API Holdings Limited

### Notes to consolidated financial statements

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### G. Leases

##### As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

## API Holdings Limited

### Notes to consolidated financial statements

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

## H. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any noncontrolling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity,
- amount of pre-existing relationships with the acquiree, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

## API Holdings Limited

### Notes to consolidated financial statements

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

#### (I) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### (J) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### (K) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

#### (L) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### (M) Investments and other financial assets

##### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

## API Holdings Limited

### Notes to consolidated financial statements

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Group commits to purchase or sale the financial asset.

#### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/ other expenses.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income / other expenses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other income/ other expenses in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ other expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## API Holdings Limited

### Notes to consolidated financial statements

#### (iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (v) Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### (vi) Income recognition

**Interest income** : Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**Dividends** : Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

#### (N) Derivatives and hedging activities

Derivatives are only used for economic hedging purposes and not as speculative activities. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Group does not designate derivatives contracts as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/other expenses.

**Embedded derivatives** : Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109, Financial Instruments are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## API Holdings Limited

### Notes to consolidated financial statements

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

#### (O) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### (P) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down value method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

- Computer hardware - 3 years
- Office equipment – 5 years
- Vehicles – 10 years
- Plant and machinery – 15 years
- Electric fittings/installation – 10 years

Leasehold improvements are depreciated, using the straight-line method, over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful lives have been determined by the management which is in accordance with those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

The useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/other expenses.

#### (Q) Intangible assets

##### (i) Goodwill

Goodwill on acquisitions of subsidiaries and businesses is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses



## API Holdings Limited

### Notes to consolidated financial statements

on the disposal of an entity/business include the carrying amount of goodwill relating to the entity/business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

#### (ii) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

#### (iii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (ii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### (iv) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following period:

- Customer relationship – 5 to 20 years
- Brand name – 20 years
- Technology platforms – 4 years
- Computer software – 3 years
- Non-compete arrangements – 5 years
- Other intangibles – 3 years

#### (R) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **API Holdings Limited**

### Notes to consolidated financial statements

#### **(S) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of optionally convertible debentures is determined using a market interest rate for an equivalent non-convertible debenture. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/ expenses.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **(T) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### **(U) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

## API Holdings Limited

### Notes to consolidated financial statements

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised.

#### (V) Employee benefits

##### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (ii) Other long-term employee benefit obligations

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### (iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

##### Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included

## API Holdings Limited

### Notes to consolidated financial statements

in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of assets and liabilities.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are incurred.

#### (iv) Share-based payments

Share-based compensation benefits are provided to employees via Employee Stock Option Plans.

#### Employee options

The fair value of options granted under the Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The equity instruments generally vest in a graded manner over the vesting period. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture

Cancellation or settlements are accounted as an acceleration of vesting, and therefore recognised immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

If new equity instruments are granted to the employee and, on the date when those new equity instruments are granted, Group identifies the new equity instruments granted as replacement equity instruments for the cancelled equity instruments, the Group accounts for granting of replacement equity instruments in the same way as a modification of the original grant of equity instruments. When the terms of an equity-settled award are modified, the Group recognizes as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Payments made to the employee on the settlement of the options is accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value

## API Holdings Limited

### Notes to consolidated financial statements

of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense and presented as cash flow from operating activities in the statement of cash flows. Any excess or shortfall between the repurchase date fair value and grant date fair value and excess in repurchase date fair value over the payments made is transferred to retained earnings. Amounts paid to the extent of the repurchase date fair value are presented as cash flow from financing activities in the statement of cash flows.

#### (W) Earnings per share

##### (i) Basic 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.

##### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### (X) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Consolidated Balance Sheet. The liabilities classified as held for sale are presented separately from other liabilities in the Consolidated Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated Statement of Profit and Loss.

#### (Y) Put liability

The Group enters into business combination arrangements which may include terms where the Group has written put options or a purchased call option along with the written put, over the equity of a subsidiary which permit the holder to put their shares in the subsidiary back to the Group at the exercise price specified in the

## **API Holdings Limited**

### Notes to consolidated financial statements

arrangement. The Group analyses the terms of such arrangements to assess whether they provide the Group or the non-controlling interest with access to the risks and rewards associated with the actual ownership of the shares.

The non-controlling interest is recognized only if risks and rewards associated with ownership have been retained by the non-controlling interest. In such case, the amount that may become payable under the option on its exercise is initially recognized at the present value of the redemption amount within other financial liabilities (presented as "Put Liability") with a corresponding charge directly to equity. Subsequent changes in put liability are recognized within equity.

If the risks and rewards associated with ownership are transferred to the Group, a non-controlling interest is not recognized. In such case, the put liability is recognized as part of the purchase consideration for the business combination with a corresponding effect on goodwill. The put liability is subsequently accreted through finance charges up to the redemption amount that is payable on the date at which the option first becomes exercisable. In the event that the option lapses unexercised, a non-controlling interest is then recognized at an amount equal to its share of the carrying values of the subsidiary's net assets at the date of lapse. Any difference between the put liability and the non-controlling interest is recognized within equity.

#### **(Z) Contributed equity**

Equity shares are classified as equity. Compulsory convertible instruments such as preference shares and/or debentures that will be or are expected to be settled in the Company's own equity instruments are classified as equity if they are expected to be settled into a fixed number of equity shares. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **(AA) Exceptional items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the financial statements.

#### **(AB) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million Rupees as per the requirement of Schedule III, unless otherwise stated.

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees millions, unless otherwise stated)

3 Property, plant and equipment

Particulars	Office equipments	Computer and hardware	Furniture and fixtures	Vehicles	Leasehold improvement	Plant and machinery	Electrical fittings / Installation	Building	Freehold Land	Total
<i>Grass carrying amount</i>										
<b>Balance as at April 1, 2021</b>	<b>202.53</b>	<b>220.37</b>	<b>176.12</b>	<b>18.46</b>	<b>199.59</b>	<b>36.72</b>	<b>17.16</b>	-	-	<b>870.95</b>
Additions	314.82	335.01	202.08	14.13	260.60	208.37	2.10	-	-	1,337.11
Acquisitions through business combination (refer note 51)	62.52	23.61	163.04	17.66	9.52	766.06	-	1,048.76	154.00	2,245.17
Reclassification from assets classified as held for sale (refer note 3(i))	-	-	-	-	-	-	-	-	101.00	101.00
Disposals/ adjustments	(13.49)	(19.89)	(5.04)	(1.29)	(15.68)	(58.17)	-	(3.20)	-	(116.76)
<b>Balance as at March 31, 2022</b>	<b>566.38</b>	<b>559.10</b>	<b>536.20</b>	<b>48.96</b>	<b>454.03</b>	<b>952.98</b>	<b>19.26</b>	<b>1,045.56</b>	<b>255.00</b>	<b>4,437.47</b>
Additions	187.82	65.76	130.90	9.13	157.48	340.48	8.37	-	-	899.94
Disposals/ adjustments	(57.62)	(96.19)	(45.83)	(9.90)	(84.10)	(52.28)	-	(1.80)	-	(347.72)
<b>Balance as at March 31, 2023</b>	<b>696.58</b>	<b>528.67</b>	<b>621.27</b>	<b>48.19</b>	<b>527.41</b>	<b>1,241.18</b>	<b>27.63</b>	<b>1,043.76</b>	<b>255.00</b>	<b>4,989.69</b>
<i>Accumulated depreciation</i>										
<b>Balance as at April 1, 2021</b>	<b>57.62</b>	<b>104.73</b>	<b>40.14</b>	<b>2.62</b>	<b>49.00</b>	<b>0.37</b>	<b>2.79</b>	-	-	<b>257.27</b>
Depreciation	130.79	163.98	94.03	9.87	69.58	122.61	4.18	32.13	-	627.17
Disposals/ adjustments	(7.74)	(6.90)	(1.07)	(1.11)	(12.09)	(31.19)	-	(0.70)	-	(60.80)
<b>Balance as at March 31, 2022</b>	<b>180.67</b>	<b>261.81</b>	<b>133.10</b>	<b>11.38</b>	<b>106.49</b>	<b>91.79</b>	<b>6.97</b>	<b>31.43</b>	-	<b>823.64</b>
Depreciation	210.43	199.14	154.10	13.80	142.72	204.43	5.35	53.90	-	983.87
Disposals/ adjustments	(34.56)	(52.80)	(25.60)	(8.19)	(29.10)	(45.53)	-	(1.00)	-	(196.78)
<b>Balance as at March 31, 2023</b>	<b>356.54</b>	<b>408.15</b>	<b>261.60</b>	<b>16.99</b>	<b>220.11</b>	<b>250.69</b>	<b>12.32</b>	<b>84.33</b>	-	<b>1,610.73</b>
<b>Net carrying amount as on March 31, 2022</b>	<b>385.71</b>	<b>297.29</b>	<b>403.10</b>	<b>37.58</b>	<b>347.54</b>	<b>861.19</b>	<b>12.29</b>	<b>1,014.13</b>	<b>255.00</b>	<b>3,613.83</b>
<b>Net carrying amount as on March 31, 2023</b>	<b>340.04</b>	<b>120.52</b>	<b>359.67</b>	<b>31.20</b>	<b>307.30</b>	<b>990.48</b>	<b>15.31</b>	<b>959.43</b>	<b>255.00</b>	<b>3,378.97</b>

Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.

3(i) Capital work-in-progress

Particulars	Amount
<b>Balance as at April 1, 2021</b>	2.50
Addition during the year	272.69
Addition due to business combination	18.60
Capitalised during the year	(224.20)
<b>Balance as at March 31, 2022</b>	<b>69.59</b>
Addition during the year	385.13
Addition due to business combination	-
Capitalised during the year	(424.09)
<b>Balance as at March 31, 2023</b>	<b>30.63</b>

Notes:

- Capital work-in-progress consists projects which are for periods less than one year.
- Capital work-in-progress includes various capital expenditure carried out at new warehouses taken on lease.
- All the projects are in progress as of the respective balance sheet dates.
- None of the projects have exceeded their budgeted timelines/cost.

(This space is intentionally left blank)

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees millions, unless otherwise stated)

3(ii) Assets classified as held for sale

Particulars	Freehold land	Others	Amount
<b>Balance as at April 1, 2021</b>	-	-	-
Addition during the year	-	-	-
Acquisition through business combination (refer note 51 )	101.00	-	101.00
Disposals during the year	-	-	-
Reclassification to property, plant and equipment #	(101.00)	-	(101.00)
<b>Balance as at March 31, 2022</b>	-	-	-
Addition during the year	-	1.14	1.14
Disposals during the year	-	-	-
<b>Balance as at March 31, 2023</b>	-	<b>1.14</b>	<b>1.14</b>

# Freehold land previously classified as held for sale has been reclassified to property, plant and equipment since management has decided to derive the economic benefits from continuing use of such asset rather than its sale.

4 Right of use asset (refer note 48)

(i) Amount recognised in consolidated balance sheet

The balance sheet shows the following amount relating to leases:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Right of use assets</b>		
Buildings	1,248.04	1,669.21
Leasehold land	184.78	194.68
Plant and Machinery	108.20	131.00
	<b>1,541.02</b>	<b>1,994.89</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease Liabilities</b>		
Current	333.82	382.52
Non-current	1,028.72	1,505.61
	<b>1,362.54</b>	<b>1,888.13</b>

(ii) Note : Details pertaining to right-of-use assets

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Buildings	Leasehold land	Plant and Machinery	Buildings	Leasehold land	Plant and Machinery
Additions to the right of use assets	799.27	-	-	1,136.59	-	-
Additions through business combination (refer note 51 )	-	-	-	107.55	196.86	144.30
Depreciation of Right-of-use assets (refer note 42)	443.48	2.90	22.80	356.45	2.18	11.14

(iii) Extension and termination options:

Extension and termination options are included in certain leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in Group's operations. In certain cases, extension and termination options held are exercisable only by the Group.

(This space is intentionally left blank)



**API Holdings Limited**  
**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

**5 Goodwill**

<b>Particulars</b>	<b>Amount</b>
<b>Gross Carrying amount</b>	
Balance as at April 1, 2021	31,921.56
Addition during the year	51,704.89
<b>Balance as at March 31, 2022</b>	<b>83,626.45</b>
Addition during the year	-
<b>Balance as at March 31, 2023</b>	<b>83,626.45</b>
<b>Accumulated Impairment</b>	
Balance as at April 1, 2021	-
Impairment during the year	12,671.00
<b>Balance as at March 31, 2022</b>	<b>12,671.00</b>
Impairment during the year	28,256.10
<b>Balance as at March 31, 2023</b>	<b>40,927.10</b>
<b>Net carrying value as on March 31, 2022</b>	<b>70,955.45</b>
<b>Net carrying value as on March 31, 2023</b>	<b>42,699.35</b>

**5A Impairment of non financial assets**

For impairment testing, goodwill acquired through business combinations has been allocated to the Distribution to Chemist/ institutions, Distribution to Retailers, IT operations and Diagnostics CGUs.

Following are the details with respect to carrying amount of goodwill allocated to various CGUs:

<b>Particulars</b>	<b>As at March 31, 2023</b>		
	<b>Gross carrying value</b>	<b>Impairment</b>	<b>Net carrying value</b>
Distribution to Chemist/ institutions	14,464.22	4,054.52	10,409.70
Distribution to Retailers	10,448.46	-	10,448.46
IT operations	9,158.67	9,158.67	-
Diagnostics	49,555.10	27,713.91	21,841.19
<b>Total</b>	<b>83,626.45</b>	<b>40,927.10</b>	<b>42,699.35</b>

<b>Particulars</b>	<b>As at March 31, 2022</b>		
	<b>Gross carrying value</b>	<b>Impairment</b>	<b>Net carrying value</b>
Distribution to Chemist/ institutions	14,464.22	1,858.87	12,605.35
Distribution to Retailers	10,448.46	-	10,448.46
IT operations	9,158.67	6,575.09	2,583.58
Diagnostics	49,555.10	4,237.04	45,318.06
<b>Total</b>	<b>83,626.45</b>	<b>12,671.00</b>	<b>70,955.45</b>

The Group performed its annual impairment test as of the reporting date for year ended March 31, 2023 and March 31, 2022. Basis the said testing it has been determined that goodwill has been impaired in case of Distribution to Chemist/ institutions, IT operations and Diagnostics CGUs as of March 31, 2023 and March 31, 2022.

Considering the outlook of the current economic environment and other macro economic factors, management has drawn an operating plan in light of the latest available information. Basis the operating plan, a downward revision to projections was necessitated and accordingly, it has been determined that an impairment would be required to be considered in the financial statements.

**Distribution to Retailers CGU**

Distribution to retailers typically includes selling goods to the registered sellers on the PharmEasy marketplace. The recoverable amount of the Distribution to Retailers CGU as at March 31, 2023 and March 31, 2022 has been determined using the fair value less cost to sell ('FVLCTS') approach. FVLCTS (level 3) is determined by an independent valuer using revenue based multiples derived from comparable listed companies in the world. Basis the valuation carried out, the Group has determined that no impairment is required to be recognised since the recoverable amount of the CGU is greater than its carrying amount.

Sensitivity analysis performed around the base assumptions do not indicate any reasonable possible change in key assumptions that would cause the recoverable amount of the this CGU to be less than their respective carrying value.

**IT operations CGU**

IT operations includes operations related to technology platform and sale of software. The recoverable amount of the IT operations CGU, is Nil as at March 31, 2023 (Rs 2,864.82 as at March 31, 2022), has been determined using the fair value less cost to sell ('FVLCTS') approach. FVLCTS (level 3) is determined by an independent valuer using venture capital ('VC') method. VC method is most common approach to value young / pre-revenue companies. It is valuation based on expectation of venture capital investor. Investors will seek a return equal to some multiple of their initial investment or will seek to achieve a specific internal rate of return based upon the level of risk they perceive in the venture. VC method incorporates this understanding and uses the relevant time frame in discounting a future value attributable to the firm.

As a result, management has recognised an impairment charge of Rs. 2583.58 (March 31, 2022: Rs 6,575.09) in the current year against goodwill, previously carried at Rs. 2,583.58 (March 31, 2022: Rs 9,158.67). The impairment charge is recorded in the statement of profit and loss and presented as an exceptional item (refer note 44).

**Distribution to Chemist/ institutions CGU**

Distribution to Chemist/ institutions typically includes selling goods to the pharmacies and hospitals, both directly as well as using technology provided by Retailio. The recoverable amount of the Distribution to Chemist/ institutions CGU, Rs 22,891.90 as at March 31, 2023 (Rs 23,944.12 as at March 31, 2022), has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period. The projected cash flows have been updated to reflect the current market situation. These projected cash flows are discounted to the present value using a weighted average cost of capital (discount rate). The discount rate is commensurate with the risk inherent in the projected cash flows and reflects the rate of return required by an investor in the current economic conditions. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 17.86% (March 31, 2022: 17.62%) and cash flows beyond the five-year period are extrapolated using a 4.00% growth rate (March 31, 2022: 4.00%) that is the same as the long-term average growth rate for similar companies in the industry. As a result of this analysis, management has recognised an impairment charge of Rs 2,195.65 (March 31, 2022: Rs. 1,858.87) in the current year against goodwill, previously carried at Rs 12,605.35 (March 31, 2022: Rs 14,464.22). The impairment charge is recorded in the statement of profit and loss and presented as an exceptional item.

**Diagnostics CGU**

Diagnostic services are provided to hospitals, diagnostic companies, independent phlebotomists and consumers including on PharmEasy marketplace. The recoverable amount of the Diagnostics CGU, Rs 31,829.13 as at March 31, 2023 (March 31, 2022: Rs 46,067.00), has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period. The projected cash flows have been updated to reflect the current market situation. These projected cash flows are discounted to the present value using a weighted average cost of capital (discount rate). The discount rate is commensurate with the risk inherent in the projected cash flows and reflects the rate of return required by an investor in the current economic conditions. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 12.74% (March 31, 2022: 14.53%) and cash flows beyond the five-year period are extrapolated using a 5.00% growth rate (March 31, 2022: 5.00%) that is the same as the long-term average growth rate for similar companies in the industry. As a result of this analysis, management has recognised an impairment charge of Rs 23,476.87 (March 31, 2022: Rs 4,237.04) in the current year against goodwill, previously carried at Rs 45,318.06 (March 31, 2022: Rs 49,555.10). The impairment charge is recorded in the statement of profit and loss and presented as an exceptional item.

Following key assumptions were considered while performing impairment testing :-

Particulars	As at March 31, 2023		As at March 31, 2022	
	Distribution to Chemist/ institutions	Diagnostics	Distribution to Chemist/ institutions	Diagnostics
Terminal growth rate	4%	5%	4%	5%
Revenue growth rate	20% to 25%	9% to 22%	15% to 35%	15% to 25%
Weighted Average Cost of Capital % (WACC) (Discount rate)	17.86%	12.74%	17.62%	14.53%

**Sensitivity Analysis:**

The table below provides the revised value of recoverable amount for any reasonable possible change in key assumptions:

Particulars	Carrying value of CGU	Recoverable value of CGU	Decrease in revenue by 1%	Increase in discount rate by 0.25%	Decrease in terminal growth rate by 0.25%
Distribution to Chemist/ institutions CGU	26,946.41	22,891.90	21,514.79	22,153.49	22,612.39
Diagnostics CGU	59,543.04	31,829.13	30,600.86	30,835.34	31,051.23
IT operations CGU	9,350.54	-	-	-	-

(This space is intentionally left blank)

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees millions, unless otherwise stated)

6 Other intangible assets

Particulars	Computer software	Brand Name	Technology platform	Other intangibles	Customer Contract Relationship	Non Compete agreement	Total
<b>Gross carrying amount</b>							
Balance as at April 1, 2021	58.36	313.14	311.20	64.29	-	-	746.99
Additions	53.15	-	-	-	-	-	53.15
Acquisition through business combination (refer note 51)	20.14	1,584.87	353.63	-	4,488.19	58.60	6,505.43
Disposals/ adjustments	(1.32)	-	-	-	-	-	(1.32)
<b>Balance as at March 31, 2022</b>	<b>130.33</b>	<b>1,898.01</b>	<b>664.83</b>	<b>64.29</b>	<b>4,488.19</b>	<b>58.60</b>	<b>7,304.25</b>
Additions	64.82	25.00	-	-	-	-	89.82
Disposals/ adjustments	(7.49)	-	-	-	-	-	(7.49)
<b>Balance as at March 31, 2023</b>	<b>187.66</b>	<b>1,923.01</b>	<b>664.83</b>	<b>64.29</b>	<b>4,488.19</b>	<b>58.60</b>	<b>7,386.58</b>
<b>Accumulated amortisation</b>							
Balance as at April 1, 2021	25.68	18.49	14.48	19.78	-	-	78.43
Amortisation expense	31.54	141.24	113.28	5.16	284.05	15.64	590.91
Disposals/ adjustments	(0.23)	-	-	-	-	-	(0.23)
<b>Balance as at March 31, 2022</b>	<b>56.99</b>	<b>159.73</b>	<b>127.76</b>	<b>24.94</b>	<b>284.05</b>	<b>15.64</b>	<b>669.11</b>
Amortisation expense	66.70	189.01	150.11	6.19	542.48	26.86	981.35
Disposals/ adjustments	(5.93)	-	-	-	-	-	(5.93)
<b>Balance as at March 31, 2023</b>	<b>117.76</b>	<b>348.74</b>	<b>277.87</b>	<b>31.13</b>	<b>826.53</b>	<b>42.50</b>	<b>1,644.53</b>
<b>Net carrying amount as on March 31, 2022</b>	<b>73.34</b>	<b>1,738.28</b>	<b>537.07</b>	<b>39.35</b>	<b>4,204.14</b>	<b>42.96</b>	<b>6,635.14</b>
<b>Net carrying amount as on March 31, 2023</b>	<b>69.90</b>	<b>1,574.27</b>	<b>386.96</b>	<b>33.16</b>	<b>3,661.66</b>	<b>16.10</b>	<b>5,742.05</b>

Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.

6A Intangible assets under development

Particulars	Amount
Balance as at April 1, 2021	-
Addition during the year	27.50
Acquisition through business combination (refer note 51)	17.73
Capitalised during the year	(35.26)
<b>Balance as at March 31, 2022</b>	<b>9.97</b>
Addition during the year	44.03
Capitalised during the year	(43.26)
<b>Balance as at March 31, 2023</b>	<b>10.74</b>

As at March 31, 2023

Intangible assets under development	Amount in Intangible assets under development for a period of		
	less than 1 year	1-2 Years	Total
Projects in Progress			
**Order Management System (OMS)	10.74		10.74

As at March 31, 2022

Intangible assets under development	Amount in Intangible Assets under development for a period of		
	less than 1 year	1-2 Years	Total
Projects in Progress			
**Order Management System (OMS)	9.97		9.97

\*\*None of the projects have exceeded their budgeted timelines/cost.

Note:

- (i) Capitalised development costs are recorded as intangible assets and are amortised from the point at which the asset is available for use.
- (ii) This represents cost towards development of the Company's inhouse software called OMS Software for Inventory Management including tracking of inventory and stock report.
- (iii) During the year, the Group has capitalised Rs 43.26 (March 31, 2022: 35.26) relating to various module of the OMS software available for use in the live environment.

(This space is intentionally left blank)

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**7 Investments accounted for using the equity method**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Investments in equity instruments (unquoted) - measured at equity method</b>		
429,185 (March 31, 2022: 429,185) equity shares of Rs 10 each fully paid up Equinox Labs Private Limited	221.00	209.20
650,000 (March 31, 2022: 650,000) equity shares of Rs 10 each fully paid up in Impex Healthcare Private Limited	214.07	206.36
4,917,499 (March 31, 2022: 4,917,499) Equity Shares of Rs 10 each, fully paid of Marg ERP Limited *	2,544.73	2,549.66
Aggregate amount of impairment in value of investments	(963.74)	-
	<b>2,016.06</b>	<b>2,965.22</b>

\* This comprises Goodwill of Rs. 2,347.93 (March 31, 2022: Rs. 2,347.93)

In addition to the investment in Marg ERP Limited, the Group entered into separate agreements with noncontrolling shareholders, whereby the Group holds a call option to purchase shares held by those shareholders (representing 50.64% equity interest) if specified EBITDA thresholds are not met by end of the specified period in the respective agreements. These shareholders, in turn, hold a put option to put the shares to the Group at any time by end of the specified period defined in these agreements.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	2,016.06	2,965.22
Aggregate amount of impairment in value of investments	963.74	-

(i) The above Associates are unlisted entities, hence quoted price is not available.

(ii) Equinox Labs Private Limited is engaged in the business of testing and analysis of food, water and air samples. This business complements business of diagnostic services.

(iii) Impex Healthcare Private Limited is engaged in wholesale trading of medical supplies. The services complements Group's distribution of pharmaceutical goods business.

(iv) Marg ERP Limited is engaged in providing ERP solutions to entities in healthcare sector. Its products complements Group's distribution of pharmaceutical goods business.

(v) Refer note 53(b) for Ownership interest held by the group (%)

**8 Investments (non-current)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Investments in equity instruments (unquoted) - measured at fair value through profit and loss</b>		
10 Equity Shares (March 31, 2022: 10) of Health Arx Technologies Private Limited of Rs 10 each, fully paid-up	0.01	0.01
1,999,000 (March 31, 2022: 1,999,000) Equity Shares of Rs 10 each, fully paid of Aarman Solutions Private Limited	21.29	20.89
<b>Other Investments (unquoted) - measured at fair value through profit and loss</b>		
7,996,000 (March 31, 2022: 7,996,000) Compulsory Convertible Preference Shares of Rs 10 each, fully paid of Aarman Solutions Private Limited (refer note 54 (e))	85.16	83.56
31,990 (March 31, 2022: 31,990) Compulsory Convertible Preference Shares of Health Arx Technologies Private Limited of Rs 10 each, fully paid-up	58.45	43.63
305 (March 31, 2022: 305) Compulsory Convertible Preference Shares of Rs 10 each, fully paid Prost Technologies Private Limited	8.71	4.70
	<b>173.62</b>	<b>152.79</b>

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Aggregate cost of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	173.62	152.79
Aggregate amount of impairment in value of investments	-	-

**9 Other financial assets (non-current)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Security deposit	324.26	280.68
Bank deposits with more than 12 months remaining maturity **	23.25	92.47
Interest accrued on bank deposit	-	1.96
Receivable on business transfer	5.66	5.00
	<b>353.17</b>	<b>380.11</b>

**Details of bank deposits**

Bank deposits due to mature after 12 months of the reporting date	23.25	92.47
---	-------	-------

\*\* (i) Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.

(ii) Bank Deposits of Rs. 2.10 (March 31, 2022: Rs. 34.60) are with the Banks against the Bank Guarantees issued to customers for execution of tenders.

**10 Deferred tax assets (net)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Deferred tax assets (refer note 45)	219.18	168.16
Deferred tax liabilities (refer note 45)	(1,793.71)	(1,977.56)
<b>Net deferred tax assets / (liabilities)</b>	<b>(1,574.53)</b>	<b>(1,809.40)</b>

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees millions, unless otherwise stated)

**11 Non-current tax assets (net)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Income tax receivable	844.92	558.46
	<b>844.92</b>	<b>558.46</b>

**12 Other non-current assets**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<i>Unsecured, considered good unless otherwise stated</i>		
Prepaid expenses	15.85	12.90
Balances with government authorities	159.70	1,255.94
Less : Provision for balances with government authorities	(22.35)	(19.34)
Capital advances	52.62	192.21
Trade advance	-	15.90
	<b>205.82</b>	<b>1,457.61</b>

**13 Inventories**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Stock-in-trade	6,611.33	7,363.05
Stores and consumables	270.27	249.35
	<b>6,881.60</b>	<b>7,612.40</b>

**Note:**

- Inventories of traded goods include stock-in-transit of Rs. 77.70 (March 31, 2022: Rs. 258.12)
- Write-downs of expiry items amounted to Rs. 75.18 (March 31, 2022: Rs. 137.25)
- Write-down of inventories to its net realisable value amounted to Rs. 33.82 (March 31, 2022: Rs. 88.41)
- The Group has provided exclusive charge over its inventories as a security against the secured borrowing of certain subsidiaries. Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.

**14 Current investments**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<i>Current investments at fair value through profit or loss (FVTPL)</i>		
<b>Investment in equity shares</b>		
10,040 (March 31, 2022: 20,080) equity shares of Thane Janta Sahakari Bank of Rs 50 each, fully paid-up.	0.50	1.00
<b>Investment in mutual funds</b>	1,192.77	1,260.53
<b>Investment in debt instruments</b>		
10 units (March 31, 2022 : NIL units) of Andhra Pradesh State Beverages Corporation Limited (9.62%, ISIN - INE0M2307115 - Maturity Date November 30, 2023)	7.70	-
20 units (March 31, 2022 : NIL units) of Bajaj Finance Limited (5.05%, ISIN - INE296A07RT7 - Maturity Date May 10, 2023)	21.00	-
10,000 units (March 31, 2022 : NIL units) of Edelweiss Financial Services Limited (8.85%, ISIN - INE532F07CV2 - Maturity Date October 20, 2024)	10.40	-
	<b>1,232.37</b>	<b>1,261.53</b>

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Aggregate cost of quoted investments	1,190.27	1,248.27
Aggregate market value of quoted investments	1,231.87	1,260.53
Aggregate amount of unquoted investments	0.50	1.00
Aggregate amount of impairment in value of investments	-	-

**15 Trade receivables**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Billed</b>		
Trade receivables - Secured, considered good	52.20	54.90
Trade receivable - Unsecured, considered good	9,571.53	8,814.04
Trade receivable - Which have significant increase in credit risk	521.03	-
Trade receivable - Unsecured, considered doubtful	-	228.73
<b>Unbilled</b>		
Trade receivable - Unsecured, considered good	19.41	19.04
<b>Total</b>	<b>10,164.17</b>	<b>9,116.71</b>
Less: Loss allowance	(1,113.83)	(508.21)
<b>Total trade receivables</b>	<b>9,050.34</b>	<b>8,608.50</b>
<b>Break-up of security details</b>		
(a) Trade receivables considered good - secured	52.20	54.90
(b) Trade receivables considered good - unsecured	9,590.94	8,833.08
(c) Trade receivables which have significant increase in credit risk	521.03	-
(d) Trade receivables - credit impaired	-	228.73
	10,164.17	9,116.71
Less: Loss allowance	(1,113.83)	(508.21)
	<b>9,050.34</b>	<b>8,608.50</b>

**Note:**

- Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.
- Refer note 50 for balances with related parties
- Refer note 55 for ageing of trade receivables

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees millions, unless otherwise stated)

**16 Cash and cash equivalents**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Cash on hand	37.69	28.75
Cheques in hand	-	3.03
Balances with banks		
- in current accounts	1,838.79	1,512.09
- in deposit accounts	60.00	0.10
	<b>1,936.48</b>	<b>1,543.97</b>

**Notes:**

**(i) Details of bank balances / deposits**

Bank deposits with original maturity of 3 months or less included under 'Cash and cash equivalents.	60.00	0.10
---	-------	------

(ii) There are no repatriation restrictions with regard to cash and cash equivalents as at the end of each balance sheet date.

(iii) Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.

**17 Other bank balances**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balances with banks		
- in deposits with original maturity of more than 3 months and less than 12 months	1,026.62	1,705.77
Earmarked funds with banks #	12.07	42.41
	<b>1,038.69</b>	<b>1,748.18</b>

**Details of bank balances / deposits**

Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances **	1,026.62	1,705.77
---	----------	----------

\*\* Includes deposits marked as security for the facilities mentioned below:

**Notes:**

(i) Bank deposits of Rs. 107.00 (March 31, 2022: 2.80) are with the banks against the bank guarantees issued to customers for execution of tenders.

(ii) Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.

(iii) One of the subsidiary has availed corporate credit card facility from bank against the fixed deposit of Rs. 0.30 (March 31, 2022: 0.30)

# Earmarked funds with banks represent Bank Account which is held by the Group for the purpose of pooling the monies collected from all the customers and facilitating the subsequent payouts to the Service provider.

**18 Loans (current)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Unsecured, considered good</b>		
Loan to equity accounted investees*	637.23	551.22
Loan to employees	4.05	4.14
Loan to others**	530.00	-
	<b>1,171.28</b>	<b>555.36</b>

**Break-up of security details**

(a) Loan receivables considered good - secured	-	-
(b) Loans receivables considered good - unsecured	1,171.28	555.36
(c) Loans receivables which have significant increase in credit risk	-	-
(d) Loans receivable - credit impaired	-	-
Less: Allowance for doubtful loans	-	-
	<b>1,171.28</b>	<b>555.36</b>

\* Loan to associates have been given to meet their working capital requirements.

\*\* Loan to directors of one of the subsidiaries.

**19 Other financial assets (Current)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Unsecured, considered good</b>		
Security deposits	130.80	116.13
Interest accrued but not due	87.44	17.33
Wallet balance	22.19	9.64
Claims receivable from supplier	600.58	551.68
User receivables	-	12.78
Margin money deposits **	-	10.00
Business advance recoverable in cash	-	14.92
Other receivables *	79.23	24.69
<b>Unsecured, considered doubtful</b>		
Claims receivable from supplier	190.20	169.04
Less: Provision for claims receivable from supplier	(190.20)	(169.04)
Other receivables	-	2.74
Less: Allowance for doubtful receivables	-	(2.74)
Security deposits	5.89	13.43
Less: Allowance for doubtful deposits	(5.89)	(13.36)
	<b>920.24</b>	<b>757.24</b>

\*Other receivables mainly comprises reimbursement of expenses recoverable from certain shareholders and amount collected by delivery persons on behalf of Retailers for its subsequent payments to the Retailers. Corresponding liability is included in other current financial liabilities (refer note 30).

\*\* Pertains to margin money deposit of Nil (March 31, 2022: Rs. 10) given as security for debentures issued to Stride Ventures.

**API Holdings Limited****Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**20 Other current assets**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b><i>Unsecured, considered good unless otherwise stated</i></b>		
Balances with government authorities	3,846.32	2,641.56
Less: Provision for balance with government authorities (refer note (ii) below)	(2,499.72)	(1,734.76)
Advances to suppliers		
Considered good	499.43	835.48
Considered doubtful	3.27	171.02
Less: Provision for advance to suppliers	(3.27)	(171.02)
Right to recover returned goods	966.42	833.63
Prepaid expenses	130.41	189.02
Advances recoverable in cash or in kind		
Considered good	-	16.64
Considered doubtful	2.05	-
Less: Provision for advances recoverable in cash or in kind	(2.05)	-
Indemnification asset	128.50	128.50
Advances to employees	25.48	24.80
Other assets	19.65	-
	<b>3,116.49</b>	<b>2,934.87</b>

## Note:

(i) Refer note 28 for details of assets pledged as security towards secured loan from banks and financial institutions.

(ii) The provision for balances with government authorities have been accounted for to comply with the accounting standards, strictly without prejudice to the Company's legal rights, claims, remedies and contentions available under applicable laws and regulations.

*(This space is intentionally left blank)*

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**21 Share capital**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorised</b>		
<b>Equity shares</b>		
10,04,81,89,000 equity shares of Re. 1/- each (March 31, 2022 - 10,04,81,89,000 equity shares of Re.1 each)	10,048.19	10,048.19
	<b>10,048.19</b>	<b>10,048.19</b>
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares</b>		
6,14,20,41,070 equity shares of Re. 1/- each (March 31, 2022 - 6,14,20,41,070 equity shares of Re. 1 each)	6,142.04	6,142.04
	<b>6,142.04</b>	<b>6,142.04</b>

**(i) Reconciliation of the number of shares outstanding at the beginning and at end of the reporting period:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
Shares outstanding at the beginning of the year	6,142,041,070	6,142.04	25,620,120	256.20
Conversion of Compulsorily Convertible Debentures (CCD IV, V, VI, VII & VIII) into Equity {refer note (ii) (a) below}	-	-	2,167,332	21.67
Conversion of Compulsorily Convertible Debentures (CCD IX) into Equity {refer note (ii) (b) below}	-	-	401,712	4.02
Conversion of Compulsorily Convertible Preference Shares (CCPS) into Equity {refer note (ii) (c) below}	-	-	16,264,768	162.65
Conversion of Optional Convertible Redeemable Debentures (OCRD) into Equity {refer note (ii) (d) below}	-	-	4,200	0.04
New issue during the year {refer note ii (e) below}	-	-	10,979,231	109.79
Bonus shares issued {refer note (ii) (f) below}	-	-	554,373,630	5,543.74
<b>Pre sub division of equity shares</b>	<b>6,142,041,070</b>	<b>6,142.04</b>	<b>609,810,993</b>	<b>6,098.11</b>
Pursuant to sub-division of equity shares of Rs.10 each into equity share of Re 1 each {refer note ii (g) below}	-	-	6,098,109,930	6,098.11
New issue during the year {refer note ii (h) below}	-	-	43,931,140	43.93
<b>Shares outstanding at the end of the year</b>	<b>6,142,041,070</b>	<b>6,142.04</b>	<b>6,142,041,070</b>	<b>6,142.04</b>

**(ii) Notes**

- (a) During the year ended March 31, 2022, pursuant to its Board Resolution dated July 01, 2021, August 13, 2021, September 04, 2021, September 15, 2021, and September 30, 2021, the Company has converted 722,444 of its fully paid Compulsory Convertible Debentures (CCD) into 21,67,332 Equity shares having face value of Rs 10 each, in the ratio of 3 fully paid Equity share of Rs 10 each (post giving bonus effect) for every 1 fully paid CCD.
- (b) (i) During the year ended March 31, 2022, pursuant to its Board Resolution dated September 28, 2021, the Company has converted 1,33,904 of its fully paid Compulsory Convertible Debenture (CCD) held by Ivy Icon Solutions LLP into 4,01,712 Equity shares having face value of Rs 10 each, in the ratio of 3 fully paid Equity share of Rs 10 each (post giving bonus effect) for every 1 fully paid CCD.
- (c) (i) During the year ended March 31, 2022, pursuant to its Board Resolution dated September 06, 2021 and October 26, 2021, the Company has converted 31,504 and 1,62,33,264 respectively of its fully paid Compulsory Convertible Preference Share (CCPS) into 1,62,64,768 Equity shares having face value of Rs 10 each, in the ratio of 1 fully paid Equity share of Rs 10 each for every 1 (One) fully paid-up CCPS of Rs.10 each.
- (d) During the year ended March 31, 2022, pursuant to its Board Resolution dated July 24, 2021, the Company has converted its 30 fully paid Optional Convertible Redeemable Debenture (OCRD) into 4,200 Equity shares having face value of Rs 10 each.
- (e) Pursuant to Board resolution dated April 05, 2021, the Company had issued 37,34,878 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 2,000.33 per Equity Share (including premium of Rupees 1,990.33 per Equity Share). Pursuant to Board resolution dated May 20, 2021, the Company had issued 1,72,173 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 2,000.33 per Equity Share (including premium of Rupees 1,990.33 per Equity Share). Pursuant to Board resolution dated June 02, 2021, the Company had issued 1,59,018 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 2,515.77 per Equity Share (including premium of Rupees 2,505.77 per Equity Share). Pursuant to Board resolution dated July 01, 2021, the Company had issued 652,217 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 2,515.77 per Equity Share (including premium of Rupees 2,505.77 per Equity Share). Pursuant to Board resolution dated August 13, 2021, the Company had issued 231,652 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,396 per Equity Share (including premium of Rupees 5,386 per Equity Share). Pursuant to Board resolution dated August 21, 2021, the Company had issued 14,24,385 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,396 per Equity Share (including premium of Rupees 5,386 per Equity Share). Pursuant to Board resolution dated September 02, 2021, the Company had issued 18,53,224 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,396 per Equity Share (including premium of Rupees 5,386 per Equity Share). Pursuant to Board resolution dated September 16, 2021, the Company had issued 3,10,968 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,396 per Equity Share (including premium of Rupees 5,386 per Equity Share). Pursuant to Board resolution dated September 20, 2021, the Company had issued 2,24,740 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,865 per Equity Share (including premium of Rupees 5,855 per Equity Share). Pursuant to Board resolution dated October 09, 2021, the Company had issued 12,29,153 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,900 per Equity Share (including premium of Rupees 5,890 per Equity Share). Pursuant to Board resolution dated October 13, 2021, the Company had issued 3,78,362 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,900 per Equity Share (including premium of Rupees 5,890 per Equity Share). Pursuant to Board resolution dated October 20, 2021, the Company had issued 5,56,610 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 5,900 per Equity Share (including premium of Rupees 5,890 per Equity Share). Pursuant to Board resolution dated October 20, 2021, the Company had issued 11,103 equity shares of face value of Rupees 10 each on exercise of Employee stock option vested under various ESOP plan at an issue price of Rupees 10 per Equity Share (including premium of Rupees nil per Equity Share). Further, the Company had issued 40,748 equity shares of face value of Rupees 10 each on exercise of Employee stock option vested under various ESOP plan at an issue price of approximately Rupees 440.99 per Equity Share (including premium of approximately Rupees 430.99 per Equity Share).
- (f) During the year ended March 31, 2022, pursuant to its Board Resolution dated October 29, 2021, the Company has allotted Bonus shares in the proportion of 10 (Ten) new fully paid-up equity shares of Rs.10 each for every 1 (One) fully paid-up equity share of Rs. 10 each held by Shareholders as on record date October 28, 2021. The Company has allotted 55,43,73,630 equity shares of the company having face value of Rs. 10 each as Bonus shares by capitalisation of securities premium account.
- (g) During the year ended March 31, 2022, pursuant to a resolution passed by the Board on October 13, 2021 and a resolution passed by our Shareholders in the EGM held on October 13, 2021, the Company has subdivided its share capital from face value of 10 each to face value of Re 1 each, held by shareholders of the Company, as on the record date i.e. October 29, 2021.
- (h) During the year ended March 31, 2022, pursuant to its Board resolution dated November 29, 2021 the Company has allotted of 4,39,31,140 equity Shares on exercise of 39,93,740 ESOPs under API Holdings Employee Stock Options Pool 15 which are fully vested at an exercise price of Rs. 4.207 per ESOP, and the remaining 3,99,37,400 ESOPs under API Holdings Employee Stock Options Pool 15 being held on account of adjustment made to ESOPs pursuant to bonus issuance of equity shares of the Company.
- (i) Pursuant to the Scheme of Amalgamation, the authorised share capital of Thea Technologies Private Limited ("TTPL") and Swifto Services Private Limited ("SSPL") had merged with 91Streets an amalgamation of TTPL and SSPL with 91Streets. Subsequently, the authorized share capital of 91Streets, AHPL, Aahaan Commercials Private Limited ("ACPL") and Lokprakash Vidhya Private Limited ("LVPL") had merged with API Holdings Limited ("the Company or "API") on amalgamation of 91Streets, AHPL, ACPL and LVPL with API. The authorized share capital of API was enhanced to an amount of Rs. 710.60 million divided into 1,10,60,000 equity shares of Rs. 10 each and 6,00,00,000 preference shares of Rs. 10/- each. Subsequently, pursuant to the Shareholder's resolution passed in extra ordinary general meeting held on January 27, 2021 authorised Share Capital of Rs. 710.60 million- is reclassified into 4,70,00,000 equity shares of Rs. 10/- each and 2,40,60,000 preference shares of Rs. 10/- each.

Further, pursuant to ordinary resolution passed at extra ordinary general meeting held on July 24, 2021 the authorised share capital of the Company increased to Rs 10,000 million divided into 97,59,40,000 equity shares of Rs 10 each and 2,40,60,000 preference shares of Rs 10 each. Further, pursuant to scheme of amalgamation between Medlife International Private Limited and Evriksh Healthcare Private Limited with API Holdings Limited sanctioned by regional director, Ministry of Corporate Affairs vide its order pronounced on September 24, 2021 the authorised share capital further increased to Rs 10,048.19 million and preference share capital of Rs 262.61 million.

Further, the members of the Company vide an ordinary resolution passed at the Extra-Ordinary General Meeting held on October 13, 2021 approved the sub-division of the shares (equity and preference) from face value of Rs.10/- (Rupees Ten only) each to face value of Re. 1/- (Rupee One only) each, to be made effective as on record date as decided by the Board of Directors. The Board



**API Holdings Limited****Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**(iii) Rights, preferences and restrictions attached to the shares:**

Equity shares have a par value of Re 1 each (March 31, 2022: Re 1 each). The shareholders of the Company are entitled to vote on poll for the fully paid-up equity shares held by them in proportion to the shareholders' share in the paid-up equity share capital of the Company. All equity shares rank pari passu with each other subject to any contractual right that certain Investors may have in accordance with the Articles of Association of the Company. In the event of liquidation of the Company, the assets and available proceeds shall be discharged in accordance with the provisions of the Articles of Association of the Company.

**(iv) Details of shareholders holding more than 5% of a class of equity shares in the Company:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares</b>				
Naspers Ventures B. V.	813,316,570	13.24%	813,316,570	13.24%
Evermed Holdings Pte. Ltd.	396,033,000	6.45%	396,033,000	6.45%
MacRitchie Investments Pte. Ltd.	732,516,290	11.93%	732,516,290	11.93%
Prasid Uno Family Trust through its trustee Surbhi Singh	374,780,680	6.10%	374,780,680	6.10%
TPG Growth V SF Markets Pte. Ltd	449,492,340	7.32%	449,492,340	7.32%

**(v) Shares reserved for issue under options:**

The Group has reserved following equity shares for issuance as follows:

a) ESOPs issued to employees pursuant to various ESOP Schemes of the company (refer note 52)

**(vi) Aggregate number of shares issued for consideration other than cash**

Particulars	No. of Shares	
	As at March 31, 2023	As at March 31, 2022
Bonus shares issued (refer note 21(ii) (f))	-	554,373,630
Issued during the year pursuant to Conversion of CCD, CCPs, ORCD, and share warrant into Equity	-	18,838,012

**(vii) The Group has not bought back any shares from incorporation till date.****22 Instruments entirely equity in nature**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorised</b>		
<b>Preference shares</b>		
26,26,11,000 Compulsory convertible preference shares of Re 1/- each (March 31, 2022: 26,26,11,000 Compulsory convertible preference shares of Re. 1 each)	262.61	262.61
	<b>262.61</b>	<b>262.61</b>
<b>Issued, subscribed and fully paid up</b>		
<b>Preference shares</b>		
Nil (March 31, 2022: Nil) compulsorily convertible preference shares (CCPS) of Rs. 10 each fully paid up (refer note (ii) below)	-	-
<b>Debentures</b>		
Nil (March 31, 2022: Nil) 0.0001% Compulsorily Convertible Debentures of face value Rs. 4443.31 each and Re. 1/- each paid up (refer note (iv) below)	-	-
	-	-

**(i) Reconciliation of the number of shares/ debentures outstanding at the beginning and at end of the reporting year:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of units	Amount	No. of units	Amount
<b>Preference shares:</b>				
Shares outstanding at the beginning of the year	-	-	11,475,189	114.75
New issue during the year	-	-	4,789,579	47.90
Conversion of Compulsorily Convertible Preference Shares (CCPS) into Equity (refer note (ii) below)	-	-	(16,264,768)	(162.65)
<b>Shares outstanding at the end of the year</b>	-	-	-	-
<b>Debentures:</b>				
Debentures outstanding at the beginning of the year	-	-	722,444	0.72
New issue during the year (refer note (iv) below)	-	-	399,935	0.40
Conversion of Compulsorily Convertible Debentures ("CCDs") into Equity (refer note (iv) below)	-	-	(722,444)	(0.72)
Conversion of Compulsorily Convertible Debentures ("CCDs") into NCD and redemption thereafter (refer note (iv) below)	-	-	(399,935)	(0.40)
<b>Debentures outstanding at the end of the year</b>	-	-	-	-

**(ii) Terms and rights attached to preference shares:**

Compulsorily Convertible Preference shares issued by the Company have a par value of Rupees 10 each. The Preference shareholders of the Company are entitled to vote on every resolution placed before the Company on a poll for the fully paid-up Preference shares held by them in proportion to the shareholders' share in the paid-up share capital of the Company. In the event of liquidation of the Company, the assets and available proceeds shall be discharged in accordance with the provisions of the Articles of Association of the Company.

The Company has issued Twenty Seven series of Compulsorily Convertible Preference shares ("CCPS") (CCPS I to CCPS XV, CCPS XVI, CCPS XVI -A, CCPS XVII to CCPS XXVI) having a face value of Rs. 10/- per share. These shares are compulsorily convertible into equity shares of equal numbers (subject to the provisions of the Articles of Association of the company) on or before the maturity date ("Maturity Date") ranging between September 30, 2029 (earliest) and September 01, 2041 (farthest). Further, the Preference shareholder has the right to convert the compulsorily convertible preference shares into equity shares at any time before maturity by providing a written notice to the holding company. The compulsorily convertible preference shares shall be automatically converted into equity shares on earlier of (i) Maturity Date or (ii) later of (a) the date immediately prior to the filing of the draft red herring prospectus with the Securities and Exchange Board of India or (ii) immediately upon expiry of the maximum period permitted under the law after filing of the draft red herring prospectus for holding such compulsorily convertible preference shares on the Company proposing to undertake an IPO for the issue of Equity Shares to the public.

The compulsorily convertible preference shares shall be entitled to receive a cumulative dividend at the rate of 0.0001% (zero point zero zero zero one per cent) per annum on the face value of each Preference share and the dividend shall accrue from year to year when not paid, and accrued dividends shall be paid in full.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend declared by the board. The Preference shares carry a dividend rate of 0.0001% per annum.

During the year ended March 31, 2022, the Company converted all its outstanding Compulsorily Convertible Preference shares into fully paid-up equity shares.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**(iii) The Group since inception:**

- a) has not bought back any shares
- b) has issued 68,42,983 number of preference shares pursuant to Scheme of Amalgamation without consideration being received in cash.
- c) has issued 1,933,155 number of compulsorily convertible preference shares pursuant to acquisition of equity shares of Medlife International Private Limited on swap basis, without consideration being received in cash.
- d) has issued 24,267 number of compulsory convertible debentures pursuant to Scheme of Amalgamation without consideration being received in cash, subsequently the same got converted into CCPS in the swap ratio of 1:56.

**(iv) During the year ended March 31, 2022, the Company has issued Compulsory Convertible Debentures ("CCD") ranging from Series CCD X to Series CCD XIV of having face value of Rs 2,000.33 each and are paid up to the extent of Re 1/- each to the founders. Based on board resolution dated September 06, 2021 and shareholder resolution dated September 09, 2021, the Company has converted these Compulsory Convertible Debentures ("CCD") into Non-Convertible Debentures (NCDs) The NCDs of members amounting Rs. 159,974 considered as Deposit under Companies (Acceptance of Deposits) Rules, 2014. On September 27, 2021 the company has redeemed all these NCD's. The Company has complied with applicable compliance in relation to same.**

During the year ended March 31, 2021, the Company has issued Five series of Compulsory Convertible Debentures ("CCDs") having a face value Rs. 4,443.31 each. These CCDs are paid-up to the extent of Re 1/- each and the holders of the CCDs shall be entitled to the rights in relation to the CCDs only to the extent the CCDs paid-up. Further the Company has received call money on 722,444 CCDs (March 31, 2021- 21,577 CCDs) to the extent of Rs 4,442.31 for each CCDs.

The holder of CCDs shall be entitled to remit/make payment towards the amount remaining unpaid on any CCDs before conversion of CCDs into equity shares. The holders of CCDs shall be required to pay the monies unpaid on CCDs immediately prior to the filing of red herring prospectus with the Securities Exchange Board of India for an initial public offering by the company on a recognized stock exchange in India, failing which CCDs will be forfeited.

These CCDs are compulsorily convertible into equity shares at the ratio of 1:1 (subject to the provisions of the Articles of Association of the Company) on or before the maturity date ("Maturity Date") being October 31, 2030 for CCDs ranging from CCD I - CCD IX and March 15, 2031 for CCDs ranging from CCD X- CCDXIV. Further, the holders of CCDs have a right to convert the CCDs into equity shares at any time before Maturity Date by providing a written notice to the Company. The CCDs shall be automatically converted into equity shares on earlier of (i) Maturity Date or (ii) later of (a) the date immediately prior to the filing of the draft red herring prospectus with the Securities and Exchange Board of India or (b) immediately upon expiry of the maximum period permitted under the law after filing of the draft red herring prospectus for holding such compulsorily convertible preference shares on the Company proposing to undertake an IPO (iii) immediately prior to a Conversion Liquidation Event as specified in the shareholder's agreement.

During the year ended March 31, 2022, pursuant to its Board Resolution dated July 01, 2021, August 13, 2021, September 04, 2021, September 15, 2021, and September 30, 2021, the Company has converted 722,444 of its fully paid Compulsory Convertible Debenture (CCD) into 2,167,332 Equity shares having face value of Rs 10 each, in the ratio of 3 fully paid Equity share of Rs 10 each (post giving bonus effect) for every one fully paid CCD. Further, vide special resolution passed at Extra ordinary general meeting held on September 09, 2021 399,935 CCDs have been converted into Non Convertible Debentures in the ratio of 1:1 and consequently redeemed during the year.

*(This space is intentionally left blank)*

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023  
(All amounts in Rupees millions, unless otherwise stated)

<b>23 Other equity</b>			As at	As at
Particulars	Notes		March 31, 2023	March 31, 2022
Accumulated deficit	(i)		(108,251.03)	(55,966.24)
Securities premium reserves	(ii)		109,692.66	109,692.66
Employee stock options outstanding	(iii)		13,288.97	7,051.47
Capital reserve	(iv)		0.45	1.30
Amalgamation deficit balance	(v)		(27.28)	(27.28)
			<b>14,703.77</b>	<b>60,751.91</b>
Equity component of compound financial instruments	(vi)		78.90	78.90
			<b>14,782.67</b>	<b>60,830.81</b>
<b>(i) Accumulated deficit</b>				
Particulars			As at	As at
			March 31, 2023	March 31, 2022
Balance at the beginning of the year			(55,966.24)	(15,025.06)
Loss for the year			(52,295.46)	(40,276.98)
Items of Other Comprehensive Income recognised directly in retained earnings			86.81	106.28
Employee stock options repurchased during the year			-	(352.59)
Recognition / changes in the value of put liability			152.52	(417.89)
Dividend declared during the year			(228.66)	-
<b>Balance at the end of the year</b>			<b>(108,251.03)</b>	<b>(55,966.24)</b>
<b>(ii) Securities premium reserves</b>				
Particulars			As at	As at
			March 31, 2023	March 31, 2022
Balance at the beginning of the year			109,692.66	47,157.69
Premium on issue of shares			-	67,314.51
Transaction cost on issue of equity instruments			-	(131.57)
Bonus shares issued			-	(5,583.67)
Transfer on exercise of stock option			-	935.70
<b>Balance at the end of the year</b>			<b>109,692.66</b>	<b>109,692.66</b>
<b>(iii) Employee stock options outstanding</b>				
Particulars			As at	As at
			March 31, 2023	March 31, 2022
Balance at the beginning of the year			7,051.47	1,086.59
Replacement of stock options of subsidiary			-	1,093.93
Compensation for the year			6,237.50	6,300.45
Options exercised during the year			-	(923.33)
Options repurchased during the year			-	(506.17)
<b>Balance at the end of the year</b>			<b>13,288.97</b>	<b>7,051.47</b>
<b>(iv) Capital reserve</b>				
Particulars			As at	As at
			March 31, 2023	March 31, 2022
Balance at the beginning of the year			1.30	1.30
Movement during the year			(0.85)	-
<b>Balance at the end of the year</b>			<b>0.45</b>	<b>1.30</b>
<b>(v) Amalgamation deficit balance</b>				
Particulars			As at	As at
			March 31, 2023	March 31, 2022
Balance at the beginning of the year			(27.28)	(27.28)
Movement during the year			-	-
<b>Balance at the end of the year</b>			<b>(27.28)</b>	<b>(27.28)</b>
Amalgamation deficit balance has arisen as a result of accounting for amalgamation on August 27, 2020 between Swifto Services Private Limited and Thea Technologies Private Limited and 91Streets Media Technologies Private Limited with API Holdings Limited and the respective shareholders.				
<b>(vi) Equity component of compound financial instruments</b>				
Particulars			As at	As at
			March 31, 2023	March 31, 2022
Balance at the beginning of the year			78.90	828.90
Converted during the year			-	(750.00)
<b>Balance at the end of the year</b>			<b>78.90</b>	<b>78.90</b>

(This space is intentionally left blank)

**API Holdings Limited**

Notes to the consolidated financial statements as at and for the year ended March 31, 2023  
(All amounts in Rupees millions, unless otherwise stated)

**24 Non-current borrowings**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Unsecured</b>		
0.001% 2,000 (March 31, 2022: 2,000) Compulsorily convertible cumulative participating debentures (CCD's) (refer note (iii) below)	101.51	141.90
Compulsorily convertible preference shares (refer note (i) below)	5,483.47	-
<b>Secured</b>		
Non convertible debentures (refer note (iii) and (iv) below)	26,874.84	831.02
Less: Discount on issue of non-convertible debentures	(629.49)	-
Less: current maturity of non-convertible debentures	(177.15)	(230.62)
Term loan from bank (refer note (v) below)	233.39	308.12
Less: current maturity of term loan from bank	(77.48)	(74.43)
Term loan from others (refer note (vi) below)	224.70	679.05
Less: current maturity of term loan from others	(24.71)	(654.35)
	<b>32,009.08</b>	<b>1,000.69</b>

**Notes:**

- (i) During the year ended March 31, 2023, The Company has issued Compulsorily Convertible Preference shares ("CCPS A") having a face value of Re. 1/- per share. As at March 31, 2023 Each CCPS A shall be convertible into such number of Equity Shares at such price per share as determined by the board of the Company and which price per share shall not exceed INR 53.64 (subject to the provisions of the Articles of Association of the company) on or before the maturity date ("Maturity Date") until September 1, 2042. Further, the Preference shareholder has the right to convert the compulsorily convertible preference shares into equity shares at any time before maturity by providing a written notice to the holding company. The compulsorily convertible preference shares shall be automatically converted into equity shares on earlier of (i) Maturity Date or (ii) later of (a) the date immediately prior to the filing of the draft red herring prospectus with the Securities and Exchange Board of India (if necessitated by Applicable Law); or (b) immediately upon expiry of the maximum period permitted under the law after filing of the draft red herring prospectus for holding such CCPS A by the holders of the CCPS A.

The compulsorily convertible preference shares shall be entitled to receive a cumulative dividend at the rate of 0.0001% (zero point zero zero zero one per cent) per annum on the face value of each Preference share and the dividend shall accrue from year to year when not paid, and accrued dividends shall be paid in full.

As per Ind AS 32, an instrument is classified as an equity instrument when an entity is obliged to deliver a fixed number of its own equity instruments for fixed consideration, As at March 31, 2023 CCPS A is classified as financial liability as the same is not meeting 'fixed-for-fixed' criterion being conversion price per share is not fixed. Board at its meeting held on July 24, 2023, approved the conversion price of CCPS A to be INR 4.356/-

- (ii) During the year, The Company ("Issuer") has issued 228,000 (Tranche 1: 152,000 and Tranche 2: 76,000) unlisted, unrated, secured, redeemable, non-convertible debentures having a face value of Rs. 1,00,000/- each, for cash, at a discount of 3%, for an issue price of Rs. 1,00,000/- each on private placement basis ("NCDs") as per the following details. On September 30, 2022 The Company redeemed 13,200 and 6,600 debentures of Tranche 1 and Tranche 2 respectively and issued 13,200 and 6,600 debentures of Tranche 3A and Tranche 4A. Further on March 08, 2023 The Company redeemed 10,662 and 5,271 debentures of Tranche 1 and Tranche 2 respectively and issued 13,200 and 6,600 debentures of Tranche 3B and Tranche 4B.

Particulars	No. of NCD's	Date of Allotment	Maturity Date	Terms of Repayment	Coupon/Interest Rate	As at	As at March 31,
						March 31, 2023*	2022 (Restated)
Tranche 2	64,129	June 22, 2022	June 21, 2027	Single repayment at the end of the term, Unless redeemed earlier in accordance with the terms of Third amended and restated DTD	7% +3 Months SOFR+ Credit Spread	7,428.19	-
Tranche 4A	6,600	September 30, 2022	June 21, 2027		711.73	-	
Tranche 4B	6,600	March 08, 2023	June 21, 2027		667.31	-	
Tranche 1	128,138	June 22, 2022	June 21, 2026	11% +3 Months SOFR+ Credit Spread	14,721.92	-	
Tranche 3A	13,200	September 30, 2022	June 21, 2026		1,415.57	-	
Tranche 3B	13,200	March 08, 2023	June 21, 2026		1,333.69	-	
	<b>231,867</b>				<b>26,278.41</b>	-	

\*Borrowings are subsequently measured at amortised cost and therefore interest accrued on borrowings are included in the respective amounts. Refer note 47 for defaults and breaches in relation to financial liabilities

**Description of Security**

- (a) a first ranking exclusive pledge by the Issuer over the 100% (one hundred percent) of the fully paid up share capital of AHWSPL (on a Fully Diluted Basis).
- (b) a first ranking exclusive pledge by the Issuer over the such percentage of the fully paid up share capital of Akna (on a Fully Diluted Basis) held by the Issuer (or its nominees), which as on the Identified Date is 67.30% (sixty seven point three zero percent) of the fully paid up share capital of Akna (on a Fully Diluted Basis).
- (c) a first ranking exclusive pledge by the Issuer over the 100% (one hundred percent) of the fully paid up share capital of Aycon (on a Fully Diluted Basis).
- (d) a first ranking exclusive pledge by the Issuer over the 100% (one hundred percent) of the fully paid up share capital of Threpsi (on a Fully Diluted Basis).
- (e) a first ranking exclusive pledge by the Issuer over 100% (one hundred percent) of the fully paid up share capital of Docon (on a Fully Diluted Basis).
- (f) a first ranking exclusive pledge by Docon over the 71.18% (seventy one point one eight percent) of the fully paid equity share capital of Thyrocare (on a Fully Diluted Basis), provided that such pledge percentage may stand reduced up to 70.68% (seventy point six eight percent) of the fully paid up equity share capital of Thyrocare (on a Fully Diluted Basis), solely on account of any further ESOPs of Thyrocare being granted under the Existing ESOS. The Thyrocare Pledged Shares shall not constitute less than 70.68% (seventy point six eight percent) of the fully paid up equity share capital of Thyrocare (on a Fully Diluted Basis) for any reason whatsoever.
- (g) a first ranking exclusive charge by way of hypothecation over the following assets of the Issuer ("Hypothecated Assets"):
- (i) each bank account of the Issuer and all funds from time to time deposited therein, both present and future;
- (ii) Insurance Contracts, both present and future;
- (iii) Movable Assets, both present and future;
- (iv) Current Assets of the Issuer, both present and future;
- (v) all Intangible Assets, both present and future; and
- (vi) all rights, title, interest, benefits and claims of the Issuer under or arising from the Equity Commitment Letters;
- (iii) 2,000 CCD's of face value Rs. 30,000 each are convertible into Equity Shares of the Company of a face value of Rs. 10 each upon earlier of (i) one day prior to the expiry of 10 (Ten) years from the date of allotment of the CCDs or (ii) before IPO or (iii) at any time at the option of the holder. The number of equity shares to be issued upon conversion of CCDs shall be determined at the time of conversion based upon the fair value of the Equity Shares of the Company as per discounted free cash flow method, subject to a minimum of 1 Equity Share per CCD.
- (iv) (a) Redeemable non-convertible fixed rate debentures of Nil (March 31, 2022: Rs. 90.45) are secured by pledge of shares of the Ascent Wellness and Pharma Solutions Private Limited and first ranking exclusive fixed charge over all its present and future rights, title and interest in and to account assets of Ascent Wellness and Pharma Solutions Private Limited, second ranking fixed charge over all its present and future rights, title and interest over all movable fixed assets and second ranking floating charge over all its present and future rights, title and interest over all current assets, stock in trade, accounts and receivable of Ascent Wellness and Pharma Solutions Private Limited in favor of the common security trustee and Corporate guarantee of holding company and in terms of the deed of Hypothecation and carries effective interest at Nil (March 31, 2022: 16.52%) and is repayable in 18 equal quarterly instalment commencing from October 01, 2020.
- (b) 650 Debentures of face value of Rs 1,000,000 were issued to Grand Anicut amounting to Rs. 596.43 (March 31, 2022: Rs. 740.57) secured by pari passu charge on current and fixed assets of the Company along with limited recourse personal guarantee of promoters. The rate of interest is 15% p.a. (March 31, 2022: 15%) with principal repayment commencing from Jan 2023 onwards.
- (v) (a) The working capital term loan of Rs. 56.55 (March 31, 2022: Rs. 131.27) is sanctioned under Government of India "Emergency Credit line Guaranteed Scheme (ECLGS) covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd (Ministry of Finance, Government of India). Total loan is sanctioned for Rs. 139 which is repayable in 36 EMI post 12 Months Moratorium period. The loan carries floating interest at the rate of 8.25% to 10.05% (March 31, 2022: 8% to 8.25%) per annum. The loan is secured by extension of second ranking charge over existing primary and collateral securities of cash credit facility including mortgages created in favour of the Bank.
- (b) Term loan against hypothecation of vehicles and current assets:  
Term loan represents car loan from HDFC Bank of Rs. 8.14 (March 31, 2022: Rs. 8.14) related to various vehicles purchased. The rate of interest ranges from 8.75% to 10% p.a.. The loan is secured by hypothecation of vehicles repayable monthly over a period of 3 to 5 years.  
Term loan represents car loan from ICICI Bank of Rs. 1.70 (March 31, 2022: Rs. 1.70) related to various vehicles purchased. The rate of interest at 9.5 % p.a.. The loan is secured by hypothecation of vehicles repayable monthly over a period of 3 to 5 years.  
Term loan represents loan from HSBC Bank of Rs. 37.05 (March 31, 2022: Rs. 37.05). The loan is secured by way of Second Pari Passu Charge of Current and Fixed Asset and corporate guarantee of Akna Medical Private Limited with annual interest rate of 8.66% for a tenure of 134 months.  
Term loan represents loan from HSBC Bank of Rs. 79.95 (March 31, 2022: Rs. 79.95). The loan is secured by way of Second Pari Passu Charge of Current and Fixed Assets and corporate guarantee of Akna Medical Private Limited with annual interest rate of 7.9% for a tenure of 120 months.  
Term loan represents loan from Axis Bank of Rs. 50.00 (March 31, 2022: Rs. 50.00). The loan is secured by way of Second Pari Passu Charge of Current and Fixed Assets and corporate guarantee of Akna Medical Private Limited with annual interest rate
- (vi) (a) Term loan from others is secured by pledge shares of the Ascent Wellness and Pharma Solutions Private Limited held by the Company and first ranking exclusive fixed charge over all its present and future rights, title and interest in and to account assets of Ascent Wellness and Pharma Solutions Private Limited, second ranking fixed charge over all its present and future rights, title and interest over all movable fixed assets and second ranking floating charge over all its present and future rights, title and interest over all current assets, stock in trade, accounts and receivable of Ascent Wellness and Pharma Solutions Private Limited in favor of the common security trustee and Corporate guarantee of holding company and in terms of the deed of Hypothecation and carries effective interest at 15.50% to 16.70% (March 31, 2022: 15.50% to 16.70%) and is repayable in 17 to 18 equal quarterly instalment commencing from October 01, 2020 and January 01, 2021. During the current year, entire loan has been repaid.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

(b) Loan from Vivriti Capital of Rs. 224.70 (March 31, 2022: Rs. 157.68) secured by lien on fixed deposits, hypothecation of current and movable fixed assets and personal guarantee of promoters. The rate of interest ranges from 13.5% to 15% p.a. (March 31, 2022: 12.5% to 15% p.a.) and repayable over 24 to 36 months.

**Net Debt Reconciliation**

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash and Cash equivalents*	1,939.05	1,568.76
Current borrowings	(8,911.41)	(23,894.14)
Non - Current borrowings**	(32,314.33)	(1,968.30)
Put Liability	(6,316.47)	(6,174.67)
Other financial liabilities	(294.82)	(599.64)
Lease Liability	(1,362.54)	(1,888.13)
	<b>(47,260.52)</b>	<b>(32,956.12)</b>

\* Cash and Cash equivalents includes Temporary book overdraft which is integral part of cash management function of the Company.

\*\* Non - Current borrowings includes current maturities included under other current borrowings

Particulars	Other Assets		Liabilities from financing activities		Put Liability	Other financial liabilities	Total
	Cash and cash equivalent	Lease Liabilities	Non-Current borrowings	Current Borrowings			
<b>Balance as at April 1, 2021</b>	<b>2,300.83</b>	<b>(987.04)</b>	<b>(3,861.76)</b>	<b>(2,016.69)</b>	<b>(1,112.93)</b>	<b>(2.00)</b>	<b>(5,679.59)</b>
Cash flows (net)	(732.07)	246.14	-	(19,517.90)	-	191.13	(19,812.70)
Proceeds from long term borrowings	-	-	(1,300.00)	-	-	-	(1,300.00)
Repayment of borrowings	-	-	4,163.05	-	-	-	4,163.05
Interest expense	-	(183.04)	(437.60)	(1,478.06)	-	(20.73)	(2,119.43)
Interest paid	-	185.36	541.29	1,465.30	-	-	2,191.95
<b>Other non-cash movements</b>							
Acquisition - Leases	-	(1,058.82)	-	-	-	-	(1,058.82)
Disposals of Right-of-use asset	-	177.73	-	-	-	-	177.73
Acquired through business combination	-	(268.46)	(766.18)	(2,739.88)	-	(796.61)	(4,571.13)
Change in put liability recognised	-	-	-	-	(417.89)	-	(417.89)
Gain/(loss) in fair value of contingent consideration	-	-	-	-	-	62.57	62.57
Conversion of Optional Convertible Redeemable Debentures ("OCRD") into Equity	-	-	3.00	-	-	-	3.00
Business acquisition payable (refer note 51)	-	-	-	-	(4,643.85)	(34.00)	(4,677.85)
Fair value adjustments	-	-	82.99	-	-	-	82.99
<b>Balance as at March 31, 2022</b>	<b>1,568.76</b>	<b>(1,888.13)</b>	<b>(1,968.30)</b>	<b>(23,894.14)</b>	<b>(6,174.67)</b>	<b>(599.64)</b>	<b>(32,956.12)</b>
<b>Balance as at April 1, 2022</b>	<b>1,568.76</b>	<b>(1,888.13)</b>	<b>(1,968.30)</b>	<b>(23,894.14)</b>	<b>(6,174.67)</b>	<b>(599.64)</b>	<b>(32,956.12)</b>
Cash flows (net)	370.29	446.70	-	14,982.81	-	304.82	16,104.62
Proceeds from long term borrowings	-	-	(25,970.79)	-	-	-	(25,970.79)
Proceeds from issue of Compulsorily convertible preference shares	-	-	(5,483.47)	-	-	-	(5,483.47)
Repayment of borrowings	-	-	4,465.86	-	-	-	4,465.86
Interest expense	-	(220.14)	(4,853.53)	(1,120.15)	-	-	(6,193.82)
Interest paid	-	220.14	1,455.43	1,120.15	-	-	2,795.73
<b>Other non-cash movements</b>							
Acquisition - Leases	-	(799.27)	-	-	-	-	(799.27)
Disposals of Right-of-use asset	-	783.93	-	-	-	-	783.93
Gain on termination of lease	-	94.23	-	-	-	-	94.23
Fair value adjustments	-	-	40.39	-	(141.80)	-	(101.41)
<b>Balance as at March 31, 2023</b>	<b>1,939.05</b>	<b>(1,362.54)</b>	<b>(32,314.41)</b>	<b>(8,911.33)</b>	<b>(6,316.47)</b>	<b>(294.82)</b>	<b>(47,260.52)</b>

**25 Other financial liabilities (Non-current)**

Particulars	As at	
	March 31, 2023	March 31, 2022
Put liability (refer note 7 and 51)	-	1,501.96
Contingent purchase consideration (refer business combination note 51)	-	26.23
	-	<b>1,528.19</b>

**26 Provisions (Non-current)**

Particulars	As at	
	March 31, 2023	March 31, 2022
Provision for gratuity (refer note 49)	131.36	129.45
	<b>131.36</b>	<b>129.45</b>

**27 Contract liabilities (Non-current)**

Particulars	As at	
	March 31, 2023	March 31, 2022
Contract liabilities (refer note 35)	0.17	0.90
	<b>0.17</b>	<b>0.90</b>

**28 Current borrowings**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Secured</b>		
From bank and other financial institutions (refer note (i) below)	8,823.41	23,763.14
Current maturity of long-term debt (refer note 24)	279.35	959.40
<b>Unsecured</b>		
Loan from others (refer note (ii) below)	88.00	131.00
	<b>9,190.76</b>	<b>24,853.54</b>

**Notes:**

- (i) (a) The term loan from bank and other financial institutions of Nil (March 31, 2022: Rs. 19,290) carry effective interest at 9.00% to 12.50% per annum and repayable within year. The loan is secured against First and exclusive charge on current asset and movable fixed assets of Threpsi Solutions Private Limited and corporate guarantee of the Holding Company, Docon Technologies Private Limited and Threpsi Solutions Private Limited and first ranking exclusive pledge of shares acquired from promoters of Thyrocare Technologies Limited ("Thyrocare") and pledge over 100% equity shares of Aycon Graph Connect Private Limited, 100% equity shares of Threpsi Solutions Private Limited, 100% equity shares of Docon Technologies Private Limited and 67% of the share capital of Akna Medical Private Limited.
- (b) The Cash credit facility (including working capital demand loan) from bank of Rs. 2,690.29 (March 31, 2022 : Rs. 818.01) carries floating interest at 10.15% to 12.86% (March 31, 2022: 10.15% to 12.00%) per annum, computed on a monthly basis on the actual amount utilised and is repayable on demand. Cash credit from bank is secured against pledge of 1,167 shares of Ascent Wellness and Pharma Solutions Private Limited and hypothecation of group current assets and moveable fixed asset, and corporate guarantee given by Holding Company and lien on fixed deposit of Rs 150. Refer note 59 (i).
- (c) The Cash credit facility from bank of Rs. 264.20 (March 31, 2022 : Rs. 277.61) carries floating interest at 7.35% to 8.50% (March 31, 2022: 7.35% to 7.85%) per annum, computed on a monthly basis on the actual amount utilised and is repayable on demand. Cash credit from bank is secured by way of charge on stock and receivable, personal guarantee given by the director of one of the subsidiary company.
- (d) The Cash credit facility from bank of Rs. 384.36 (March 31, 2022 : Rs 610.96) carries floating interest at 10.45% to 12.05% (March 31, 2022: 10.45% to 10.65%) per annum, computed on a monthly basis on the actual amount utilised and is repayable on demand. Cash credit from bank is secured by way of exclusive charge on group current assets and moveable fixed asset, exclusive charge by way of hypothecation of IPR / brand / intangibles of the technology and guarantee given by Key Managerial Personnel of Holding Company.
- (e) Cash credit facility from banks of Rs. 1,626.23 (March 31, 2022: Rs. 1,146.56) is secured by pari passu charge on all current assets, lien on fixed deposits. The rate of interest ranges from 8% to 10% p.a. and repayable on demand.
- (f) Working capital demand loan from banks of Rs. 2,086.71 (March 31, 2022: Rs. 1,620.00) is secured by an exclusive charge on all current assets of the , namely, stock of traded goods, books debts both present and future and is repayable on demand with an interest rate ranging between 6.82% to 9.2 % p.a.
- (g) Bill discounting represents debtors discounting without recourse from Vivriti Capital and Yes Bank of Rs. 274 (March 31, 2022: Nil) secured by lien on fixed deposits. The rate of interest is 13.75% p.a. and repayable on demand.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

(h) Loan from banks - Rs. 1,200 (March 31, 2022: Nil) represents working capital demand loan and Bank overdraft - Rs. 297.62 (March 31, 2022: Nil) are secured by charge on entire fixed assets, inventories, book debts and current assets of Threpsi, both present and future, and Corporate Guarantee of API Holdings Limited.

(ii) The loan from other parties of Rs. 88.00 (31 March 2021: Rs. 131.00) carry interest at 11.00% to 12.00% (March 31, 2022: 11.00% to 12.00%) per annum and is repayable on demand.

**Details of assets pledged as security for non-current and current borrowings:**

Particulars	March 31, 2023	March 31, 2022
<b>Current Assets</b>		
Investments	-	8.43
Trade receivables	7,966.18	7,384.53
Cash and cash equivalents	574.37	1,065.55
Other financial assets	1,660.62	391.90
Inventories	6,117.37	7,256.85
Bank balances other than cash and cash equivalents	909.12	603.09
Other current assets	2,095.29	2,552.84
<b>Total current assets hypothecated as security</b>	<b>19,322.95</b>	<b>19,263.19</b>
<b>Non current assets</b>		
Moveable fixed assets (net block)	2,207.47	928.78
Other financial assets	171.24	103.74
Other non-current assets	6.91	75.82
<b>Total non current assets hypothecated as security</b>	<b>2,385.62</b>	<b>1,108.34</b>
<b>Total assets pledged as security</b>	<b>21,708.57</b>	<b>20,371.53</b>

**29 Trade payables**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Total outstanding dues of micro and small enterprises	181.25	185.67
Total outstanding dues of other than micro and small enterprises	3,952.86	4,403.14
	<b>4,134.11</b>	<b>4,588.81</b>

**Note:**

(i) Refer note 56 for ageing of trade payables

**30 Other financial liabilities (Current)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Creditors for capital goods	86.83	77.29
Interest accrued but not due	25.90	8.21
Temporary book overdraft	9.50	17.62
Employee benefits payable	498.13	341.99
Financial guarantee contract liability	5.44	5.42
Security deposit	155.80	168.52
Business acquisition payable [Refer note 51(iv)]	13.51	35.00
Contingent purchase consideration	281.31	538.41
Put liability *	6,316.47	4,672.71
Unclaimed Dividend #	1.60	10.20
Other payables**	79.39	90.52
	<b>7,473.88</b>	<b>5,965.89</b>

\* The Group has an obligation to purchase non controlling interest in subsidiaries as per the respective shareholder agreements at an agreed value ("Put Option"). Accordingly in accordance with policy followed by the Group, all put options have been recorded at fair value. Based on the evaluation of terms of contracts, wherever the risk and rewards of ownership remain with the non controlling shareholder, Non controlling interest has been recognised.

\*\* Other payables includes security deposit received from customers which are refundable upon termination/expiry of agreements. It also includes cash collected by delivery persons on behalf of Retailers for its subsequent payments to the Retailers. Corresponding asset is included in other Bank balance (refer note 17) and other receivables (refer note 19).

# Investor Education and Protection Fund ("IEPF") - As at March 31, 2023 there is no amount due and outstanding to be transferred to the IEPF by the Group. Unclaimed dividend, if any, shall be transferred to IEPF as and when the become due.

**31 Other current liabilities**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Statutory liabilities*	449.99	236.75
Refund liabilities**	1,034.92	912.67
Other payables	6.41	0.84
	<b>1,491.32</b>	<b>1,150.26</b>

\* Statutory liabilities include Tax Deducted at Source, Profession Tax, Provident Fund, ESIC, Goods and Services Tax.

\*\* Where a customer has a right to return a product within a given period, the Group recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled Rs. 1,034.92 (March 31, 2022: Rs. 912.67). The Group also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods Rs. 966.42 (March 31, 2022: Rs. 833.63). The costs to recover the products are not expected to be material.

**32 Contract liabilities (current)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Contract liabilities (refer note 35)	141.70	189.73
	<b>141.70</b>	<b>189.73</b>

**33 Provisions (Current)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Provision for employee benefits</b>		
Gratuity (refer note no 49)	29.47	59.12
Compensated absences (refer note no 49)	189.47	245.30
Other provisions (refer note (i) below)	147.30	133.70
	<b>366.24</b>	<b>438.12</b>

(i) This includes provision for income-tax and employees provident fund matter on acquisition of Thyrocare amounting to Rs. 128.50 (March 31, 2022: Rs. 128.50) and Rs. 5.20 (March 31, 2022: Rs. 5.20) respectively. It also includes provision for CSR expenses of Rs. 13.60 (March 31, 2022: Nil)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening	133.70	-
Addition for the year	13.60	-
Addition on account of business combination (refer note 51)	-	133.70
Utilisation	-	-
Closing	<b>147.30</b>	<b>133.70</b>

**34 Current tax liabilities (net)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Provision for income tax	100.40	47.19
	<b>100.40</b>	<b>47.19</b>

**API Holdings Limited**
**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**35 Revenue from operations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Sale of goods (refer note (a) below)	59,253.42	52,299.16
Sale of services (refer note (b) below)	7,012.71	4,178.04
<b>Other operating revenue</b>		
Other operating revenue (refer note (c) below)	173.25	811.01
	<b>66,439.38</b>	<b>57,288.21</b>

(a) Sale of goods primarily relates to trading and distribution of pharmaceutical and cosmetic goods.

(b) Sale of services primarily relates to diagnostic services, licensing of internet portals or technology platforms or mobile applications related to sales and distribution of pharmaceutical and cosmetic goods, teleconsulting, sale of software, subscription of software services, etc.

(c) Other operating revenue pertains to rendering services of delivery persons, lease of software and hardware, warehousing and commission earned on facilitating pathological diagnostic tests between customers and pathological laboratories.

The entire revenue of the Group is restricted to one geographical region i.e. India, where risks do not vary. The majority of contracts with customer are short term in nature.

Out of the total revenue Rs. 7,750.62 (March 31, 2022: 14,081.28) pertains to 4 customers (March 31, 2022: 4 customers) contributes more than 10% of total revenue for the year ended March 31, 2023.

**Reconciliation of revenue recognised with contract price:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Contract price</b>	68,878.42	58,800.85
Adjustments for:		
Refund liabilities	(927.98)	(873.85)
Discounts	(1,511.06)	(638.79)
<b>Revenue from operations</b>	<b>66,439.38</b>	<b>57,288.21</b>

**(i) Recognition of revenue over the period of time and at a point in time.**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Over a period of time	1,329.52	1,184.20
At a point in time	65,109.86	56,104.01
<b>Total</b>	<b>66,439.38</b>	<b>57,288.21</b>

**(ii) Movement in contract balances**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Contract Liabilities</b>		
Opening Balance	190.63	76.52
Add: Addition on account of business combination	-	102.47
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(163.54)	(76.81)
Add: Advance from customers	114.78	88.45
<b>Closing Balance</b>	<b>141.87</b>	<b>190.63</b>

(iii) The aggregate amount of transaction price allocated to remaining performance obligations is as follows:

Expected to be recognised revenue during	For the year ended March 31, 2023	For the year ended March 31, 2022
Year ended March 2023	-	189.73
Year ended March 2024	141.70	0.74
Year ended March 2025	0.17	0.16
<b>Total</b>	<b>141.87</b>	<b>190.63</b>

**36 Other income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income from financial assets measured at amortised cost</b>		
On fixed deposits	91.64	212.76
On loan to equity accounted investees	25.00	-
On loan to others	59.23	30.69
On others	5.26	3.76
Interest on income tax refund	27.11	5.50
Unwinding of interest on security deposits	19.04	17.06
Gain on fair valuation of financial assets measured at fair value through profit and loss	107.33	119.19
Gain on sale of financial assets measured at fair value through profit and loss	8.13	-
Gain on termination of lease	94.24	18.69
Gain on modification of lease	-	0.23
Profit on sale of business undertaking	-	21.30
Liabilities no longer required written back	72.97	30.09
Amortization of financial guarantee liability	16.49	9.28
Miscellaneous income	31.89	53.26
	<b>558.33</b>	<b>521.81</b>

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees millions, unless otherwise stated)

**37 Cost of materials consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	233.10	-
Add: Purchases	1,602.60	871.00
Add: On account of business combination (refer note 51)	-	216.70
Less: Closing stock	(266.50)	(233.10)
	<b>1,569.20</b>	<b>854.60</b>

**38 Purchases of stock-in-trade**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	55,120.60	52,566.12
	<b>55,120.60</b>	<b>52,566.12</b>

**39 Changes in inventory**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening stock</b>		
Traded goods	7,363.07	4,045.76
Right to recover returned goods	833.64	440.19
	8,196.71	4,485.95
<b>Acquired in Business Combination</b>		
Traded goods	-	1,384.60
Right to recover returned goods	-	35.60
	-	1,420.20
<b>Closing stock</b>		
Traded goods	(6,611.33)	(7,363.05)
Right to recover returned goods	(966.42)	(833.63)
	(7,577.75)	(8,196.68)
	<b>618.96</b>	<b>(2,290.53)</b>

**40 Employee benefits expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and allowances	6,077.05	7,811.59
Contribution to provident and other funds (refer note 49)	232.81	174.55
Gratuity expense (refer note 49)	102.09	108.15
Compensated absences	29.87	53.24
Employee share based payment expense (refer note 52)	6,237.50	6,300.45
Staff welfare expenses	153.88	141.73
	<b>12,833.20</b>	<b>14,589.71</b>

**41 Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest and finance charges on financial liabilities at amortised cost	4,116.39	1,919.35
Interest on delayed payment of direct tax and statutory dues	2.80	1.64
Interest on lease liability	220.14	183.04
Interest expenses on deferred consideration	439.14	-
Interest expenses on contingent purchase consideration	19.67	20.73
Other finance charges	1,857.29	457.88
	<b>6,655.43</b>	<b>2,582.64</b>

**42 Depreciation and amortisation**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	983.87	627.17
Depreciation of right of use asset (refer note 4)	469.18	369.77
Amortization of intangible assets (refer note 6)	981.35	590.91
	<b>2,434.40</b>	<b>1,587.85</b>

(This space is intentionally left blank)



**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**43 Other expenses**

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Bank and other Payment Gateway Charges	63.10	41.19
Sales promotion and marketing expense	2,350.37	4,943.48
Contractual payment for delivery associates	1,087.04	1,112.89
Consumption of packing materials and consumables*	195.76	526.36
Manpower charges	449.29	916.23
Commission & Brokerage	273.34	250.41
Information Technology expenses	852.47	757.23
Legal and Professional Fees	1,120.49	2,382.03
Directors commission and sitting fees	11.19	12.26
Insurance expenses	43.84	48.02
Lease Expenses**	250.85	106.26
Rates and taxes	472.30	309.48
Repairs and Maintenance	219.91	144.14
Security services	67.29	66.08
Telephone and Communication Charges	56.14	118.53
Travelling Expenses	317.91	120.36
Printing and Stationery	81.86	74.78
Postage and courier	111.54	63.22
Water, Electricity and Fuel Expenses	270.18	184.04
Office and administration expenses	59.47	27.53
Service charges	393.52	223.10
Outlab processing charges	34.10	21.30
Corporate social responsibility	25.49	37.70
Net loss on disposal of property, plant and equipment	72.91	6.19
Bad debts written off	8.44	3.61
Loss on fair value changes to financial instruments	-	(0.02)
Provision for doubtful advances and receivables	811.34	1,931.12
Expected credit loss provision on financial assets	674.93	347.60
Trade advances written off	5.01	71.06
Foreign Currency Translation	2.47	-
Miscellaneous expenses	125.75	172.25
Subcontracting charges	-	7.08
	<b>10,508.31</b>	<b>15,025.51</b>

\*It includes Closing stores and spares of Rs.3.77 (March 31, 2022: Rs. 16.25)

**\*\* Lease payments not recognised as a lease liability and corresponding ROU asset**

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Short Term Lease	250.85	106.26
	<b>250.85</b>	<b>106.26</b>

**44 Exceptional items**

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
Impairment of goodwill (refer note 5A)	(28,256.10)	(12,671.00)
Impairment of investments in associates (refer note 7)	(963.74)	-
Gain in fair value of contingent consideration	-	62.57
	<b>(29,219.84)</b>	<b>(12,608.43)</b>

(This space is intentionally left blank)

## 45 Tax expenses

Income tax expense in the statement of profit and loss consists of

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current income tax:</b>		
In respect of current period	389.48	342.74
In respect of prior period	3.75	-
<b>Deferred tax:</b>		
In respect of the current period	(241.11)	(125.48)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>152.12</b>	<b>217.26</b>
<b>Income tax recognised in other comprehensive income</b>		
- Deferred tax arising on income and expense recognised in other comprehensive income		
Net loss / (gain) on remeasurement of defined benefit plan	6.22	(0.07)
<b>Total</b>	<b>158.34</b>	<b>217.19</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss before tax	(51,965.22)	(39,707.70)
Statutory tax rate	25.17%	25.17%
<b>Tax expense / (benefit) at applicable rate</b>	<b>(13,078.61)</b>	<b>(9,993.63)</b>
<b>Tax impact on account of :</b>		
Tax effects of amounts which are non-deductible in calculating taxable income	6,053.93	3,789.43
Items for which deferred tax was not recognised	3,429.32	540.85
Expenses not considered in determining taxable profit	-	(10.53)
Tax on undistributed reserves of subsidiary	-	152.71
Income which is not liable for tax	18.91	2.27
Deferred tax asset on carry forward loss not recognised	3,777.64	5,597.14
Tax losses lapsed due to change in shareholding pattern	-	192.32
Adjustments pertaining to prior years	0.23	(78.37)
Other items	(43.09)	25.00
<b>Tax expenses pertaining to current year</b>	<b>158.34</b>	<b>217.19</b>

## Deferred taxes

Deferred tax assets/(liabilities) as at March 31, 2023 in relation to:

Particulars	As at April 1, 2022	Acquired through business combination	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	As at March 31, 2023
<b>Deferred tax assets</b>					
Provision for employee benefits	8.33	-	57.57	(5.73)	60.17
Provision for doubtful debts and advances	46.48	-	(2.63)	-	43.85
Property, plant and equipment and intangible assets	46.20	-	17.36	-	63.56
Lease Liabilities	353.80	-	(145.16)	-	208.64
Disallowance under section 40(a) of Income Tax Act, 1961	6.02	-	(6.02)	-	-
Unabsorbed depreciation and business losses	55.58	-	(55.58)	-	-
Fair valuation of security deposits	5.15	-	18.70	-	23.85
Impairment loss on financial assets	9.97	-	(9.97)	-	-
Others	107.45	-	396.18	(0.49)	503.14
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	(1,859.01)	-	44.97	-	(1,814.04)
Fair value of investment in associate	(4.60)	-	-	-	(4.60)
Investment in subsidiary	(28.97)	-	(0.00)	-	(28.97)
Fair value of current investments	(29.16)	-	(6.04)	-	(35.20)
Right-of-use Asset	(371.16)	-	80.82	-	(290.34)
Tax on undistributed reserves of subsidiary	(152.71)	-	-	-	(152.71)
Unabsorbed depreciation and business losses	-	-	(14.10)	-	(14.10)
Impairment loss on financial assets	-	-	(137.76)	-	(137.76)
Others	(2.77)	-	2.77	-	-
<b>Deferred tax assets/(liabilities) (net)</b>	<b>(1,809.40)</b>	<b>-</b>	<b>241.11</b>	<b>(6.22)</b>	<b>(1,574.53)</b>

(This space is intentionally left blank)

**API Holdings Limited**
**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**Deferred tax assets/(liabilities) as at March 31, 2022 in relation to:**

Particulars	As at April 1, 2021	Acquired through business combination	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	As at March 31, 2022
<b>Deferred tax assets</b>					
Provision for employee benefits	2.19	38.59	(32.52)	0.07	8.33
Provision for doubtful debts and advances	10.33	23.97	12.18	-	46.48
Property, plant and equipment and intangible assets	7.74	18.76	19.70	-	46.20
Lease Liabilities	238.26	-	115.54	-	353.80
Disallowance under section 40(a) of Income Tax Act, 1961	-	-	6.02	-	6.02
Unabsorbed depreciation and business losses	17.53	-	38.05	-	55.58
Fair valuation of security deposits	-	-	5.15	-	5.15
Impairment loss on financial assets	-	-	9.97	-	9.97
Others	0.75	22.30	84.40	-	107.45
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	(225.36)	(1,776.32)	142.67	-	(1,859.01)
Fair value of investment in associate	-	(18.20)	13.60	-	(4.60)
Investment in subsidiary	-	-	(28.97)	-	(28.97)
Fair value of current investments	-	(28.15)	(1.01)	-	(29.16)
Fair value of Inventories	-	(25.32)	25.32	-	0.00
Right-of-use Asset	(238.73)	-	(132.43)	-	(371.16)
Tax on undistributed reserves of subsidiary	-	-	(152.71)	-	(152.71)
Others	(3.65)	0.36	0.52	-	(2.77)
<b>Deferred tax assets/(liabilities) (net)</b>	<b>(190.94)</b>	<b>(1,744.01)</b>	<b>125.48</b>	<b>0.07</b>	<b>(1,809.40)</b>

**Deferred tax assets/(liabilities) not recognised as at year end:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets arising on:</b>		
Property, plant and equipment and intangible assets	84.08	99.75
Unabsorbed depreciation and business losses	11,157.92	7,380.28
Lease liabilities	96.16	77.61
Provision for doubtful debt and advances	3,729.46	510.16
Provision for employee benefits	61.00	86.65
Fair value gain/loss on financial instruments	-	0.58
Fair valuation of security deposits	5.05	15.60
Provision for Inventories	9.00	7.38
Right-of-use Asset	-	-
Unamortised amounts under Sec 35D/35DD	4.51	45.47
Borrowings	313.01	-
Others	-	29.76
<b>Deferred tax assets / (liabilities) (net) *</b>	<b>15,460.19</b>	<b>8,253.24</b>

\* Deferred tax assets of Rs. 15,460.19 (March 31, 2022: Rs.8,301.61) as at March 31, 2023 was not recognised by the Group in absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**Tax losses carried forward**

Description	As at March 31, 2023	As at March 31, 2022
Business Loss for assessment years:		
2020-21	30.72	30.70
2021-22	3,402.92	5,982.16
2022-23	20,449.23	22,495.23
2023-24	19,103.42	-
Unabsorbed Depreciation	1,155.39	922.39
Capital Loss for assessment years:		
2021-22	138.43	138.43
2022-23	26.17	-

Brought forward business losses pertaining to 91Streets Media Technologies including its subsidiaries and API Holdings Limited including its subsidiaries has lapsed, due to change in shareholding of API Holdings Limited consequent to scheme of amalgamation becoming effective on August 27, 2020.

The Group had cumulative earnings in respect of certain Group entities of approximately Rs. 1,495.19 (March 31, 2022: Rs. 1,023.29) for which the Group has not provided deferred tax liability as the Group believes that the reversal of such temporary difference is not probable in the foreseeable future.

**46 Loss per equity share**

(Amount in millions, except no. of shares)

Particulars	As at March 31, 2023	As at March 31, 2022
Loss attributable to owners	(52,295.46)	(40,276.98)
Weighted average number of shares used in basic/diluted earnings per share	6,142,041,070	5,530,566,129
Nominal value of equity shares	1	1
<b>Basic and Diluted Earnings / (Loss) per share (in Rupees)</b>	<b>(8.51)</b>	<b>(7.28)</b>

The following instruments issued by the Group have not been considered in calculation of diluted earnings per share, the same being anti-dilutive in nature  
a) ESOPs issued to employees pursuant to various ESOP schemes of the group (refer note 52)

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees million, unless otherwise stated)

47 Financial instruments

The classification of each category of financial instruments and their carrying amounts are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
<b>At amortised cost</b>		
Loans ^	1,171.28	555.36
Other financial assets ^	1,273.41	1,137.35
Trade receivable ^	9,050.34	8,608.50
Cash and cash equivalents ^	1,936.48	1,543.97
Other bank balances ^	1,038.69	1,748.18
<b>At fair value through profit and loss</b>		
Non-current investments	173.62	152.79
Current investments	1,232.37	1,261.53
<b>Total assets</b>	<b>15,876.19</b>	<b>15,007.68</b>
<b>Financial liabilities</b>		
<b>At fair value through profit and loss</b>		
Borrowings	101.51	141.90
Contingent purchase consideration	281.31	564.64
<b>At amortised cost</b>		
Borrowings ^	41,098.33	25,712.33
Trade payables ^	4,134.11	4,588.81
Other financial liabilities ^	7,192.57	6,929.44
<b>Total liabilities</b>	<b>52,807.83</b>	<b>37,937.12</b>

There are no financial instruments that have been classified as Fair Value through Other Comprehensive Income (FVTOCI).

^ Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

Fair value hierarchy

(i) Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Non current investments</b>				
Other investments **	-	-	173.62	173.62
<b>Current investments</b>				
Investment in equity shares*	-	-	0.50	0.50
Investment in debt instruments	39.10	-	-	39.10
Investment in mutual funds	1,192.77	-	-	1,192.77
<b>Financial liabilities</b>				
Non-current borrowings	-	-	101.51	101.51
Contingent purchase consideration	-	-	281.31	281.31

\* Investment in equity shares represent investment in unquoted equity shares. Since the amount is not material, the fair value disclosure have not been made.

\*\* Other investments includes an investment made in Compulsory Convertible Preference Shares of Rs. 8.71. Since the amount is not material, the fair value disclosure have not been made.

As at March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Non current investments</b>				
Other investments **	-	-	152.79	152.79
<b>Current investments</b>				
Investment in equity shares*	-	-	1.00	1.00
Investment in mutual funds	1,260.53	-	-	1,260.53
<b>Financial liabilities</b>				
Non-current borrowings	-	-	141.90	141.90
Contingent purchase consideration	-	-	564.64	564.64

\* Investment in equity shares represent investment in unquoted equity shares. Since the amount is not material, the fair value disclosure have not been made.

\*\* Other investments includes an investment made in Compulsory Convertible Preference Shares of Rs. 4.70. Since the amount is not material, the fair value disclosure have not been made.

Level 1

This includes the fair value of financial instruments traded in active markets which is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV.

Level 2

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between the levels during the year.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

**Inputs used in fair valuation of level 3 instruments**

Particulars	Fair value as at March 31, 2023	Fair value as at March 31, 2022	Significant unobservable inputs	Inputs	Sensitivity												
<b>Non Current Borrowings</b> Compulsorily convertible cumulative participating debentures (CCD's)	101.51	141.90	Weighted Average Cost of Capital (WACC)  Growth rate	15.96% (March 31, 2022: 15.12%)  4% (March 31, 2022: 4%)	Increase in WACC by 1% would decrease the liability by Rs 23.50 (March 31, 2022: Rs 22.46) Decrease in WACC by 1% would increase the liability by Rs 28.00 (March 31, 2022: Rs. 27.08) Increase in growth rate by 1% would increase the liability by Rs 12.80 (March 31, 2022: Rs. 12.86) Decrease in growth rate by 1% would decrease the liability by Rs 10.75 (March 31, 2022: Rs. 10.74)												
<b>Contingent purchase consideration</b> - payable to erstwhile shareholders of Vardhman Health Specialities Private Limited	250.00	453.85	Discount rate  Expected payout	9.60% (March 31, 2022: 9.60%)  100% (March 31, 2022: 100%)	Increase or decrease in discount rate by 1% would result in decrease or increase in fair value by Rs. 1.50 and Rs. 1.50 respectively Decrease in the expected payout by 5% would result in decrease in fair value by Rs. 22.80.												
<b>Contingent purchase consideration</b> - payable to erstwhile owners of Akshaya Medical and Surgical Agencies	31.31	110.79	Discount rate  Expected payout	10% (March 31, 2022: 10.00%)  100% (March 31, 2022: 100%)	Increase or decrease in discount rate by 1% would result in decrease or increase in fair value by Rs. 0.40 and Rs. 0.30 respectively Decrease in the expected payout by 5% would result in decrease in fair value by Rs. 5.60.												
<b>Other investments</b> Investment in Aarman Solutions Private Limited	106.45	104.45	Weighted Average Cost of Capital (WACC)  Perpetuity growth	21.10% (March 31, 2022: 22.10%)  4% (March 31, 2022: 4%)	A sensitivity analysis has been done for the investment value for different levels of perpetuity growth and WACC. The estimated value for the scenarios is as follows: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="2">Perpetuity Growth Rate %</th> </tr> <tr> <th>WACC</th> <th>3.00%</th> <th>5.00%</th> </tr> </thead> <tbody> <tr> <td>21.10%</td> <td>105.15</td> <td>108.95</td> </tr> <tr> <td>23.10%</td> <td>100.85</td> <td>103.75</td> </tr> </tbody> </table>		Perpetuity Growth Rate %		WACC	3.00%	5.00%	21.10%	105.15	108.95	23.10%	100.85	103.75
	Perpetuity Growth Rate %																
WACC	3.00%	5.00%															
21.10%	105.15	108.95															
23.10%	100.85	103.75															
<b>Other investments</b> Investment in Health Arx Technologies Private Limited	58.46	43.64	Weighted Average Cost of Capital (WACC)  Earnings growth rate	16.22% (March 31, 2022: 17% )  95% to 125% (March 31, 2022: 95% to 125% )	Increased earning growth factor by 5% and lower discount rate by 1% would increase fair value by Rs. 34.66 (March 31, 2022: 32.68). Lower earning growth factor by 5% and higher discount rate by 1% would decrease fair value by Rs. 23.11 (March 31, 2022: 22.60).												

**Valuation processes**

The finance department of the group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). The team takes assistance of external valuation experts, wherever required.

**Financial risk management**

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

**Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The maximum credit risk comprises the carrying amounts of the financial assets. The Group's exposure to credit risk arises mainly from cash and cash equivalents, trade receivables, security deposits, investments, loans and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

**Credit risk rating**

The group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk
- B: Moderate credit risk
- C: High credit risk

Credit rating	Particulars	As at March 31, 2023	As at March 31, 2022
A: Low credit risk	Cash and cash equivalents, Other bank balances, trade receivables, security deposits, investments and other financial assets	15,876.19	15,007.68

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees million, unless otherwise stated)

b) Credit risk exposure

**Cash and cash equivalent and other bank balances**

Credit risk related to cash and cash equivalents is managed by accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country. Management does not expect any losses from non-performance by these counterparties.

**Other financial assets measured at amortized cost**

Other financial assets measured at amortized cost includes bank deposits, loans, advances and other receivables. Credit risk related to these assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that amounts are within defined limits. The expected credit loss on these financial instruments is expected to be insignificant.

**Trade and other receivables**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates have been computed based on ageing.

**Reconciliation of loss allowance provision**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening balance	508.21	54.22
Opening balance utilised	(69.11)	-
Change in loss allowance	674.73	453.99
<b>Closing balance</b>	<b>1,113.83</b>	<b>508.21</b>

**Ageing of trade receivables and credit risk arising therefrom is as below:**

Particulars	As at March 31, 2023			As at March 31, 2022		
	Gross Credit risk	Allowance for credit losses	Total	Gross Credit risk	Allowance for credit losses	Total
Not due	3,432.74	(101.64)	3,331.10	4,086.44	(34.84)	4,051.60
0-90 days past due	3,752.43	(172.02)	3,580.41	3,803.91	(51.55)	3,752.36
91-180 days past due	1,739.10	(252.67)	1,486.43	581.90	(62.41)	519.49
181-270 days past due	352.55	(105.85)	246.70	226.35	(81.41)	144.94
271-365 days past due	280.44	(111.56)	168.88	211.55	(101.93)	109.62
More than 365 days past due	606.91	(370.09)	236.82	206.56	(176.07)	30.49
<b>Total</b>	<b>10,164.17</b>	<b>(1,113.83)</b>	<b>9,050.34</b>	<b>9,116.71</b>	<b>(508.21)</b>	<b>8,608.50</b>

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the group operates. The Group manages its liquidity risk by ensuring that sufficient funds are available through a combination of equity and debt financing.

(i) Financial arrangements

The Group has access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Floating rate</b>		
Expiring within one year (long term credit facilities)	315.16	427.41

(ii) Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	As at March 31, 2023				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	5,350.70	3,855.44	27,055.04	5,483.47	41,744.65
Lease liabilities	-	447.46	1,294.66	73.83	1,815.95
Trade payables	-	4,133.55	0.57	-	4,134.12
Other financial liabilities	283.34	2,091.23	7,147.50	-	9,522.07
<b>Total</b>	<b>5,634.04</b>	<b>10,527.68</b>	<b>35,497.77</b>	<b>5,557.30</b>	<b>57,216.79</b>

  

Particulars	As at March 31, 2022				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	3,545.44	21,145.75	1,308.81	-	26,000.00
Lease liabilities	-	567.53	1,670.74	196.70	2,434.97
Trade payables	-	4,580.85	7.96	-	4,588.81
Other financial liabilities	1,273.33	4,692.53	1,551.49	-	7,517.35
<b>Total</b>	<b>4,818.77</b>	<b>30,986.66</b>	<b>4,539.00</b>	<b>196.70</b>	<b>40,541.13</b>

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks – foreign currency risk, interest risk and price risk.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

**Foreign currency risk**

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of Group. The functional currency for large number of transactions of the Group is INR and majority of the customers the Group dealt with operate from India only.

**Exposure to currency risk**

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows.

Particulars	(Amount in millions)			
	As at March 31, 2023		As at March 31, 2022	
	INR	USD	INR	USD
Trade receivables	64.90	0.80	59.83	0.69
Trade payables	-	-	(2.17)	(0.03)
Borrowings	(26,278.41)	(319.62)	-	-
<b>Net exposure in respect of recognized assets and liabilities</b>	<b>(26,213.51)</b>	<b>(318.82)</b>	<b>57.66</b>	<b>0.66</b>

# Trade receivables are gross of provision for doubtful debts

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the INR or US dollar at March 31, 2023 would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss	
	Strengthening	Weakening
<b>March 31, 2023</b>		
INR (10% movement)	-2,621.35	2,621.35
<b>March 31, 2022</b>		
INR (10% movement)	5.77	(5.77)

**Price risk**

The Group's investment in certain equity shares is exposed to price risk, for detail refer note 47(i).

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Below is the overall exposure of the group to interest rate risk:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowing	31,329.05	2,985.34
Fixed rate borrowing	10,500.27	22,868.90
<b>Total borrowings</b>	<b>41,829.32</b>	<b>25,854.24</b>

**Sensitivity analysis**

Below is the sensitivity of profit or loss and equity changes in interest rates on variable rate borrowings:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Interest Sensitivity*</b>		
Interest rates – increase by 100 basis points	313.29	29.85
Interest rates – decrease by 100 basis points	(313.29)	(29.85)

\* Holding all other variables constant

**Capital management**

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt (total borrowings and lease liabilities net of cash and cash equivalents) divided by total equity (including non-controlling interest).

The capital structure is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	41,199.84	25,854.23
Less: Cash and cash equivalents	1,936.48	1,543.97
<b>Net debt</b>	<b>39,263.36</b>	<b>24,310.26</b>
Equity	24,368.89	70,224.81
<b>Total Equity</b>	<b>24,368.89</b>	<b>70,224.81</b>
<b>Net debt equity ratio</b>	<b>161.12%</b>	<b>34.62%</b>

The net debt to equity ratio for the current year increased from 34.62% to 161.12% as a result of new borrowings taken during the year and decrease in equity is mainly on account of impairment and operational losses incurred during the year.

During the year the Company has issued non convertible debentures to Goldman Sachs India AIF Scheme-1 and Goldman Sachs India Alternative Investment Trust AIF Scheme-2 (collectively referred to as "Goldman Sachs") and EvolutionX Debt Capital Master Fund 1 Pte. Ltd. ("EvolutionX") (refer note 21 (i)). For details of the NCD terms, compliance to the covenants agreed in the debenture trust deed ("DTD") and subsequent actions taken by the Company are as follows:

**Issuance of Tranche 1 Debentures (Tranche 1 NCDs):** On June 23, 2022, the Company issued and allotted 1,52,000 unlisted, unrated, secured, redeemable, non-convertible debentures ("NCDs") of a face value of INR 1,00,000 (Indian Rupees One Lakh only) each aggregating up to an amount equivalent to Rs. 15,200 to Goldman Sachs.

**Issuance of Tranche 2 Debentures (Tranche 2 NCDs):** On June 23, 2022, the Company issued and allotted 76,000 NCDs of a face value of INR 1,00,000 (Indian Rupees One Lakh only) each aggregating up to an amount equivalent to Rs. 7,600 to Goldman Sachs.

**Redemption of Tranche 1 NCDs and Tranche 2 NCDs:** On September 30, 2022, the Company redeemed 13,200 Tranche 1 NCDs and 6,600 Tranche 2 NCDs held by Goldman Sachs.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

Issuance of Tranche 3 Sub-Tranche A Debentures (Tranche 3A NCDs): On September 30, 2022, the Company issued and allotted 13,200 NCDs of a face value of Rs. 1,00,000 (Indian Rupees One Lakh only) each aggregating up to an amount equivalent to Rs. 1,320 to EvolutionX.

Issuance of Tranche 4 Sub-Tranche A Debentures (Tranche 4A NCDs): On September 30, 2022, the Company issued and allotted 6,600 NCDs of a face value of Rs. 1,00,000 (Indian Rupees One Lakh only) each aggregating up to an amount equivalent to Rs. 660 to EvolutionX.

Issuance of Tranche 3 Sub-Tranche B Debentures (Tranche 3B NCDs): On March 8, 2023, the Company issued and allotted 13,200 NCDs of a face value of Rs. 1,00,000 (Indian Rupees One Lakh only) each aggregating up to an amount equivalent to Rs. 1,320 to EvolutionX.

Issuance of Tranche 4 Sub-Tranche B Debentures (Tranche 4B NCDs): On March 8, 2023, the Company issued and allotted 6,600 NCDs of a face value of Rs. 1,00,000 (Indian Rupees One Lakh only) each aggregating up to an amount equivalent to Rs. 660 to EvolutionX.

**Redemption of Tranche 1 NCDs and Tranche 2 NCDs:** On March 8, 2023, the Company redeemed 10,662 Tranche 1 NCDs and 5,271 Tranche 2 NCDs held by Goldman Sachs.

**Issuance of Reservation of Rights Letters ("ROR Letters"):** Vistra ITCL (India) Limited ("Debenture Trustee") issued reservation of rights letters whereby they inter alia (i) intimated the Company of its failure to comply with some covenants under the third amended and restated debenture trust deed dated September 13, 2022 ("DTD") executed between the Company and the Debenture Trustee as a result of which certain events of default (EODs) had occurred and were continuing, and (ii) directed the Company to take certain actions to cure such EODs within timelines mentioned in the ROR Letters.

**Undertaking Rights Issue:** One of the conditions under the ROR Letters issued by Goldman Sachs was to undertake a minimum fund raise of Rs. 20,000 million. In order to, inter alia, comply with this fund raise condition, the Company undertook a rights issue in September 2023, for an amount upto Rs. 35,000 million by way of issuance of Series B compulsorily convertible preference shares of the Company ("CCPS B"). Company has subsequently received subscriptions of approximately INR 18,673 million which has been allotted by December 5, 2023. The rights issue is still open as on the date of approval of financial statements.

**Execution of Framework Agreement:** On December 1, 2023, the Company and the Debenture Trustee entered into a framework agreement ("Framework Agreement").

Key terms of the Framework Agreement are as follows:

-Waivers granted as part of the settlement: As part of the Framework Agreement, previously identified defaults of certain covenants of the DTD as well as other matters (including material breach of other representations, conditions and covenants) disclosed as part of the disclosure letter to the Framework Agreement have been agreed to be waived. General waiver has also been provided to all defaults including breach of financial covenants set forth in the DTD.

-Conditions to settlement: Goldman Sachs / EvolutionX have stipulated certain pre-conditions to the settlement which includes raising Rs. 20,000 by way of a rights issue; and execution of revised shareholders agreement of the Company.

As part of the settlement, Company will redeem (i) Tranche 2 NCDs having nominal value of Rs. 6,413; (ii) Tranche 4A NCDs having nominal value of Rs. 6,600; and (iii) Tranche 4B NCDs having nominal value of Rs. 6,600 as following:

a. Cash payment

b. CCPS B issuance amounting to USD 36.5 million.

The settlement needs to be completed by April 05, 2024. The terms of the Tranche 1 NCDs, Tranche 3A and 3B NCDs which will survive the settlement and remain outstanding shall be governed by the provisions of the fourth amended and restated debenture trust deed executed between the Company and the Debenture Trustee on December 1, 2023.

(This space is intentionally left blank)



**API Holdings Limited****Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

**48 The Company as a lessee**

This note provides information for leases where the Group is a lessee. The Group leases various premises including leasehold land and plant and machinery. Rental contracts are typically made for the fixed periods between 1-5 years.

**a. The following is the break-up of current and non-current lease liabilities**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Current	333.82	382.52
Non-current	1,028.72	1,505.61
<b>Total</b>	<b>1,362.54</b>	<b>1,888.13</b>

**b. The amounts recognised in the statement of profit or loss are as follows:**

Particulars	For the year ended March	For the year ended
	31, 2023	March 31, 2022
Interest on lease liabilities	220.14	183.04
Depreciation of Right-of-use assets	469.18	369.77
Expense relating to short-term leases	250.85	106.26
(Gain) / loss on lease termination	(94.24)	(18.69)
(Gain) / loss on lease modification	-	(0.23)
<b>Total amount recognised in profit or loss</b>	<b>845.93</b>	<b>640.15</b>

c. Total cash outflow (including short term and low value assets) 917.69 537.76

(This space is intentionally left blank)

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees million, unless otherwise stated)

49 Employee benefit obligation

a. Defined contribution plans

The Group contributions towards provident fund managed by the Central Government and towards employees state Insurance contribution scheme in pursuance of ESI Act, 1948 (as amended) which is debited to statement of profit and loss as incurred. The Group has no obligation other than making contribution to the fund.

During the year, the Group has recognised the following amounts in the statement of profit and loss, which are included in contribution to provident and other funds.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident and other funds	232.81	174.55

b. Leave obligation

The leave obligation cover Group's liability for compensated absences which are classified as other long term benefits. The entire amount of the provision of Rs. 189.47 (March 31, 2022: 245.30) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within next 12 month. Leave obligation not expected to be settled within next 12 month is Rs. 93.6 (March 31, 2022: Rs 18.22).

c. Post-employment obligations

Gratuity

The Group provides for gratuity to employees as per Payment of Gratuity Act, 1972. Every employee who has completed five years or more of continuous service gets a gratuity on death or resignation or retirement at 15 days basic salary (last drawn salary) for each completed years of services as per Group policy.

The provision for gratuity is actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the Other Comprehensive Income.

The following table sets out the status of the gratuity plan as required under Ind AS 19 'Employee benefits'.

A. Movement in present value of defined benefit obligation:

Particulars	As at March 31, 2023	As at March 31, 2022
Obligations as at the beginning of the year	237.77	188.06
Acquired in business combination	-	58.24
Current service cost	90.19	99.14
Past service cost / (credit)	2.76	(0.11)
Interest expense	11.72	10.95
Benefit payments	(23.11)	(9.34)
Remeasurements- Actuarial (gains) / losses	(98.56)	(107.22)
Others	(0.34)	(1.95)
Obligations as at the end of the year	220.43	237.77

B. Movement in fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Plan assets at the beginning of the year	49.20	32.61
Investment income	2.58	1.83
Acquired in business combination	-	-
Contributions during the year	8.81	16.47
Benefits paid	(0.38)	(0.47)
Return on Plan Assets, excluding amount recognised in net interest expense	(0.61)	(1.24)
Plan assets at the end of the year, at fair value	59.60	49.20

Plan assets consists of the following:

Funds managed by insurer	100%	100%
--------------------------	------	------

C. Reconciliation of present value of defined benefit obligation and the fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the end of the year	220.43	237.77
Fair value of plan assets at the end of the year	59.60	49.20
Liability recognised in the balance sheet	160.83	188.57
Current	29.47	59.12
Non Current	131.36	129.45

D. Expenses recognized in the Statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	90.19	99.14
Past service cost	2.76	(0.11)
Interest expense	11.72	10.95
Investment income	(2.58)	(1.83)
Total expense recognised in the Statement of profit and loss	102.09	108.15

**E. Expense recognised in the Other comprehensive income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss/(gain) from change in financial assumptions	(76.71)	10.49
Loss/(gain) from change in demographic assumptions	(6.45)	(79.79)
Experience losses / (gain)	(15.40)	(37.92)
Return on plan asset excluding amounts included in interest income	0.61	1.24
<b>Total expenses / (gain) recognized in the other comprehensive income</b>	<b>(97.95)</b>	<b>(105.98)</b>

The actuarial valuation in respect of commitments and expenses relating to unfunded Gratuity are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

**F. Expense recognised in the Comprehensive income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense recognised in the Statement of profit and loss	102.09	108.15
Expense recognised in the Other comprehensive income	(97.95)	(105.98)
	<b>4.14</b>	<b>2.17</b>

**G. Economic Assumptions**

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.2% to 7.57%	4.45% to 7.57%
Expected rate of salary increase	7% to 10%	7% to 15%

**H. Demographic Assumptions**

Particulars	As at March 31, 2023	As at March 31, 2022
Retirement Age	58 to 60 years	58 to 60 years
Mortality Table	100% of Indian Assured Lives Mortality 2012-14	100% of Indian Assured Lives Mortality 2012-14
Attrition / Withdrawal Rates: (per annum)	2% to 35%	5% to 59%

**Sensitivity Analysis**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Impact of the change in discount rate</b>		
i) Impact due to increase of 1%	(13.41)	(19.74)
ii) Impact due to decrease of 1%	15.55	21.46
<b>b) Impact of the change in salary increase</b>		
i) Impact due to increase of 1%	14.45	21.44
ii) Impact due to decrease of 1%	(12.91)	(18.91)
<b>c) Impact of the change in attrition rate</b>		
i) Impact due to increase of 50%	(19.11)	(23.46)
ii) Impact due to decrease of 50%	27.49	35.63
<b>d) Impact of change in Mortality Rate</b>		
i) Impact due to increase of 10.00%	(0.00)	(0.37)
ii) Impact due to decrease of 10.00%	0.16	0.45

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Risk Exposure**

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

**Interest rate risk:**

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**Demographic risk:**

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

**Salary Risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Defined Benefit Liability and Employer Contributions:**

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

Expected contributions to gratuity plans for the year ending March 31, 2024 : Rs. 34.65 (March 31, 2023: Rs. 27.99)

The weighted average duration of the defined benefit obligation is 3 to 17 years (March 31, 2022: 6 to 18 years)

**Maturity profile of defined benefit obligation**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Less than a year	31.83	16.87
Between 1 to 5 years	106.66	97.84
More than 5 years	317.78	249.38
<b>Total expected cash flow</b>	<b>456.27</b>	<b>364.09</b>

(This space is intentionally left blank)

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees millions, unless otherwise stated)

**50 Related parties transactions**

**(i) Names of related parties and description of relationship**

Name of the Entity	Relationship with the entity
Threpsi Solutions Private Limited AHWSP India Private Limited Ascent Wellness and Pharma Solutions Private Limited Akna Medical Private Limited (w.e.f. September 17, 2021) Arzt And Health Private Limited (merged with Threpsi Solutions Private Limited) Aycon Graph Connect Private Limited Medlife Wellness Retail Private Limited (merged with Threpsi Solutions Private Limited) Metarain Distributors Private Limited (merged with Threpsi Solutions Private Limited) Docon Technologies Private Limited AKP Healthcare Private Limited Aushad Pharma Distributors Private Limited Rau and Co Pharma Private Limited Reenav Pharma Private Limited Instinct Innovations Private Limited (upto March 31, 2023) Dial Health Drug Supplies Private Limited Ayro Retail Solutions Private Limited Aarush Tirupati Enterprise Private limited (upto March 31, 2023) Aryan Wellness Private Limited D. C. Agencies Private Limited Desai Pharma Distributors Private Limited Eastern Agencies Healthcare Private Limited Mahaveer Medi-Sales Private Limited Muthu Pharma Private Limited Pearl Medicals Private Limited VPI Medisales Private Limited (upto March 31, 2023) Shell Pharmaceuticals Private Limited Avighna Medicare Private Limited Venkatesh Medico Private Limited Care Easy Health Tech Private Limited (w.e.f. November 29, 2021) Thyrocare Technologies Limited (w.e.f. September 02, 2021) Nuclear Healthcare Limited (w.e.f. September 02, 2021) Allumer Medical Private Limited (w.e.f. September 17, 2021) Shreeji Distributors Pharma Private Limited (w.e.f. September 17, 2021) Vardhman Health Specialities Private Limited (w.e.f. September 17, 2021) Cosaintis Products Private Limited (w.e.f. September 17, 2021 and upto February 10, 2023) Healthchain Private Limited (w.e.f. September 17, 2021) Supplythis Technologies Private Limited (w.e.f. September 17, 2021) Pulse Hitech Health Services (Ghatkopar) LLP (incorporated w.e.f. November 24, 2022)	Subsidiaries and Step down subsidiary companies
Marg ERP Limited (w.e.f. October 14, 2021) Impex Healthcare Private Limited (w.e.f. September 17, 2021 through Akna Medical Private Limited) Equinox Labs Private Limited (w.e.f. September 02, 2021 through Thyrocare Technologies Limited)	Associates
<b>Key Management Personnel</b> Siddharth Shah Harsh Parekh Dharmil Sheth (w.e.f. September 09, 2021) Dhaval Shah Hardik Dedhia (w.e.f. September 09, 2021) Aditya Puri (w.e.f. April 20, 2021) Ashutosh Sharma (w.e.f. April 05, 2021) Ankur Nand Thadani (w.e.f. March 02, 2021) Deepak Vaidya (w.e.f. April 20, 2021, and upto September 09, 2021) Deepak Vaidya (w.e.f. September 09, 2021) Vineeta Rai (w.e.f. September 09, 2021) Subramaniam Somasundaram (w.e.f. September 09, 2021) Ramakant Sharma (w.e.f. September 09, 2021, and upto April 21, 2022) Jaydeep Tank (w.e.f. September 09, 2021) Vishal Vijay Gupta (w.e.f. August 27, 2020, and upto September 07, 2021) Kartik Srivatsa (w.e.f. August 27, 2020, and upto September 09, 2021) Sandeep Kumar Singh (w.e.f. August 27, 2020, and upto September 09, 2021) Dovaldas Buzinskis (w.e.f. November 09, 2020, and upto September 09, 2021) Prem Venkatachalam Pavoor (w.e.f. August 27, 2020, and upto April 08, 2021) Puncham Mukim (w.e.f. August 27, 2020, and upto April 08, 2021)	Co-founder, Managing Director and CEO Co-founder, Whole Time Director, Chief Business Officer/ KMP Co-founder, Whole Time Director, Chief Business Officer/ KMP Co-founder and Chief Business officer/ KMP Co-founder and Chief Innovation Officer/ KMP Chairman and Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director Independent Director Independent Director Independent Director Director Director Director Director Director Director
Jaydeep Tank HUF (w.e.f. September 09, 2021) Puri Advisors LLP (w.e.f. April 20, 2021) Shree Simba Chemist LLP	Entities having significant influence of director Entities having significant influence of director Entity in which Director / Key Managerial Personnel is a Partner
Evermed Holdings Pte. Ltd. (w.e.f. August 27, 2020, and upto September 27, 2021) Bessemer India Capital Holdings II Ltd. (w.e.f. August 27, 2020, and upto June 23, 2021) Eight Roads Ventures India III LP and F-Prime Capital Partners Healthcare Fund V LP (w.e.f. August 27, 2020, and upto April 05, 2021) Lightstone Fund S.A. (w.e.f. August 27, 2020, and upto June 23, 2021) The Fundamentum Partnership Fund I (w.e.f. August 27, 2020, and upto January 25, 2021) CDPQ Private Equity Asia Pte. Ltd. (w.e.f. August 27, 2020, and upto July 24, 2021) TPG Growth V SF Markets Pte. Ltd. (w.e.f. March 01, 2021) MacRitchie Investments Pte. Ltd. (w.e.f. August 27, 2020) Naspers Ventures B. V. (w.e.f. April 05, 2021) Prasad Uno Family Trust (w.e.f. January 25, 2021, and upto September 27, 2021) TIMF Holdings (w.e.f. December 30, 2020, and upto January 25, 2021)	Entities having significant influence over the Company (having rights to appoint board member)
Manjula Dedhia (w.e.f. September 09, 2021) Nirupam Sheth Hemangi Desai	Relative of Key Managerial Personnel

API Holdings Limited  
Notes to the consolidated financial statements as at and for the year ended March 31, 2023  
(All amounts in Rupees millions, unless otherwise stated)

(ii) Related party transactions during the year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of Goods (net of return)</b>		
Impex Healthcare Private Limited	86.09	17.02
<b>Purchase (net of return)</b>		
Impex Healthcare Private Limited	19.25	56.42
<b>Interest Income</b>		
Impex Healthcare Private Limited	33.09	22.91
Marg ERP Limited	20.00	5.21
<b>Loan given to</b>		
Marg ERP Limited	-	200.00
Impex Healthcare Private Limited	212.43	681.58
<b>Loan repaid</b>		
Impex Healthcare Private Limited	126.41	354.44
<b>Deemed Investment in associate - Corporate guarantee fee income</b>		
Impex Healthcare Private Limited	16.45	14.70
<b>Director's Commission</b>		
Deepak Vaidya	2.50	2.50
Ramakant Sharma	-	1.20
Jaydeep Tank	1.20	1.20
Subramaniam Somasundaram	4.50	4.50
Vineeta Rai	2.50	2.50
<b>Legal Professional Fees</b>		
Puri Advisors LLP	11.70	11.21
<b>Director Sitting Fees</b>		
Aditya Puri	0.07	0.02
Deepak Vaidya	0.13	0.08
Ramakant Sharma	-	0.04
Jaydeep Tank	0.09	0.06
Subramaniam Somasundaram	0.12	0.10
Vineeta Rai	0.08	0.06
<b>Reimbursement of Expenses</b>		
Dhaval Shah	0.06	0.34
Dharmil Sheth	0.79	2.83
Siddharth Shah	0.92	0.04
Harsh Parekh	0.37	0.25
Chebolu V. Ram	-	0.06
Savita Sharma	-	0.01
Hardik Dedhia	-	0.21
<b>Conversion of Compulsory Convertible Debenture to Equity</b>		
Siddharth Shah	-	583.58
Harsh Parekh	-	547.71
Dharmil Sheth	-	774.48
Dhaval Shah	-	756.56
Hardik Dedhia	-	547.71
<b>Call money received on Compulsory Convertible Debentures:</b>		
Siddharth Shah	-	583.45
Harsh Parekh	-	547.58
Dharmil Sheth	-	774.30
Dhaval Shah	-	756.39
Hardik Dedhia	-	547.58
<b>Conversion of Compulsory Convertible Debenture to Non Convertible Debenture</b>		
Siddharth Shah	-	0.08
Harsh Parekh	-	0.08
Dharmil Sheth	-	0.08
Dhaval Shah	-	0.08
Hardik Dedhia	-	0.08
<b>Redemption of Non Convertible Debenture</b>		
Siddharth Shah	-	0.08
Harsh Parekh	-	0.08
Dharmil Sheth	-	0.08
Dhaval Shah	-	0.08
Hardik Dedhia	-	0.08
<b>Compulsory Convertible Debentures issued to :</b>		
Siddharth Shah	-	0.08
Harsh Parekh	-	0.08
Dharmil Sheth	-	0.08
Dhaval Shah	-	0.08
Hardik Dedhia	-	0.08
<b>Equity Shares Allotment (For details of bonus equity shares (refer note 21))</b>		
Aditya Puri	-	300.00
Deepak Vaidya	-	250.00
Ramakant Sharma	-	6.67
Jaydeep Tank	-	6.00
Jaydeep Tank HUF	-	0.67
CDPQ Private Equity Asia Pte. Ltd.	-	-
Naspers Ventures B. V.	-	1,433.33
MacRitchie Investments Pte. Ltd.	-	1,249.99
TPG Growth V SF Markets Pte. Ltd	-	1,133.33

**API Holdings Limited**  
**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**  
(All amounts in Rupees millions, unless otherwise stated)

**Compulsory Convertible Preference Shares issued to :**

Ramakant Sharma	-	3.33
Jaydeep Tank	-	2.99
Jaydeep Tank HUF	-	0.33
MacRitchie Investments Pte. Ltd.	1,875.00	625.00
Naspers Ventures B. V.	1,875.00	716.66
TPG Growth V SF Markets Pte. Ltd.	1,000.00	566.67
Siddharth Shah	15.00	-
Harsh Parekh	15.00	-
Dharmil Sheth	15.00	-
Dhaval Shah	15.00	-
Hardik Dedhia	15.00	-

**Conversion of Convertible Preference Shares in to Equity :**

Ramakant Sharma	-	8.31
Jaydeep Tank	-	2.99
Jaydeep Tank HUF	-	0.33
Siddharth Shah	-	76.86
Manjula Dedhia	-	8.64
Hemangi Desai	-	8.71
Naspers Ventures B. V.	-	6,517.23
MacRitchie Investments Pte. Ltd.	-	7,519.29
TPG Growth V SF Markets Pte. Ltd.	-	5,306.84

**Investments during the period**

Marg ERP Limited	-	2,548.60
------------------	---	----------

**Compensation Paid to Key Managerial Personnel (KMP) and Directors**

Short-term employee benefits***	60.24	3,278.34
Share based payments	2,566.90	2,553.30

\*\*\* Excludes provision for gratuity and leave encashment recognised on the basis of actuarial valuation as separate figures are not available.

**(iii) Related party closing balances as at the Balance Sheet date**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Loans given</b>		
Marg ERP Limited	200.00	200.00
Impex Healthcare Private Limited	437.23	351.21
<b>Trade receivables</b>		
Impex Healthcare Private Limited	28.66	15.29
<b>Trade payables</b>		
Puri Advisors LLP	-	3.04
Deepak Vaidya	0.03	2.25
Ramakant Sharma	-	1.08
Jaydeep Tank	0.02	1.08
Subramaniam Somasundaram	0.02	4.05
Vineeta Rai	0.01	2.25
Siddharth Shah	0.47	-
Harsh Parekh	0.32	-
Hardik Dedhia	0.22	-
Dharmil Sheth	0.38	-
Dhaval Shah	0.48	-
Impex Healthcare Private Limited	-	4.21
<b>Investment in associates</b>		
Marg ERP Limited	2,544.73	2,548.60
Equinox Labs Private Limited	221.00	200.00
Impex Healthcare Private Limited	214.07	206.36
<b>Interest accrued</b>		
Marg ERP Limited	24.79	5.21
Impex Healthcare Private Limited	29.78	-

(This space is intentionally left blank)

**API Holdings Limited**

Notes to the consolidated financial statements as at and for the year ended March 31, 2023  
(All amounts in Rupees million, unless otherwise stated)

**51 Summary of business combination****Acquisitions made in financial year the ended March 31, 2023****a) Acquisition of Pulse Hitech Health Services (Ghatkopar) LLP ("Pulse")**

Thyrocare Technologies Limited ("Thyrocare" or the "Acquirer"), a step down subsidiary of API entered into a supplementary LLP agreement with the selling partners of Pulse Hitech Health Services (Ghatkopar) LLP ("Pulse" or "Acquiree"). Pulse is engaged in providing various types of digital diagnostic services like CT Scan, MRI Scan, Digital X-ray, etc. The business combination has been effected to bring synergies and achieve economies of scale.

Pursuant to the supplementary LLP agreement, during the current financial year Thyrocare made an investment in Pulse by infusing a capital contribution of Rs. 25.5 with a profit sharing ratio of 51% effective from November 24, 2022.

During the year, Nueclear Healthcare Limited ("Nueclear"), a wholly owned subsidiary of Thyrocare Technologies Limited has also given a loan of Rs. 60 to Pulse for business purpose.

**Consideration transferred:**

The total fair value of the consideration transferred is determined as follows.

Particulars	Amount (Rs in million)
Fair value of the consideration transferred	25.50
<b>Total fair value of the consideration transferred</b>	<b>25.50</b>

The purchase consideration for acquisition of Pulse was discharged entirely in cash.

**Acquisitions made in financial year the ended March 31, 2022****(ii) a) Acquisition of Thyrocare Technologies Limited ("Thyrocare")**

Docon Technologies Private Limited (the "Acquirer"), a wholly owned subsidiary of API entered into a share purchase agreement (the "SPA") with the selling shareholders of Thyrocare Technologies Limited ("Thyrocare", "Acquiree").

Pursuant to the SPA, during the year ended March 31, 2022, API acquired:

- (a) 3,49,72,999 equity shares aggregating to 66.14% shareholding in the Acquiree from the selling shareholders, against an aggregate consideration of Rs 45,464.90; and  
(b) 2,683,093 shares for a purchase consideration of Rs 3,488.02 representing 5.08% under open offer. for a total consideration of Rs 48,952.92.

Thyrocare operates in the healthcare industry and is involved in providing quality diagnostic services at affordable costs to patients, laboratories and hospitals in India. The business combination has been effected to bring synergies and achieve economies of scale.

**Consideration transferred:**

The total fair value of the consideration transferred is determined as follows.

Particulars	Amount (Rs in million)
Fair value of the consideration transferred	45,464.90
Shares acquired through open offer	3,488.02
<b>Total fair value of the consideration transferred for purpose of computing goodwill</b>	<b>48,952.92</b>

The transaction was consummated on September 02, 2021, which is the date when API acquired control of Thyrocare.

The purchase consideration for acquisition of Thyrocare was discharged entirely in cash.

**Details of Purchase Consideration and Net Asset acquired during the Business Combinations on the date of acquisition are as follows:-**

Particulars	Amount (Rs in million)
<b>Fair value of assets acquired:</b>	
<b>Non-current assets</b>	
Property, plant and equipment	2,150.66
Capital work-in-progress	18.60
Intangible assets acquired*	5,840.99
Right-of-use assets	412.66
Investments accounted for using the equity method	207.50
Non-current financial assets	60.30
Deferred tax assets	73.30
Other tax assets (Advance tax)	104.60
Other non-current assets	57.20
<b>Current assets</b>	
Inventories	224.40
<b>Financial assets:</b>	
Investments	1,048.50
Trade receivables	945.50
Cash and cash equivalents	152.00
Other bank balances	3.70
Loans	0.40
Other financial assets	5.40
Other current assets	35.70
Indemnification Asset	128.50
Assets held for sale	101.00
<b>Total assets acquired (a)</b>	<b>11,570.91</b>
<b>Liabilities assumed:</b>	
Non Current Lease liabilities	177.40
Provisions	244.40
Deferred tax liabilities	1,692.67
Current Lease liabilities	55.20
Trade payables	201.00
Other financial liabilities	215.00
Current tax liabilities (net) - Provision for tax	252.20
Provisions	20.40
Other current liabilities	99.60
<b>Total liabilities assumed (b)</b>	<b>2,957.87</b>
<b>Net identifiable assets acquired (a-b)</b>	<b>8,613.04</b>

\*The Group has identified Intangible assets of brand name, technology platform and customer contracts. The Group has estimated the useful life in the range of 3-20 years.

**Computation of goodwill on acquisition**

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below. Goodwill is primarily attributed to supplier relationships, huge customer database, workforce acquired and other intangibles as a part of the business combination which do not meet the separability criterion.



**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

Particulars	Amount (Rs in million)
Total fair value of the consideration transferred for purpose of computing goodwill	48,952.92
Add: Fair value of vested employee share based payments considered as non-controlling interest	79.13
Add: Non-controlling interest in Thyrocare *	2,479.01
Less: Net identifiable assets acquired	<u>(8,613.04)</u>
<b>Goodwill on acquisition</b>	<b><u>42,898.02</u></b>

\* Non-controlling interest was valued at fair value on the date of acquisition.

The fair value of acquired trade receivable is Rs. 945.60 . The gross contractual amount for trade receivable due is Rs. 1,005.60 with a loss allowance of Rs. 60.10.

The acquired business contributed revenues and profits to the Group for the year March 31, 2022 as follows:

Thyrocare : Revenue of Rs. 3,014.10 and total comprehensive income of Rs. 607.90.

If the acquisitions had occurred on April 01, 2021, consolidated revenue and profit for the year ended March 31, 2022 would have increased by Rs. 2,874.50 and Rs. 1,154.70 respectively. These amounts have been calculated using the subsidiary's results.

Acquisition related cost of Rs. 336.28 that were not directly attributable to the issue of shares are included in the other expenses in the statement of profit and loss and in operating cashflows in the statement of cashflows.

**(iii) Acquisition of Akna Medical Private Limited (Akna or Acquiree)**

Pursuant to shareholder purchase agreements between API ("Acquirer"), Akna and its Investors, API agreed to acquire 2.27% of the equity share capital on fully diluted basis (76,075 equity shares) from Angel Investors for Rs. 240.09 in cash and 35.92% of the equity share capital on fully diluted basis (1,204,133 equity shares) from Promoters and other sellers for Rs. 3,687.00 in cash. API further subscribed to 975,935 shares (representing 29.11% equity interest) for a consideration of Rs. 3.080.

Akna along with its subsidiaries and associates (collectively the group) are engaged in the business of wholesale trading of Medical supplies including pharmaceutical, surgicals, healthcare consumables, vaccines and other allied health care products.

The purchase consideration for acquisition of Akna was discharged in cash.

In addition to the above and along with the shareholder purchase agreements mentioned above, API entered into separate agreements with non-controlling shareholders, respectively, whereby API holds a call option to purchase shares held by these shareholders (representing 32.70% equity interest) if specified EBITDA thresholds for the year ended March 31, 2023 are not met by end of the specified period in the respective agreements. These shareholders, in turn, hold a put option to put the shares to API at any time by end of the specified period defined in these agreements. API in October 2022 and November 2022, acquired 45,886 equity shares of Akna from Angel Investors for an aggregate consideration of Rs. 144.81 (representing 1.37% equity interest).

These options are priced at a fixed price. Accordingly, on the date of acquisition the Group has recognised a liability amounting to Rs. 4,643.85 in the consolidated financial statements with respect to this obligation. Further in August 2022, API entered into an revised agreement, with shareholder representing 31.33% equity interest, whereby revised terms for sale of shares were agreed. Consequently, the Group has remeasured the options liability to Rs. 5,195.63 as at March 31, 2023.

The Group has determined that the risks and rewards with respect to the call and put options held by the Group and non-controlling shareholders, respectively, reside with API and therefore no non-controlling interest has been recognized in respect of this acquisition in the consolidated financial statements. Accordingly, though the Group holds 68.37% (March 31, 2022: 67.30%) of voting interests in Akna, it holds 100% economic interest.

The liability has been measured at present value of the amount required to settle the obligation and the subsequent changes in the liability of Rs. 439.14 (March 31, 2022: Rs. 257.46 ) has been recognised directly in equity for the year ended March 31, 2023.

**Consideration transferred:**

The total fair value of the consideration transferred is determined as follows.

Particulars	Amount (Rs in million)
Fair value of the consideration transferred	7,007.08
Put liability	<u>4,643.85</u>
<b>Total fair value of the consideration transferred for purpose of computing goodwill</b>	<b><u>11,650.93</u></b>

The transaction was consummated on September 17, 2021, which is the date when the Group acquired control of Akna Medical Private Limited.

**Details of Purchase Consideration and Net Liabilities assumed during the Business Combinations on the date of acquisition are as follows:-**

Particulars	Amount (Rs in million)
<b>Fair value of assets acquired:</b>	
Property, plant and equipment	86.77
Right-of-use assets	36.05
Intangible Assets*	511.34
Intangibles asset under development	17.73
Share options outstanding at the end of the year March 31, 2023 have the following expiry date and exercise prices:	188.40
Other financial assets	70.66
Other non-current assets	6.00
Non current tax assets (net)	5.91
Deferred tax assets	31.02
Inventories	1,294.40
<b>Financial assets:</b>	
Loans	1.87
Trade receivables	2,174.74
Cash and cash equivalents	90.24
Other bank balances	313.48
Other financial assets	111.27
Other current assets	<u>512.45</u>
<b>Total assets acquired (a)</b>	<b><u>5,452.33</u></b>
<b>Liabilities assumed:</b>	
<b>Financial liabilities:</b>	
Borrowings	760.24
Lease liabilities	20.04
Other financial liabilities	435.71
Provisions	11.19
Deferred tax liabilities	155.65
<b>Financial liabilities</b>	
Borrowings	2,739.86
Lease liabilities	15.82
Trade payables	945.73
Other financial liabilities	340.07
Other current liabilities	59.99
Provisions	0.05
Current tax liabilities (net) - Provision for tax	<u>32.60</u>
<b>Total liabilities assumed (b)</b>	<b><u>5,516.95</u></b>
<b>Net identifiable assets acquired (a-b)</b>	<b><u>(64.62)</u></b>

\*The Group has fair valued intangible assets comprising of brand name, technology platform and customer contracts. The Group has estimated the useful life in the range of 3.5 - 20 years.

**API Holdings Limited****Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

**Computation of goodwill on acquisition**

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below. Goodwill is primarily attributed to supplier relationships, huge customer database, workforce acquired and other intangibles as a part of the business combination which do not meet the separability criterion.

Particulars	Amount (Rs in million)
Total fair value of the consideration transferred for purpose of computing goodwill	7,007.08
Add: Put liability	4,643.85
Add: Net identifiable liabilities assumed	64.62
Less: Cash infusion in the company through subscription of equity shares in Akna	<u>(3,080.00)</u>
<b>Goodwill on acquisition</b>	<b><u>8,635.55</u></b>

The fair value of acquired trade receivable is Rs. 2,174.74. The gross contractual amount for trade receivable due is Rs. 2,219.03 with a loss allowance of Rs. 44.29.

The acquired business contributed revenues and profits to the Group for the period March 31, 2022 as follows:

Akna : Revenue of Rs. 5,346.78 and total comprehensive loss of Rs. 1,400.62.

If the acquisitions had occurred on April 01, 2021, consolidated revenue and loss for the period ended March 31, 2022 would have increased by Rs. 3,201.75 and Rs. 307.14 respectively. These amounts have been calculated using the subsidiary's results.

Acquisition related cost of Rs. 18.26 that were not directly attributable to the issue of shares are included in the other expenses in the statement of profit and loss and in operating cashflows in the statement of cashflows.

**(iv) Other acquisitions**

During the period ended March 31, 2022, the Group has acquired pharmaceuticals trading and distribution businesses in the territory of Pondicherry and Lucknow from M/s Varma Medicals on April 26, 2021 and M/s Sachdeva Medicals on June 1, 2021, respectively on a going concern basis at an agreed consideration of Rs. 32.50 and Rs. 35.00, respectively. This business combination has been effected to bring synergies and to achieve economies of scale.

During the period ended March 31, 2022, one of the subsidiary of the group has completed acquisition of pharmaceuticals trading and distribution business in the territory of Goa and Coimbatore from M/s E C Agencies and M/s Sri Alagu Pharma on a going concern basis at an agreed aggregated consideration of Rs. 19.99 and Rs. 52.20 respectively.

On January 01, 2022, one of the subsidiary, namely, Shreeji Distributors Pvt. Ltd. entered into Business Transfer Agreement (BTA) for acquisition of pharma business from Akshaya Medical and Surgical Agencies. Pursuant to the BTA, the aforesaid business has been transferred to the Group as a going concern on slump sale basis for a purchase consideration of Rs 281.60 payable as follows:

- Rs 166.60 upfront payment on closing date i.e. date on which the transaction is consummated;
- Rs 40.00, subject to achievement of targets set forth in the BTA, within 90 days from closing date;
- Rs 20.00, subject to achievement of targets set forth in the BTA, within 180 days from closing date;
- Rs 25.00, subject to achievement of targets set forth in the BTA, post audit of Financial Statements for the year ended March 31, 2022;
- Rs 30.00, subject to achievement of targets set forth in the BTA, post audit of Financial Statements for the year ended March 31, 2023

The fair value of the contingent consideration of Rs 108.40 was estimated by calculating the present value of the future expected cash flows using scenario based modelling. The estimates are

The Group has acquired vendor relationships, customer relationships and trademarks as part of above business combinations, which do not meet the criteria for recognition as an intangible assets under Ind AS 38 and therefore, has not been separately recognised.

**Details of Purchase Consideration and Net Asset acquired during the Business Combinations on the date of acquisition are as follows:-**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Amount (Rs. in million)	Amount (Rs. in million)
<b>Purchase consideration</b>		
Cash payments	-	272.29
Consideration payable for business purchase	-	142.40
Acquisition date fair value of previously held equity interest	-	-
<b>Less: Fair Value of net identifiable assets Acquired</b>		
Property, plant and equipment	-	7.75
Intangible assets	-	153.10
Loans	-	-
Deferred tax assets	-	-
Inventories	-	82.50
Trade receivables	-	-
Cash and cash equivalents	-	-
Other current assets	-	-
<b>Add: Book Value of Net Liabilities Assumed</b>		
Trade payable	-	-
Other current liabilities	-	-
Provisions	-	-
<b>Goodwill</b>	<b>-</b>	<b>171.34</b>

Goodwill on acquisitions comprise the value of expected synergies arising from acquisitions, customer relationships, supplier relationships and trademarks which does not meet the criteria for recognition as an intangible assets and subsumed to goodwill.

The above acquisitions were made with the intention of growth of business as the business of acquirer and acquiree are similar in nature.

There is no material contribution by the above acquired businesses to the revenue and losses of the Group. Similarly, disclosure pertaining to the amounts of revenue and profit or loss of the above acquirees since the acquisition date and acquisition related cost has not been disclosed as the amounts are immaterial.

(This space is intentionally left blank)

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**  
(All amounts in Rupees million, unless otherwise stated)

**52 Share Based Payment**

(i) The Group has established Employee Stock Option Scheme (ESOP 2020) with effect from August 27, 2020 to enable the employees of the Group to participate in the future growth and success of the Company. ESOP 2020 is operated at the discretion of the Board.

These options which confer a right but not an obligation on the employee to apply for equity shares of the Company once the terms and conditions set forth in the ESOP 2020 and the option agreement have been met. Vesting conditions would be subject to continued employment with the Group.

(ii) During the financial year ended March 31, 2021, the Company had modified the earlier Employee Stock Option plans which were issued to employees of 91Streets Media Technologies Private Limited ("91Streets / Acquirer") as per the Scheme of Amalgamation approved by National Company Law Board with effective date of merger of 91 Streets with the Company i.e. August 27, 2020.

The Scheme was accounted for as a business combination using the acquisition method of accounting under the provisions of Ind AS 103, Business Combinations with the Effective Date being the acquisition date. 91Streets has been determined to be the acquirer for accounting purposes and hence the replacement of Employee Stock Option Plans issued by the 91Streets with API Holdings Private Limited, has been considered as at the modification date. There is no incremental fair value on account of replacement of employee stock option plans as at modification date i.e. August 27, 2020.

(iii) During the financial year ended March 31, 2021, the Company has modified the earlier Employee Stock Option plans which were issued by Ascent Health and Wellness Solutions Private Limited (Acquiree) as per the Scheme of Amalgamation approved by National Company Law Board with effective date of amalgamation of August 27, 2020. The Scheme was accounted for as a business combination using the acquisition method of accounting under the provisions of Ind AS 103, Business Combinations with the Effective Date being the acquisition date.

The Group has below share based payment arrangement under ESOP 2020 for the year ended March 31, 2023 and March 31, 2022:

	March 31, 2023		March 31, 2022	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance as on 1 April	4.96	574,118,850	2,183	517,079
Granted during the period \$ #	9.15	333,164,624	1	1,263,240
Exercised during the period \$ *	-	-	1.16	(150,408)
Forfeited during the period \$	1.00	(38,523,098)	1.49	(17,650)
No of options repurchased during the period \$	-	-	1.01	(108,078)
Add: Impact on account of merger (refer note below) **	-	-	-	162,274
Impact of Bonus issued during the period	NA	NA	NA	55,104,251
Impact of Shares split during the period	NA	NA	NA	510,936,374
<b>Number of options before bonus and split</b>	<b>6.79</b>	<b>868,760,376</b>	<b>5.00</b>	<b>567,707,082</b>
New grants post bonus and split	-	-	1.00	6,411,768
<b>No of option outstanding as at period end</b>	<b>6.79</b>	<b>868,760,376</b>	<b>4.96</b>	<b>574,118,850</b>
Vested	5.03	244,720,877	2.75	94,346,908
Exercisable	5.03	244,720,877	2.75	94,346,908

Share options outstanding at the end of the year March 31, 2023 and March 31, 2022 have the following expiry date and exercise prices:

Grant Date	Exercise price Revised (Post Modification) (Rs.) #	Expected term of options granted	Share options March 31, 2023 (refer note (i) below)	Expected term of options granted	Share options March 31, 2022 (refer note (i) below)
01-Oct-2015	1.00	2-5 years	110,880	Upon occurrence of liquidity event \$	110,880
01-May-2017	1.00		7,904,930		10,592,450
01-Jul-2017	1.00		154,990		154,990
01-Mar-2018	1.00		4,502,190		5,436,420
25-Jul-2018	1.00		166,320		609,840
01-Oct-2018	1.00		5,956,170		6,025,470
01-Nov-2018	1.00		101,640		101,640
01-Dec-2018	1.00		9,240		9,240
18-Feb-2019	1.00		9,420,180		9,420,180
01-Oct-2019	1.00		-		2,747,580
01-Oct-2019	4.01		11,056,100		11,362,670
01-Jan-2020	4.01		21,453,190		22,200,309
01-Jan-2020	8.02		9,877,890		9,877,890
01-Apr-2020	4.01		2,625,590		2,769,800
01-May-2020	4.01		9,590		1,531,530
01-Jun-2020	4.01		191,510		323,180
01-Jul-2020	4.01		12,540		12,540
27-Aug-2020 *	1.00		-		205,920
27-Aug-2020 *	4.00		6,881,820		6,881,820
27-Aug-2020 *	4.01		18,830,900		19,074,330
01-Sep-2020	1.00		823,020		823,020
01-Sep-2020	4.01		951,720		1,037,300
01-Sep-2020	12.15		12,836,670		12,836,670
01-Oct-2020	4.01		8,430,400		9,856,440
01-Nov-2020	4.01		247,170		247,170
01-Jan-2021	4.01		9,012,950		10,204,920
02-Mar-2021	4.01		617,430		617,430
01-Apr-2021	4.01		172,480		264,330
01-May-2021	4.01		99,000		99,000
01-Jul-2021	1.00		1,697,960		1,646,480
01-Jul-2021	4.00		42,900		94,380
01-Jul-2021	4.01		255,750		255,750
01-Aug-2021	1.00		135,386,773		147,407,695
01-Sep-2021	1.00		500,382		749,100
15-Sep-2021	1.00		137,500,000		137,500,000
30-Sep-2021	1.00		9,460,550		9,579,020
01-Oct-2021	1.00		10,428,602		14,878,820
01-Oct-2021	4.01		62,040		62,040
01-Oct-2021	18.18		43,992,850		43,992,850
07-Oct-2021	1.00		64,064,109		66,238,040
02-Dec-2021	1.00		2,359,898		3,789,786
01-Jan-2022	1.00		479,920		1,135,123
01-Jan-2022	4.01		123,790		123,750
01-Feb-2022	1.00		308,346		623,856
01-Mar-2022	1.00		459,928		607,201
01-Apr-2022	1.00		111,669		-
01-May-2022	1.00		4,823,189		-
01-Jun-2022	1.00		5,910,538		-
01-Jul-2022	1.00		4,395,343		-
01-Aug-2022	1.00		9,145,051		-
01-Sep-2022	1.00		24,238		-
01-Sep-2022	4.01		3,961,220		-
01-Oct-2022	1.00		81,108		-
01-Nov-2022	1.00		1,870,548		-
01-Jan-2023	1.00		3,837,743		-
02-Jan-2023	10.83		275,000,000		-
01-Feb-2023	1.00		19,078,621		-
01-Mar-2023	1.00		941,850		-

**Notes :**

- (a) The number of options have been adjusted on account of bonus share issued and share split. For details refer note 22 (ii) (h) and 22 (ii) (i)
  - (b) \$ The average exercise price has been revised on account of modification in option Exercise price, Bonus share issued and share split. Refer table below for revised exercised price details.
  - (c) \* During the year ended March 31, 2022, the average share price on the date of exercise is Rs. 5900
  - (d) # For the year ended March 31, 2022, the average exercise price for new grants has been derived at after giving effect of bonus and split
  - (e) \* Represents the replacement date of the employee stock options granted to the employees of Ascent Health and Wellness Solutions Private Limited (Acquiree) as per the Scheme of Amalgamation approved by National Company Law Board with effective date
  - (f) No options expired during the periods covered in the above tables. Vested options are exercisable upon completion of vesting period.
  - (g) \$ ESOP Scheme 2020 defines "Liquidity Event" as the date of expiry of options. "Liquidity Event" for ESOP Scheme 2020 means any event or transaction as decided and approved by the Board as liquidity event for the purposes of ESOP plan, from time to time, which more particularly includes the following events:
    - a. Strategic Sale event conferring a right of drag along to the Current Shareholders
    - b. Listing, whereby the Shares of the Company get listed on any recognized Stock Exchange; and
    - c. Any other event, which the Board may designate as a liquidity event for the purpose of the ESOP
- The options granted under above scheme can only be exercised in the case of happening of a Liquidity Event. Further, prior to listing, in case none of the Liquidity Events happens, the Board, shall have the right (without any obligation) to settle any or all of the unexercised Vested Options, in one or more tranches, by way of cash payment. However, the management intends to settle the option by issue of equity shares.

	March 31 2023	March 31 2022
Weighted average remaining contractual life of options outstanding at end of year	2.63 years	2.35 years



**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**  
(All amounts in Rupees million, unless otherwise stated)

**B Employee Share Option Scheme (ESOP) of Thyrocare Technologies Limited including its subsidiaries ("Thyrocare")**

(a) During the year ended March 31, 2022, the Group has acquired Thyrocare w.e.f. September 02, 2021. The Group has measured employee stock options of Thyrocare Technologies Limited which were vested as on acquisition date at their market based measure and recognized Rs. 79.13 as part of non-controlling interest in the acquiree as per Ind AS 103 - "Business Combination". Further, in the case of un-vested stock options are measured at market-based measure as if the acquisition date were the grant date. Further, the group has not replaced employee stock options of Thyrocare at acquisition date.

(b) During the year, the Company has offered stock options to the eligible employees under "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2022" (ESOS2022) vide authorisation of shareholders in the annual general meeting held on August 03, 2022. The options may be exercised either fully or partially in four equal instalments. The employees were identified as those who had completed two years of service as on the date of sanction of the scheme, subject to their continuous service till the vesting period.

During the earlier years, the Company had offered stock options to the eligible employees under "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2021" (ESOS2021), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2020" (ESOS2020), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2019" (ESOS2019), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2018" (ESOS2018), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2017" (ESOS2017), "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016" (ESOS2016) and "THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015" (ESOS2015) vide authorisation of shareholders in their meetings held on August 03, 2022, June 26, 2021, September 29, 2020, August 24, 2019, September 01, 2018, August 12, 2017, September 12, 2016 and September 26, 2015 respectively. Under the respective scheme, the options may be exercised either fully or partially in four equal instalments. The employees were identified as those who had completed certain years of service subject to their continuous service till the vesting period.

Additionally, the Company formed a trust, "Thyrocare Employee Stock Option Trust" wherein the shares to be issued under these options were allotted to the Trust. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The identified employees are also entitled to purchase additional shares proportionately from the shares of employees who are not desirous to purchase the equity shares or who have left

The key details of the various schemes are as under:

Scheme	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price per share (Rs.)	Weighted Average Exercise Price per share (Rs.)
ESOS 2022	03-Aug-2022	40,429	3 years		10	10
ESOS 2021	26-Jun-2021	40,429	3 years		10	10
ESOS 2020	29-Sep-2020	40,429	3 years		10	10
ESOS 2019	24-Aug-2019	40,429	3 years	One year from vesting date	10	10
ESOS 2018	01-Sep-2018	40,452	3 years		10	10
ESOS 2017	12-Aug-2017	50,516	3 years		10	10
ESOS 2016	12-Sep-2016	50,537	3 years		10	10

**Movement in stock options for the year ended March 31, 2023**

Scheme	ESOS 2022	ESOS 2021	ESOS 2020	ESOS 2019	ESOS 2018	Weighted Average Exercise Price *
	No. of Options	No. of Options	No. of Options	No. of Options	No. of Options	
Outstanding as at April 01, 2022	-	34,972	33,255	27,856	-	10
Granted during the year	40,428	-	-	-	-	10
Exercised during the year	-	-	-	(26,711)	-	-
Forfeited during the year	(6,748)	(5,785)	(3,503)	(1,245)	-	-
Outstanding at the end of the year	33,680	29,187	29,752	-	-	10

**Movement in stock options during the period September 02, 2021 to March 31, 2022**

Scheme	ESOS 2021	ESOS 2020	ESOS 2019	ESOS 2018	Weighted Average Exercise Price *
	No. of Options	No. of Options	No. of Options	No. of Options	
Outstanding as at the date of acquisition	40,169	36,115	30,973	28,913	10
Exercised during the period	-	-	-	(28,913)	-
Forfeited during the period	(5,197)	(2,860)	(3,117)	-	-
Outstanding at the end of the period	34,972	33,255	27,856	-	10

\* The Weighted Average Exercise Price is same for all schemes which is Rs. 10.

The weighted average fair value of the options granted during the year ended March 31, 2023 is Rs. 924.89 (for the period ended March 31, 2022 is Rs. 1,271.38).

The weighted average share price during the period ended March 31, 2023 is 743.67 (March 31, 2022 : Rs 1,296.40).

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2023	March 31, 2022
Expected dividend yield	1.38%	1.50%
Expected Annual Volatility of Shares	42.00%	21.65%
Risk-free interest rate (%)	7.04%	7.85%
Exercise price (Rs.)	10	10
Expected life of the options granted (in years)	3.00 years	3.50 years

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Share-based payment expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
Total expense recognised in employee benefit expense	6,237.50	6,300.45

  

Disclosures related to repurchase of options	For the year ended March 31, 2023	For the year ended March 31, 2022
Amounts paid for repurchase of options	-	858.76
Additional share based payments expenses recognised on repurchase and included above	-	56.76

(This space is intentionally left blank)



(d) Associates

Set out below is summarised financial information for each associates' interests that are material to the group.

Summarised Balance Sheet	As at March 31, 2023			
	Impex Healthcare	Equinox Labs Private	Marg ERP Limited	Total
Current assets	2,188.69	135.00	376.15	2,699.84
Current liabilities	1,514.78	53.82	354.99	1,923.59
<b>Net Current assets</b>	<b>673.91</b>	<b>81.18</b>	<b>21.16</b>	<b>776.25</b>
Non-current assets	24.04	212.83	117.24	354.11
Non-current liabilities	514.75	10.40	35.13	560.29
<b>Net non-current assets</b>	<b>(490.71)</b>	<b>202.43</b>	<b>82.11</b>	<b>(206.18)</b>
<b>Net assets</b>	<b>183.20</b>	<b>283.61</b>	<b>103.27</b>	<b>570.07</b>

Summarised statement of profit and loss	For the year ended March 31, 2023			
	Impex Healthcare Private Limited	Equinox Labs Private Limited	Marg ERP Limited	Total
Revenue	4,191.65	258.82	651.02	5,101.49
Profit / (Loss) for the year	(37.93)	39.41	(10.19)	(8.71)
Other comprehensive income	-	-	0.13	0.13
<b>Total comprehensive income</b>	<b>(37.93)</b>	<b>39.41</b>	<b>(10.06)</b>	<b>(8.58)</b>

Summarised cash flows	For the year ended March 31, 2023		
	Impex Healthcare Private Limited	Equinox Labs Private Limited	Marg ERP Limited
Cash flow from operating activities	(373.83)	104.89	57.98
Cash flow from investing activities	1.94	(65.72)	(154.45)
Cash flow from financing activities	215.30	-	(10.43)
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(156.59)</b>	<b>39.17</b>	<b>(106.90)</b>

Reconciliation of investment in associates	For the year ended March 31, 2023		
	Impex Healthcare Private Limited	Equinox Labs Private Limited	Marg ERP Limited
Opening balance	206.36	209.20	2,549.66
Share of (loss)/profit	7.71	11.80	(4.99)
Share of other comprehensive income	-	-	0.06
<b>Closing balance</b>	<b>214.07</b>	<b>221.00</b>	<b>2,544.73</b>

Summarised Balance Sheet	As at March 31, 2022			
	Impex Healthcare	Equinox Labs Private	Marg ERP Limited	Total
Current assets	1,853.13	76.50	314.10	2,243.73
Current liabilities	1,700.45	46.00	377.53	2,123.98
<b>Net Current assets</b>	<b>152.68</b>	<b>30.50</b>	<b>(63.43)</b>	<b>119.75</b>
Non-current assets	20.28	228.10	148.60	396.98
Non-current liabilities	44.75	14.30	43.67	102.72
<b>Net non-current assets</b>	<b>(24.47)</b>	<b>213.80</b>	<b>104.93</b>	<b>294.26</b>
<b>Net assets</b>	<b>128.21</b>	<b>244.30</b>	<b>41.50</b>	<b>414.01</b>

Summarised statement of profit and loss	For the period ended March 31, 2022			Total
	Impex Healthcare Private Limited (with effect from September 17, 2021)	Equinox Labs Private Limited (with effect from September 2, 2021)	Marg ERP Limited (with effect from October 14, 2021)	
Revenue	2,439.64	106.82	275.88	2,822.34
Profit / (Loss) for the year	12.49	5.67	4.93	23.09
Other comprehensive income	-	-	(1.54)	(1.54)
<b>Total comprehensive income</b>	<b>12.49</b>	<b>5.67</b>	<b>3.39</b>	<b>21.55</b>

Summarised cash flows	For the period ended March 31, 2022		
	Impex Healthcare Private Limited (with effect from September 17, 2021)	Equinox Labs Private Limited (with effect from September 2, 2021)	Marg ERP Limited (with effect from October 14, 2021)
Cash flow from operating activities	(10.27)	(13.10)	(1.47)
Cash flow from investing activities	72.14	9.60	(38.42)
Cash flow from financing activities	127.86	-	195.53
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>189.73</b>	<b>(3.50)</b>	<b>155.64</b>

Reconciliation of investment in associates	For the period ended March 31, 2022		
	Impex Healthcare Private Limited (with effect from September 17, 2021)	Equinox Labs Private Limited (with effect from September 2, 2021)	Marg ERP Limited (with effect from October 14, 2021)
Opening balance	-	-	-
Addition on account of business combination	188.40	207.50	2,548.00
Share of (loss)/profit	17.96	1.70	2.41
Share of other comprehensive income	-	-	(0.75)
<b>Closing balance</b>	<b>206.36</b>	<b>209.20</b>	<b>2,549.66</b>

(e) The Group has made an investment of Rs. 99.95 representing 19.99% of shareholding of Armaan Solutions Private Limited which is the holding company of Axelia Solutions Private Limited. As per the shareholding agreement, the Group does not have a representation at the Board of Directors or its committees, it does not have right to participate in the policy making matters or dividend distribution decisions. Further, the Group has a written call option on its entire 19.99% shareholding in favour of one of the other Shareholder of Armaan Solutions Private Limited which is exercisable at any time at the fair value. There are not interchange of managerial personnel between the Group and the investee. Armaan Solutions Private Limited and its subsidiaries have substantial contracts with the customers other than the Group.

The Group has contractual arrangements with Axelia Solutions Private Limited through which it has recognised income from licensing of its brand and operations of its technology platform and tele consultation amounting to Rs. 1,576.27 (March 31, 2022: Rs. 1,036.10) which is included in Revenue from Operations in the Statement of Profit and Loss; Incurred marketing support services related cost amounting to Rs. 262.84 (March 31, 2022: Rs. 865.00) which is included in Other expenses in the Statement of Profit and Loss. The Group has outstanding receivables amounting to Rs. 182.79 (March 31, 2022: Rs. 232.34) which is included in Trade receivables in the Balance Sheet; The Group has outstanding payables amounting to Rs. 105.22 (March 31, 2022: Rs. 125.06) which is included in Trade payables in the Balance Sheet. The Group does not extend financial support, nor does it intend to provide so to the investee and is not exposed to potential losses of investee. Accordingly, such amount has been accounted as a financial asset subsequently measured at fair value through profit and loss.

(This space is intentionally left blank)

## 53 f) Additional information required under Schedule III of the Companies Act, 2013

Information regarding subsidiaries included in the consolidated financial statements for the period ended March 31, 2023:

Name of entity in the group	As at March 31, 2023							
	Net Assets/ (Net liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive income/(Loss)	
	i.e total assets minus total liabilities		As % of Consolidated Profit/ (Loss)	Amounts	As % of Other Comprehensive Income	Amounts	As % of consolidated total comprehensive income	Amounts
	As % of consolidated net assets	Amounts						
<b>Parent</b>								
API Holdings Limited	95.63%	23,304.54	87.24%	(45,469.39)	3.80%	3.49	87.39%	(45,465.90)
<b>Subsidiary</b>								
<b>Indian</b>								
Threpsi Solutions Private Limited	-102.50%	(24,977.98)	20.10%	(10,475.75)	59.10%	54.21	20.03%	(10,421.54)
Aycon Graph Connect Private Limited	-2.20%	(536.68)	5.72%	(2,978.91)	1.68%	1.54	5.72%	(2,977.37)
Docon Technologies Private Limited	87.29%	21,272.03	23.38%	(12,183.31)	8.09%	7.42	23.40%	(12,175.89)
Ayro Retail Solutions Private Limited	-6.60%	(1,607.75)	1.47%	(768.48)	1.07%	0.98	1.48%	(767.50)
Care Easy Health Tech Private Limited	-2.38%	(580.50)	0.51%	(263.72)	0.00%	-	0.51%	(263.72)
Thyrocare Technologies Limited (Consolidated)	21.96%	5,352.22	-0.88%	458.37	11.88%	10.90	-0.90%	469.27
Akna Medical Private Limited (Consolidated)	10.87%	2,648.57	5.09%	(2,651.85)	1.29%	1.18	5.09%	(2,650.67)
AHWSPL India Private Limited (Consolidated)	5.55%	1,351.28	5.42%	(2,825.60)	7.73%	7.09	5.42%	(2,818.51)
	<b>107.62%</b>	<b>26,225.72</b>	<b>148.05%</b>	<b>(77,158.64)</b>	<b>94.64%</b>	<b>86.81</b>	<b>148.14%</b>	<b>(77,071.83)</b>
Consolidation Adjustments	-21.75%	(5,300.53)	-47.71%	24,863.18	0.00%	-	-47.79%	24,863.18
Non-controlling Interest	14.13%	3,444.17	-0.34%	178.12	5.36%	4.92	-0.35%	183.04
	<b>100.00%</b>	<b>24,369.36</b>	<b>100.00%</b>	<b>(52,117.34)</b>	<b>100.00%</b>	<b>91.73</b>	<b>100.00%</b>	<b>(52,025.61)</b>

Information regarding subsidiaries included in the consolidated financial statements for the period ended March 31, 2022:

Name of entity in the group	As at March 31, 2022							
	Net Assets/ (Net liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive income/(Loss)	
	i.e total assets minus total liabilities		As % of Consolidated Profit/ (Loss)	Amounts	As % of Other Comprehensive Income	Amounts	As % of consolidated total comprehensive income	Amounts
	As % of consolidated net assets	Amounts						
<b>Parent</b>								
API Holdings Limited	88.95%	62,465.19	127.26%	(50,810.10)	30.98%	32.86	127.52%	(50,777.24)
<b>Subsidiary</b>								
<b>Indian</b>								
Threpsi Solutions Private Limited	-15.26%	(10,714.17)	34.20%	(13,654.16)	46.23%	49.03	34.17%	(13,605.13)
Arzt Health and Private Limited	-0.29%	(202.88)	0.44%	(174.16)	0.35%	0.37	0.44%	(173.79)
Aycon Graph Connect Private Limited	3.32%	2,330.40	18.09%	(7,223.95)	-0.77%	(0.82)	18.14%	(7,224.77)
Instinct Innovations Private Limited	-0.28%	(199.17)	-0.41%	(164.44)	-0.04%	(0.04)	0.41%	(164.48)
Docon Technologies Private Limited	46.04%	32,331.81	43.58%	(17,400.98)	-1.17%	(1.24)	43.70%	(17,402.22)
Ayro Retail Solutions Private Limited	-1.44%	(1,008.47)	1.44%	(574.02)	-0.23%	(0.24)	1.44%	(574.26)
Medlife Wellness Retail Private Limited	-5.75%	(4,037.50)	2.45%	(977.86)	20.49%	21.73	2.40%	(956.13)
Metarain Distributors Private Limited	-0.92%	(646.41)	0.32%	(128.45)	1.26%	1.34	0.32%	(127.11)
Care Easy Health Tech Private Limited	-0.36%	(250.88)	0.63%	(251.11)	0.00%	-	0.63%	(251.11)
Thyrocare Technologies Limited (Consolidated)	7.50%	5,265.70	-1.52%	606.70	1.13%	1.20	-1.53%	607.90
Akna Medical Private Limited (Consolidated)	5.22%	3,663.03	3.51%	(1,400.20)	-0.39%	(0.42)	3.52%	(1,400.62)
AHWSPL India Private Limited (Consolidated)	1.10%	771.71	4.57%	(1,823.90)	2.69%	2.86	4.57%	(1,821.04)
	<b>127.83%</b>	<b>89,768.36</b>	<b>235.38%</b>	<b>(93,976.63)</b>	<b>100.54%</b>	<b>106.63</b>	<b>235.74%</b>	<b>(93,870.00)</b>
Consolidation Adjustments	-32.46%	(22,795.52)	-134.50%	53,699.65	-0.33%	(0.35)	-134.86%	53,699.30
Non-controlling Interest	4.63%	3,251.96	-0.88%	352.02	-0.22%	(0.23)	-0.88%	351.79
	<b>100.00%</b>	<b>70,224.81</b>	<b>100.00%</b>	<b>(39,924.96)</b>	<b>100.00%</b>	<b>106.05</b>	<b>100.00%</b>	<b>(39,818.90)</b>

(This space is intentionally left blank)



**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

**54 Contingent liabilities and Commitments**

(i) The Group has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda VidyaMandir And Others Vs The Regional Provident Fund Commissioner (II)West Bengal" and the related circular (Circular No C-1/1(33)2019/Vivekananda VidyaMandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Based on the assessment made by the management, the said judgment does not have any significant impact on these financial statements. The Group will continue to monitor and evaluate its position based on future events and developments.

(ii) Contingent liabilities

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Income tax	7.98	8.22
(ii)	Indirect tax	39.41	10.68
(iii)	Employee provident fund matters	5.20	5.20
(iv)	Claims not acknowledged as debt (refer note (i) below)	-	-

Note (i):

Mr. A. Sundararaju and Mr. A. Velumani (the "Petitioners") have filed commercial suits against API Holdings Limited amongst 6 other respondents, before Hon'ble Bombay High Court. As per the suits, the Petitioners have claimed a sum amounting to Rs 2,611.47 (March 31, 2022- Rs. 518.50) against the respondents while alleging that the Company has colluded with the legal advisors of the Petitioners to facilitate the sale of shares of Thyrocare Technologies Limited by the Petitioners to Docon Technologies Limited through an off-market transaction, rather than as an on-market sale. Since the claim amount is jointly mentioned by the petitioner for all 7 respondents, claim amount pertaining to the Company is not separately ascertainable.

Note (ii):

Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

The Group has reviewed all its pending litigations and proceedings and has disclosed the above contingent liability. The Group does not expect the outcome of these proceedings to have an adverse effect on its financial statements.

(iii) Commitments

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Commitments relating to long-term arrangement with vendors (refer note (i) below)	4,033.55	1,553.09
Commitments relating to Property, plant and equipment (refer note (ii) below)	-	215.41
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	3.52
Estimated value of contracts in purchase of trademarks remaining to be executed and not provided for (net of capital advance Nil (March 31, 2022: Rs. 19.10)	-	5.90

Note (i):

The Group has entered into Reagent Rental Arrangements for periods ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers / diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments for the remaining number of years are Rs. 4033.60 (March 31, 2022: Rs. 1553.09) of which annual commitment for next financial period of twelve months is Rs. 1043.20 (March 31, 2022: Rs. 404.40) as per the terms of these arrangements.

Note (ii):

The commitments include capital expenditure commitments relating to new warehouses taken on lease by the Group.

**55 Trade receivables and unbilled revenue ageing schedule as on March 31, 2023**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More than 3 years	
<i>Undisputed trade receivable</i>								
considered good	19.41	3,387.41	5,325.16	517.59	335.17	47.82	10.58	9,643.14
which have significant increase in credit risk	-	25.92	166.37	98.39	111.58	90.96	10.80	504.02
credit impaired	-	-	-	-	-	-	-	-
<i>Disputed trade receivable</i>								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	17.01	-	-	-	17.01
credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19.41</b>	<b>3,413.33</b>	<b>5,491.53</b>	<b>632.99</b>	<b>446.75</b>	<b>138.78</b>	<b>21.38</b>	<b>10,164.17</b>

(This space is intentionally left blank)

API Holdings Limited

Notes to the consolidated financial statements as at and for the year ended March 31, 2023

(All amounts in Rupees million, unless otherwise stated)

**Trade receivables and unbilled revenue ageing schedule as on March 31, 2022**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less Than 6 Months	6 Months- 1 Year	1-2 Years	2-3 years	More than 3 years	
<i>Undisputed trade receivable</i>								
considered good	19.04	4,143.21	4,251.95	328.62	126.65	12.31	5.20	8,886.98
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	130.72	48.80	-	-	179.52
<i>Disputed trade receivable</i>								
considered good	-	-	-	1.00	-	-	-	1.00
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	11.64	17.47	20.10	-	-	49.21
<b>Total</b>	<b>19.04</b>	<b>4,143.21</b>	<b>4,263.59</b>	<b>477.81</b>	<b>195.55</b>	<b>12.31</b>	<b>5.20</b>	<b>9,116.71</b>

**56 Trade payable ageing schedule as on March 31, 2023**

Particulars	Accrued expenses	Not due	Outstanding for following periods from due date of payment				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	21.33	159.31	0.27	0.14	-	181.05
(ii) Others	349.87	674.99	2,887.01	20.84	8.65	1.87	3,943.23
(iii) Disputed dues-MSME	-	-	-	0.20	-	-	0.20
(iv) Disputed dues-Others	9.33	-	-	0.30	-	-	9.63
<b>Total</b>	<b>359.20</b>	<b>696.32</b>	<b>3,046.32</b>	<b>21.61</b>	<b>8.79</b>	<b>1.87</b>	<b>4,134.11</b>

**Trade payable ageing schedule as on March 31, 2022**

Particulars	Accrued expenses	Not due	Outstanding for following periods from due date of payment				Total
			Less Than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	35.64	149.77	0.26	-	-	185.67
(ii) Others	556.99	772.39	2,929.27	107.83	23.11	3.67	4,393.26
(iii) Disputed dues-MSME	-	-	-	-	-	-	-
(iv) Disputed dues-Others	9.88	-	-	-	-	-	9.88
<b>Total</b>	<b>566.87</b>	<b>808.03</b>	<b>3,079.04</b>	<b>108.09</b>	<b>23.11</b>	<b>3.67</b>	<b>4,588.81</b>

57 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholder's suggestions. However, the date on which the code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

58 In the group, one subsidiary company, Care Easy Health Tech Private Limited has discontinued its current operations vide board resolution dated March 10, 2023. The Management are of the view that the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate and therefore, the financial statements for the year ended March 31, 2023 of the subsidiary company have been prepared on non-going concern basis. The management has assessed the carrying value of assets and liabilities and based on current estimates, certain adjustments have been made in the books of account during the year ended March 31, 2023.

**59 Additional regulatory information required by Schedule III**

**a) Title deeds of Immovable properties not held in the name of the Group**

The Group does not hold any immovable property (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) during the year ended March 31, 2023 and previous year ended March 31, 2022.

**b) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder in the current and previous year.

**c) Wilful defaulter**

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority in the current and previous year.

**d) Transactions with struck off companies**

The Group does not have any transactions with companies struck-off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 in the current and previous year.

**e) Compliance with number of layers of companies**

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**f) Compliance with approved scheme of arrangements**

The Group has entered into below scheme of arrangement which has an accounting impact in the current financial year:

The board of directors of Mahaveer Medi-Sales Private Limited ("the Company"), at its meeting held on March 03, 2023, had inter alia, approved the composite Scheme of Arrangement under the applicable provisions of the Companies Act, 2013 between the Company, API Holdings Limited ("API"), Ascent Wellness and Pharma Solutions Private Limited ("AWSPL"), and their respective shareholders and creditors ("Scheme").

The Scheme inter alia provides for the following:

- (i) the transfer by way of demerger of the Demerged Undertaking (as set out in the Scheme) from the Company to AWSPL on a going concern basis and in consideration, API shall issue shares to shareholders of the Company (except AWSPL) as per the swap ratio mentioned in the Scheme; and
- (ii) reduction and cancellation of share capital of the Company, to the extent not held by AWSPL and/or API.

The Company has filed the Scheme with the necessary authorities and accordingly the implementation of the Scheme is subject to the necessary approvals, sanctions and consents being obtained.

The Group has not entered into scheme of arrangement which has an accounting impact in the previous financial year.

**API Holdings Limited**

**Notes to the consolidated financial statements as at and for the year ended March 31, 2023**

(All amounts in Rupees million, unless otherwise stated)

**g) Utilisation of borrowed funds and share premium**

The Company has received securities premium through issue of preference shares during the year ended March 31, 2023 which has been classified as financial liability (refer note 24 (i)). There is no understanding with investors, in writing or otherwise, to lend or invest in other person or entities, directly or indirectly or provide any guarantee, security or the like to or on behalf of the said investors. The management has absolute discretion on use of such funds. Further, the Holding Company has provided funds to its subsidiaries for their business purposes. The management of subsidiary companies do not consult with the Holding Company on the manner of utilisation of such funds nor the Holding Company has understanding in writing or otherwise on the manner of use of such funds by subsidiary companies. Hence, the additional regulatory disclosure with respect to the utilisation of borrowed funds and share premium are not included in these financial statements.

**h) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**i) Details of crypto currency or virtual currency**

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**j) Valuation of PP&E, intangible asset and investment property**

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**k) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**l) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken, except as stated below.

In case of three subsidiaries of the group, as per the loan agreements, the Cash Credit / Working Capital Demand Loan amounts were required to be utilised only for the purpose of meeting their working capital requirements. However, the subsidiaries have utilised these proceeds for the purpose of granting loan to its immediate parent company and the aggregate amount outstanding as at March 31, 2023 with immediate parent company is Rs. 503.66( refer note 28 (i) (b)).

**m) Borrowing secured against current assets**

The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts.

**60 Events occurring after the reporting period**

The Company has breached certain financial covenants under the third amended and restated debenture trust deed dated September 13, 2022 ("DTD") executed between the Company and the Debenture Trustee as a result of which certain events of default (EODs) had occurred and were continuing at the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, However, subsequent to the reporting period and prior to the approval of the financial statements, the lender has officially waived the breaches as outlined in the framework agreement and hence the Company does not classify the liability as current, refer note 47 for details.

**61** Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

As per our report of even date attached

**For Price Waterhouse Chartered Accountants LLP**

Firm's Registration No: 012754N/N500016

Sd/-

**Nitin Khatri**

Partner

Membership number: 110282

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

**API Holdings Limited**

CIN :U60100MH2019PTC323444

Sd/-

**Siddharth Shah**

Managing Director and

Chief Executive Officer

DIN: 05186193

Sd/-

**Dharmil Sheth**

Whole time Director

DIN: 06999772

Sd/-

**Yatharth Bhargava**

Chief Financial Officer

ICAI Membership No.: 504705

Sd/-

**Drashti Shah**

Company Secretary and

Chief Compliance Officer

Membership No.: ACS22968

Place: Mumbai

Date: December 05, 2023

Place: Mumbai

Date: December 05, 2023