# Tresara Health Private Limited

## Financial Statements

## 2020-21

Deloitte
Haskins & Sells LLP

Chartered Accountants
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# INDEPENDENT AUDITOR'S REPORT

To The Members of Tresara Health Private Limited
Report on the Audit of the Financial Statements

## Opinion

We have audited the accompanying financial statements of Tresara Health Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its loss and total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report and related annexures, but does not include the financial statements and our auditor's report thereon. The Directors report and related annexures is expected to be made available to us after the date of this auditor's report.

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

- When we read the Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

## Management's Responsibility for the Financial Statements

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

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

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

## Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any remuneration to its directors during the year.

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

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

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ananthi Amarnath
Partner
Membership No. 209252
UDIN: 21209252AAAAFL8229

Place: Chennai
Date: 26 April 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Tresara Health Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

Auditor's Responsibility

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

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Ananthi Amarnath
Partner
Membership No. 209252
UDIN: 21209252AAAAFL8229

Place: Chennai
Date: 26 April 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) In respect of immovable properties of buildings that have been taken on lease and disclosed as Right of use assets in the financial statements, the lease agreements are in the name of the Company.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie,* not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Except for an instance of delay in remittance of Provident Fund, the Company has been regular in depositing undisputed statutory dues, including Employees' State Insurance, Income-tax, Goods and services tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and services tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax and Goods and services tax as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to information and explanations given to us, the Company has not paid / provided any managerial remuneration as per provisions of Section 197 read with Schedule V of the Act, and hence reporting under clause (xi) of paragraph 3 of the CARO 2016 Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ananthi Amarnath
Partner
Membership No. 209252
UDIN: 21209252AAAAFL8229

Place: Chennai
Date: 26 April 2021

**Tresara Health Private Limited**
**Balance Sheet as at March 31, 2021**
(All amounts are in INR lakhs, unless otherwise stated)

| Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 49.22 | 31.87 |
| Right-of-use assets | 4 | 122.60 | 130.83 |
| Financial assets | | | |
| (i) Investments | 5 | 1,580.00 | 46,525.90 |
| (ii) Loans | 6 | 19.75 | 16.61 |
| (iii) Other financial assets | 7 | - | - |
| Deferred Tax assets | 16 | 3.27 | - |
| Other non-current assets | 10 | 0.75 | 38.25 |
| **Total non-current assets** | | **1,775.59** | **46,743.46** |
| **Current assets** | | | |
| Inventories | 11 | 526.80 | 973.10 |
| Financial assets | | | |
| (i) Investments | 7 | 50.00 | - |
| (ii) Trade receivables | 12 | 1,236.00 | 985.87 |
| (iii) Cash and cash equivalents | 13 | 21.07 | 33.05 |
| (iv) Bank balances other than (iii) above | 14 | 1.35 | 1.27 |
| (v) Loans | 6 | 770.95 | 4,167.49 |
| (vi) Other financial assets | 8 | 0.65 | 178.40 |
| Current Tax Assets | 9 | - | 56.37 |
| Other current assets | 15 | 1,216.68 | 1,063.80 |
| **Total current assets** | | **3,823.50** | **7,459.35** |
| **Total assets** | | **5,599.09** | **54,202.81** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 17(a) | 412.36 | 357.77 |
| Instruments entirely equity in nature | 17(a) | - | 54.59 |
| **Other equity** | | | |
| i) Equity Component of Compound Financial Instruments | 18 | 6,204.82 | 8,326.40 |
| ii) Instruments Classified as Equity | 17(c) | 2,500.00 | - |
| iii) Reserves and surplus | 17(b) | (11,166.46) | 36,421.27 |
| **Total equity** | | **(2,049.28)** | **45,160.03** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 5,206.55 | 6,203.37 |
| (ii) Lease Liabilities | 4 | 108.36 | 110.39 |
| Deferred tax liability | 18 | - | - |
| Provisions | 20 | 0.46 | 1.45 |
| **Total non-current liabilities** | | **5,315.37** | **6,315.21** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | - | 386.83 |
| (ii) Lease Liabilities | 4 | 32.79 | 22.72 |
| (iii) Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 19 | 96.51 | 50.67 |
| Total outstanding dues of creditors other than micro and small enterprises | 19 | 1,243.36 | 1,699.97 |
| Provisions | 20 | - | 0.16 |
| Current tax liabilities | 21 | 68.76 | - |
| Other current liabilities | 22 | 891.58 | 567.22 |
| **Total current liabilities** | | **2,333.00** | **2,727.57** |
| **Total liabilities** | | **7,648.37** | **9,042.78** |
| **Total equity and liabilities** | | **5,599.09** | **54,202.81** |

See accompanying notes to the financial statements
This is the Balance Sheet referred in our report of even date.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

**Ananthi Amarnath**
Partner

Place: Chennai
Date: April 26, 2021

**For and on behalf of Board of Directors**
**Tresara Health Private Limited**

**M Pradeep Dadha**
Director
DIN: 00087519

**Advait Suhas Pandit**
Director
DIN: 02972886

**Prerna Jain**
Company Secretary

Place: Chennai
Date: April 26, 2021

**Tresara Health Private Limited**
**Statement of Profit and Loss for the year ended March 31, 2021**
(All amounts are in INR lakhs, unless otherwise stated)

| | Note | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| **REVENUE** | | | |
| Sale of traded products | | 19,303.42 | 9,151.71 |
| Less: GST recovered | | 2,410.36 | 984.98 |
| **Revenue from operations** | 23 | 16,893.06 | 8,166.73 |
| Other income | 24 | 102.16 | 413.03 |
| **Total income** | | **16,995.22** | **8,579.76** |
| **EXPENSES** | | | |
| Purchases of stock-in-trade (Pharmaceutical products and FMCG) | | 15,932.97 | 8,465.92 |
| Changes in inventories of stock-in-trade | 25 | (170.77) | (434.62) |
| Employee benefits expense | 26 | 15.80 | 26.47 |
| Depreciation expense | 27 | 63.79 | 27.45 |
| Finance costs | 28 | 383.81 | 571.11 |
| Other expenses | 29 | 1,117.87 | 1,410.69 |
| **Total expenses** | | **17,343.47** | **10,067.02** |
| **Profit/(Loss) before exceptional items and tax** | | **(348.25)** | **(1,487.26)** |
| Exceptional items | 30 | (47,976.89) | - |
| **Profit/ (Loss) before tax** | | **(48,325.13)** | **(1,487.26)** |
| Income tax expense | 31 | | |
| Current tax | | 121.65 | - |
| Deferred tax | | (3.27) | - |
| **Total tax expense** | | **118.38** | **-** |
| **Profit/(Loss) after tax** | | **(48,443.51)** | **(1,487.26)** |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| Remeasurements of post-employment benefit obligations | 32 | 0.72 | - |
| Income tax relating to these items | | - | - |
| **Other comprehensive income for the year** | | **0.72** | **-** |
| **Total comprehensive income for the year** | | **(48,442.79)** | **(1,487.26)** |
| Earnings per equity share (Basic) (in INR) (Nominal value per share: Rs. 10 (March 31, 2020: Rs. 10) | 39 | (1,174.80) | (36.07) |
| Earnings per equity share (Diluted) (in INR) (Nominal value per share: Rs. 10 (March 31, 2020: Rs. 10) | 39 | (169.74) | (36.07) |

See accompanying notes to the financial statements

This is the Statement of Profit and Loss referred in our report of even date.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

**Ananthi Amarnath**
Partner

Place: Chennai
Date: April 26, 2021

For and on behalf of Board of Directors
**Tresara Health Private Limited**

**M Pradeep Dadha**
Director
DIN: 00087519

**Advait Suhas Pandit**
Director
DIN: 02972886

**Prerna Jain**
Company Secretary

Place: Chennai
Date: April 26, 2021

**Tresara Health Private Limited**
**Statement of Changes in Equity for the year ended March 31, 2021**
(All amounts are in INR lakhs, unless otherwise stated)

**A Equity share capital**

| | Note | Amounts |
|---|---|---|
| **Balance as at March 31, 2019** | **17(a)** | **357.77** |
| Changes in equity share capital during the year | | - |
| **Balance as at March 31, 2020** | | **357.77** |
| Issue of equity share capital during the year | | 54.59 |
| **Balance as at March 31, 2021** | | **412.36** |

**B Instrument entirely equity in nature**

| | Note | Amounts |
|---|---|---|
| **0.0001% compulsorily convertible non cumulative preference shares (CCCPS):** | | |
| **Balance as at March 31, 2019** | | **54.59** |
| Changes in preference share capital during the year | | - |
| **Balance as at March 31, 2020** | **17(a)** | **54.59** |
| Conversion of preference share capital during the year | | (54.59) |
| **Balance as at March 31, 2021** | | **-** |

**C Other equity**

| Particulars | Note | Reserves and surplus | | Deemed Equity Contribution - Group | Instruments in the nature of equity | Total |
|---|---|---|---|---|---|---|
| | | Securities premium | Retained earnings | | | |
| **Balance as at March 31, 2019** | | **28,621.60** | **(2,386.68)** | **-** | **6,385.55** | **32,620.47** |
| Loss for the year | 17(b) | - | (1,487.26) | - | - | (1,487.26) |
| **Total comprehensive income for the year** | | - | **(1,487.26)** | **-** | **-** | **(1,487.26)** |
| Issue of optionally fully convertible debenture | | 11,673.61 | - | - | 1,940.86 | **13,614.47** |
| **Balance as at March 31, 2020** | | **40,295.21** | **(3,873.94)** | **-** | **8,326.41** | **44,747.68** |
| Profit for the year | 17(b) | - | (48,443.51) | - | - | (48,443.51) |
| Other comprehensive income for the year | | - | 0.72 | - | - | 0.72 |
| **Total comprehensive income for the year** | | - | **(48,442.80)** | **-** | **-** | **(48,442.80)** |
| Received from holding company/fellow subsidiary | | - | - | 855.07 | - | 855.07 |
| Issue of Optionally Fully Convertible Debentures | | - | - | - | 2,500.00 | 2,500.00 |
| Redemption of Optionally Fully Convertible Debentures | | - | - | - | (2,121.58) | (2,121.58) |
| **Balance as at March 31, 2021** | | **40,295.21** | **(52,316.74)** | **855.07** | **8,704.82** | **(2,461.63)** |

See accompanying notes to the financial statements

This is the Statement of changes in Equity referred in our report of even date.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

**Ananthi Amarnath**
Partner

Place: Chennai
Date: April 26, 2021

For and on behalf of Board of Directors
**Tresara Health Private Limited**

**M Pradeep Dadha**
Director
DIN: 00087519

**Advait Suhas Pandit**
Director
DIN: 02972886

**Prerna Jain**
Company Secretary

Place: Chennai
Date: April 26, 2021

**Tresara Health Private Limited**
**Statement of Cash flows for the year ended March 31, 2021**
**(All amounts are in INR lakhs, unless otherwise stated)**

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Loss before tax | (48,325.13) | (1,487.26) |
| **Adjustments for :** | | |
| Depreciation and amortisation expense | 63.79 | 27.45 |
| Finance costs | 368.59 | 571.11 |
| Interest income from financial assets at amortised cost | (99.75) | (372.66) |
| Unwinding of discount on security deposits | (0.73) | (0.43) |
| Guarantee commission | - | (25.00) |
| Net gain on sale of investment | - | (14.01) |
| Net gain on sale of investment in mutual funds | (0.39) | - |
| Net loss on sale of Investment | 425.51 | - |
| (Gain)/Loss on sale of property, plant and equipment | (0.27) | 2.31 |
| Loss allowance for credit impaired loans - Others | 527.31 | 915.00 |
| Loss allowance for credit impaired - claims receivable & others | 51.78 | 12.09 |
| Provision for impairment of investment | 47,551.37 | - |
| **Operating Profit/(loss) before working capital changes** | **562.08** | **(371.40)** |
| **Changes in working capital:** | | |
| Increase/(Decrease) in trade payables | (410.64) | 1,405.02 |
| Increase/(Decrease) in provisions | (0.43) | 1.62 |
| Increase/(Decrease) in Other financial liabilities | 15.22 | - |
| Increase/(Decrease) in Other current liabilities | 324.41 | (35.85) |
| (Increase)/Decrease in inventories | 446.30 | (807.04) |
| (Increase)/Decrease in trade receivables | (250.12) | 4,034.69 |
| (Increase)/Decrease in other bank balances | - | 1.18 |
| (Increase)/Decrease in Loans | 2,344.47 | (15.43) |
| (Increase)/Decrease in other non-current assets | 37.50 | 0.09 |
| (Increase)/Decrease in other current assets | (152.88) | (197.49) |
| (Increase)/Decrease in other financial assets | 126.00 | (65.83) |
| **Cash from operations** | **3,041.91** | **3,949.56** |
| Taxes paid (net of refunds) | 3.48 | (28.16) |
| **Net cash from operating activities (A)** | **3,045.39** | **3,921.40** |
| **B. Cash flow from investing activities** | | |
| Purchase of investments in mutual funds | (220.39) | (2,937.00) |
| Sale of investments in mutual funds | 170.39 | 2,951.01 |
| Investment in Debentures of subsidiaries | (1,580.00) | - |
| Proceeds from Sale of Investments in subsidiaries | 818.56 | - |
| Loans given to related parties | (2,171.20) | - |
| Movement in bank deposits | (0.08) | (1.27) |
| Loans given to others | - | (4,745.00) |
| Repayment of loans given to Others | 2,798.74 | 777.34 |
| Repayment of loan given to related parties | - | 277.50 |
| Purchase of property, plant and equipment | (46.43) | (64.84) |
| Proceeds from sale of property, plant and equipment | 0.59 | 108.61 |
| Investments in Equity of subsidiaries | (1,414.50) | (14,969.93) |
| **Net cash used in investing activities (B)** | **(1,644.33)** | **(18,603.58)** |
| **C. Cash flow from financing activities** | | |
| Proceeds from issue of optionally fully convertible debentures (including securities premium) | 2,500.00 | 14,831.07 |
| Redemption of optionally fully convertible debentures (Net of Interest) | (3,118.40) | - |
| Repayment of short-term borrowings (net) | (386.83) | (58.03) |
| Lease liability paid | (39.22) | (17.96) |
| Interest paid | (368.59) | (42.64) |
| **Net cash (outflow)/inflow from financing activities (C)** | **(1,413.04)** | **14,712.44** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | (11.98) | 30.26 |
| Cash and cash equivalents at the beginning of the year | 33.05 | 2.79 |
| **Cash and cash equivalents at the end of the year (Refer note 13)** | **21.07** | **33.05** |

**Tresara Health Private Limited**
**Statement of Cash flows for the year ended March 31, 2021**
**(All amounts are in INR lakhs, unless otherwise stated)**

| **Cash and cash equivalents comprise:** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| Balances with banks | | |
| - In current accounts | 21.02 | 31.93 |
| Cash on hand | 0.05 | 1.12 |
| Other bank balances | - | - |
| **Balance as per Statement of Cash Flows** | **21.07** | **33.05** |

See accompanying notes to the financial statements

This is the Statement of Cash Flows referred to in our report of even date.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

**Ananthi Amarnath**
Partner

Place: Chennai
Date: April 26, 2021

**For and on behalf of Board of Directors**
**Tresara Health Private Limited**

**M Pradeep Dadha**
Director
DIN: 00087519

**Advait Suhas Pandit**
Director
DIN: 02972886

**Prerna Jain**
Company Secretary

Place: Chennai
Date: April 26, 2021

## 1 Corporate Information

### 1.1 Brief description of the Company

Tresara Health Private Limited is a company incorporated in India having its registered office at No.250,Lloyds Road, Royapettah, Chennai,Tamil Nadu-600014, India. The Company's immediate holding company is Reliance Retail Ventures Limited and the Ultimate Holding Company is Reliance Industries Limited.
The Company is engaged in the business of distribution of pharmaceuticals, medicines, antibiotics, drugs, biologicals, neutraceuticals, healthcare, ayurvedic and allied products.

## 2 Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2 Basis of preparation

***(i) Compliance with Ind AS***

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

***(ii) Historical cost convention***

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities are measured at fair value

**(iii) Going Concern**
These financial statements of the Company are prepared on a going concern basis.

***(iv) Consolidation***

The Holding Company, Reliance Retail Ventures Limited, shall present the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 and shall satisfy the conditions for exemption from preparing consolidated financial statements as per the Companies (Accounts) Amendment Rules, 2016 and thereby does not present consolidated financial statements.

**(v) Current and Non-Current Classification**
The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.
An asset is treated as Current when it is -
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when -
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(vi) Critical estimates and judgements**
The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management:
Defined benefit obligation - Refer note 2.15 and note 32
Taxation - Refer note 2.04 and note 27
Fair value measurements and valuation processes - Refer note 2.09 and note 30
Impairment of financial assets - Refer note 2.09 and note 31
Estimated useful life of property, plant and equipment - Note 2.11

**2.01 Segment reporting**

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

The board of directors of Tresara Health Private Limited assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors have been identified as being the CODM. Refer note 34 for segment information presented.

**2.02 Foreign currency translation**

***(i) Functional and presentation currency:***
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'), i.e., Indian Rupee (INR), which is the Company's functional and presentation currency.

(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 generally recognised in profit or loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/(expenses).

**2.03 Revenue from Operations**

**Sale of products**

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.
Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.
The Company in its usual business practise provides for right to return the goods by the customers. A refund liability (included in other current liabilities) is recognised for expected returns from the customers. Accumulated experience is used to estimate and provide for the refund liability, and revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur.

**2.04 Tax expenses**

The tax expenses for the period comprises of current tax and Deferred Income Tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

**i) Current Tax**
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**ii) Deferred Tax**
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.
Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and
assets are reviewed at the end of each reporting period

**2.05 Leases**

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 Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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:
(i) fixed payments (including in-substance fixed payments), less any lease incentives receivable
(ii) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
(iii) amounts expected to be payable by the Company under residual value guarantees
(iv) the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
(v) payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company, 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 Company:
(i) where possible uses a 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
(ii) uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
(iii) makes adjustments specific to the lease, e.g. term, country, currency and security.
Potential future increases in variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.
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.
Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:
(i) the amount of the initial measurement of lease liability
(ii) any lease payments made at or before the commencement date less any lease incentives received
(iii) any initial direct costs, and
(iv) restoration costs.

Right-of-use assets are generally 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 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.

**2.06 Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.07 Trade receivables**

Trade receivables are amounts due from customers for 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 the fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less loss allowance.

**2.08 Inventories**

Inventories are valued batchwise and stated at lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of traded goods includes all expenditure directly attributable to bring the inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.09 Financial Instruments**

**i) Financial Assets**

**A. Initial Recognition and Measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognized using trade date accounting.

**B. Subsequent Measurement**

**a) Financial Assets Measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

***C. Investment in Subsidiaries, Associates and Joint ventures***

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

**D. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in ‘Other Comprehensive Income’. However, dividend on such equity investments are recognized in Statement of Profit and loss when the company’s right to receive payment is established.

**E. Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses “Expected Credit Loss” (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

• The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

or

• Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**ii) Financial Liabilities**

**A. Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition of financial assets**

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109.

A Financial Liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**(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 rate 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).

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend Income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

**2.10 Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair values of the financial guarantees is determined based on the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## 2.11 Property, plant and equipment

All 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 Company 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 provided on a pro rata basis on written down value method over the estimated useful lives of the asset, based on technical evaluation done by managements expert taking into account the nature of assets, their estimated period of use and their operating conditions, which are in line with those specified under Schedule II to the Companies Act, 2013 in order to reflect actual usage of assets. The depreciation charge for each period is recognized in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

| Asset | Useful life |
|---|---|
| Furniture and fixtures | 10 years |
| Office equipment | 5 years |
| Computers and accessories | |
| - Servers and networks | 6 years |
| - End user devices, such as laptops, desktops, etc. | 3 years |
| Vehicles | 8years |
| Leasehold improvements | 3 years |

The useful lives have been determined based on technical evaluation done by the Management's expert, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and 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/(expenses).

## 2.12 Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 2.13 Trade and other payables

These amounts represent liabilities for services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the period agreed with the vendors. 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 rate method.

### 2.14 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 rate method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible debenture 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 debenture. 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).

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. Where there is a breach of a material provision of a longterm 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.

### 2.13 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.

### 2.14 Provisions and contingent liabilities

**Provisions:**
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
**Contingent liabilities:**
Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**2.15 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 Company also 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 benefit obligations***

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity 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 denominated in INR 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 in retained earnings in the statement of changes in equity and in the balance sheet.

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.

**(iv) Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company 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 due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**2.16 Contributed equity**

Equity shares are classified as equity.
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.

**2.17 Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, equity shares issued during the year

*(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.

**2.18 Rounding of amounts**

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

**2.19 Recent Pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:
• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
• Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
• Specified format for disclosure of shareholding of promoters.
• Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
• If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
• Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:
• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Tresara Health Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2021**
(All amounts are in INR lakhs, unless otherwise stated)

## 3 Property, plant and equipment

| | Leasehold improvements | Furniture and fixtures | Office equipment | Computers and accessories | Vehicles | Total |
|---|---|---|---|---|---|---|
| **Year ended March 31, 2020** | | | | | | |
| **Gross carrying amount** | | | | | | |
| Opening gross carrying amount | 2.26 | 12.42 | 5.88 | 11.22 | 1.62 | 33.40 |
| Additions | - | 18.45 | 8.89 | - | - | 27.34 |
| Disposals | - | 6.92 | 4.59 | 0.39 | - | 11.90 |
| **Closing gross carrying amount** | **2.26** | **23.95** | **10.18** | **10.83** | **1.62** | **48.84** |
| **Accumulated depreciation** | | | | | | |
| Opening accumulated depreciation | 1.43 | 3.66 | 2.65 | 7.12 | 0.51 | 15.36 |
| Depreciation charge during the year | 0.15 | 4.21 | 3.51 | 2.27 | 0.35 | 10.49 |
| Disposals | - | 4.51 | 4.05 | 0.33 | - | 8.88 |
| **Closing accumulated depreciation** | **1.58** | **3.36** | **2.11** | **9.06** | **0.86** | **16.97** |
| **Net carrying amount** | **0.68** | **20.59** | **8.07** | **1.77** | **0.75** | **31.87** |
| **Year ended March 31, 2021** | | | | | | |
| **Gross carrying amount** | | | | | | |
| Opening gross carrying amount | 2.26 | 23.95 | 10.18 | 10.83 | 1.62 | 48.84 |
| Additions | 23.16 | 7.74 | 15.53 | - | - | 46.43 |
| Disposals | - | - | 6.06 | - | - | 6.06 |
| **Closing gross carrying amount** | **25.42** | **31.69** | **19.65** | **10.83** | **1.62** | **89.21** |
| **Accumulated depreciation** | | | | | | |
| Opening accumulated depreciation | 1.58 | 3.36 | 2.11 | 9.06 | 0.86 | 16.97 |
| Depreciation charge during the year | 10.56 | 6.59 | 10.55 | 0.82 | 0.24 | 28.76 |
| Disposals | - | - | 5.74 | - | - | 5.74 |
| **Closing accumulated depreciation** | **12.14** | **9.95** | **6.92** | **9.88** | **1.10** | **39.99** |
| **Net carrying amount as on March 31, 2021** | **13.27** | **21.74** | **12.73** | **0.95** | **0.52** | **49.22** |

(All amounts are in INR lakhs, unless otherwise stated)

## 4 Leases

This note provides information for leases where the Company is a lessee. The Company leases various offices and warehouses. Rental contracts are typically made for fixed period of around 3 to 5 years, but may have extension clauses as described in (iii) below.

***(i) Amounts recognised in the balance sheet***

The balance sheet shows the following amounts relating to leases:

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Right-of-use assets** | | |
| Buildings | 122.60 | 130.83 |
| | **122.60** | **130.83** |
| **Lease liabilities** | | |
| Current | 32.79 | 22.72 |
| Non-current | 108.36 | 110.39 |
| | **141.15** | **133.11** |

| **Description of Liabilities** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Opening balance** | **133.11** | **-** |
| Additions | 32.04 | 143.07 |
| Finance cost accrued | 15.22 | 7.99 |
| Deletions | - | - |
| Payment of lease liabilities | (39.22) | (17.96) |
| **Closing Balance** | **141.15** | **133.11** |

| **Description of Assets** | **Amount** |
|---|---|
| **I - Gross carrying value** | |
| As at April 01, 2019 | - |
| Additions | 147.79 |
| Disposals / Adjustments during the year | - |
| **As at March 31, 2020** | **147.79** |
| As at April 01, 2020 | 147.79 |
| Additions | 26.80 |
| Disposals / Adjustments during the year | - |
| **As at March 31, 2021** | **174.59** |
| **II. Accumulated depreciation and impairment** | |
| As at April 01, 2019 | - |
| Charge for the year | 16.96 |
| Disposals / Adjustments during the year | - |
| **As at March 31, 2020** | **16.96** |
| As at April 01, 2020 | 16.96 |
| Charge for the year | 35.03 |
| Disposals / Adjustments during the year | - |
| **As at March 31, 2021** | **51.99** |

**III. Net Carrying Value**

| | |
|---|---|
| **As at 31 March 2020** | **130.83** |
| **As at 31 March 2021** | **122.60** |

Additions to the right-of-use assets during the current financial year were INR 26.80 lakhs (March 31, 2020 - 147.79 lakhs).

***(ii) Amounts recognised in the statement of profit and loss***

The statement of profit and loss shows the following amounts relating to leases:

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Depreciation charge for right-of-use assets | | |
| Buildings | 35.03 | 16.96 |
| **Total** | **35.03** | **16.96** |
| Interest expense (included in finance costs) | 15.22 | 7.99 |
| Expense relating to short-term leases (included in other expenses) | 14.40 | 47.18 |

The total cash outflow for leases for the year ended March 31, 2021 was INR 56.57 lakhs (March 31, 2020 - INR 65.14 lakhs).

***(iii) Extension and termination options***

Extension and termination options are considered in assessing the property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable by mutual consent between the Company with the respective lessor.

***(iv) Critical judgements in derermining the lease term***

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings, the following factors are normally the most relevant:

(a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (and not terminate).

(b) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. During the current financial year, there was no revision in the lease terms.

**5 Non-current investments**

| | Number of shares/unit | | Amount | |
|---|---|---|---|---|
| | **As at March 31, 2021** | **As at March 31, 2020** | **As at March 31, 2021** | **As at March 31, 2020** |
| **Measured at cost** | | | | |
| **Equity shares (unquoted)** | | | | |
| *In subsidiaries (fully paid-up)* | | | | |
| Netmeds Marketplace Limited (INR 5 each) (including 6 shares held by nominees) | 1,85,84,788 | 1,80,85,172 | 47,551.38 | 45,454.34 |
| Less: Provision for impairment loss | | | (47,551.38) | - |
| **Subtotal** | | | **-** | **45,454.34** |
| Dadha Pharma Distribution Private Limited (INR 10 each ) | - | 8,11,600 | - | 551.00 |
| Debentures | | | | |
| *In subsidiaries (fully paid-up)* | | | | |
| Netmeds Marketplace Limited (Debentures) (Being 15,800 OFCD INR 1000 each) | 15,800 | - | 1,580.00 | - |
| **Investment in capital of Limited Liability Partnership Firm** | | | | |
| Medrx Technologies LLP (Note 2) | Nil | 99.99% | - | 520.55 |
| | | | 1,580.00 | 46,525.90 |

**Note 1:**

| | | |
|---|---|---|
| Aggregate amount of unquoted investments | 49,131.38 | 46,525.90 |
| Aggregate amount of impairment in the value of investments | 47,551.38 | - |

**Note 2:**
During the year, the company had transferred its interest in Medrx Technologies LLP to Phalodi Support Services LLP for consideration of Rs. 1 Lakh. Refer note 30 for loss on sale of Investment recognized to the extent of Rs. 625.05 Lakhs.

**Tresara Health Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2021**
(All amounts are in INR lakhs, unless otherwise stated)

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **6** | **Financial assets - loans** | | |
| | **Non-current** | | |
| | Loans considered good - unsecured | | |
| | Security deposits | 19.75 | 16.61 |
| | | **19.75** | **16.61** |
| | **Current** | | |
| | Loans considered good - unsecured | | |
| | Loans to related parties # (Refer note A&B below) | 770.95 | 841.44 |
| | Others | - | 3,326.05 |
| | Loans - credit impaired - unsecured | | |
| | Advance to FC's and others | 1,442.31 | 915.00 |
| | Less: Loss allowance for credit impaired loans | (1,442.31) | (915.00) |
| | | **770.95** | **4,167.49** |

**# Loans to related parties**
*A. Loan to Dadha Pharma Distribution Private Limited ( Rs. 770.95Lakhs)*
*1. The loans have been granted for the purpose of the borrower's business requirement - working capital. The loans are repayable on demand at the option of the Company.*
*2.The above loan carries interest at the rate of 8.5% per annum till Aug 17, 2020 and at the rate of 7% from Aug 18, 2020.*

B.Current year Rs. Nil/- (Rs. 500 lakhs of previous year) represents the loan given by the Company in the form of an undertaking to IDBI Bank for facilitating the bank guarantee and cash credit facilities availed by Dadha Pharma Distribution Private Limited with IDBI Bank. The Company has undertaken not to withdraw the borrowing till Dadha Pharma Distribution Private Limited is availing the facilities mentioned above.
The above said guarantee has been withdrawn since the Cash credit facility from IDBI account has been closed.

*C. Loans to customers*
* Loans have been given to customers of the Company. The loans are unsecured, repayable on demand and carry an interest rate of 8.50% per annum. Details of the loans outstanding as at the year end is given as follows:

| Name of the entity | Amount outstanding | | Purpose of loan |
|---|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 | |
| **Loan Given** | | | |
| Curemeds (Partnership Firm) | - | 199.38 | Business loan |
| Healmeds(Partnership Firm) | 123.87 | 485.93 | Business loan |
| Healthscape Technology LLP | 119.72 | 741.01 | Business loan |
| Caremeds(Partnership Firm) | 265.44 | 379.08 | Business loan |
| Planet Pharma Warehouse Private Limited | 933.27 | 2,435.65 | Business loan |

**7 Investments-Current**

| | No of Units | | Amount | |
|---|---|---|---|---|
| **Investments Measured at Fair Value Through Profit & Loss** | **As at March 31, 2021** | **As at March 31, 2020** | **As at March 31, 2021** | **As at March 31, 2020** |
| Axis Mutual fund - Overnight Fund Direct(Growth) | 4,569.12 | - | 50.00 | - |
| | **4,569.12** | **-** | **50.00** | **-** |
| Aggregate amount of unquoted investment | | | **50.00** | |
| Aggregate amount of impairment of investment | | | **-** | |
| | | | **50.00** | |

(All amounts are in INR lakhs, unless otherwise stated)

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **8** | **Other financial assets** | | |
| | **Current** | | |
| | **Unsecured, considered good - unless otherwise specified** | | |
| | Claims receivable considered good - Unsecured | - | 177.75 |
| | Claims receivable - credit impaired | 133.63 | 82.41 |
| | Less: Loss allowance for credit impaired | (133.63) | (82.41) |
| | Other advances | 0.65 | 0.64 |
| | | **0.65** | **178.40** |
| **9** | **Current Tax Assets** | | |
| | Advance Income Tax and Tax deducted at source | - | 56.37 |
| | | **-** | **56.37** |
| **10** | **Other non-current assets** | | |
| | **Unsecured, considered good** | | |
| | Capital advances | - | 37.50 |
| | Bank deposits with maturity of more than 12 months | 0.75 | 0.75 |
| | | **0.75** | **38.25** |
| **11** | **Inventories** | | |
| | Traded goods | | |
| | Pharmaceutical products and FMCG | 452.77 | 694.86 |
| | Goods in transit (Pharmaceutical products and FMCG) | 74.03 | 278.24 |
| | | **526.80** | **973.10** |

Amount of inventories recognized as an expense and write down of inventories during the year are NIL (March 31, 2020: INR 12.75)

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **12** | **Trade receivables** | | |
| | Unsecured | | |
| | Trade receivables considered good | 1,236.00 | 985.87 |
| | | **1,236.00** | **985.87** |

The trade receivables of the Company do not contain a significant financing component and accordingly, the Company has adopted the simplified approach under Ind AS 109 for recognition of impairment of losses on trade receivables. Consequently, the disclosure of trade receivables into "Trade receivables which have significant increase in credit risk" has not been given since it is not relevant in the context of the Company.

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **13** | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | - In current accounts | 21.02 | 31.93 |
| | Cash on hand | 0.05 | 1.12 |
| | | **21.07** | **33.05** |
| **14** | **Other bank balances** | | |
| | Deposits with maturity of more than 3 months and less than 12 months* | | |
| | | 1.35 | 1.27 |
| | | **1.35** | **1.27** |

(All amounts are in INR lakhs, unless otherwise stated)

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **15** | **Other current assets** | | |
| | **Unsecured, considered good** | | |
| | Balances with government authorities | 311.76 | 419.56 |
| | Claims receivable considered good - Unsecured | 85.75 | - |
| | Advance to Suppliers | - | 443.52 |
| | Prepaid expenses | 3.71 | 2.33 |
| | Right to recover returned goods | 815.46 | 198.40 |
| | | **1,216.68** | **1,063.80** |
| **16** | **Deferred Tax Asset** | | |
| | **(i) Deferred tax asset** | | |
| | Difference between book and tax written down value of depreciable fixed assets | 3.04 | - |
| | Other timing differences (expenses disallowed u/s 43B of the Income tax Act, 1961) | 0.23 | - |
| | | **3.27** | **-** |

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. Refer Note 31(b).

**Movement in deferred tax assets (net)**

| | Other Timing Differences | Difference between book and tax written down value of depreciable fixed assets | Total |
|---|---|---|---|
| **At March 31, 2019** | - | - | - |
| Charged/(credited): | | | |
| To profit or loss | - | - | - |
| **At March 31, 2020** | - | - | - |
| Charged/(credited): | | | |
| To profit or loss | (0.23) | (3.04) | (3.27) |
| **At March 31, 2021** | **(0.23)** | **(3.04)** | **(3.27)** |

(All amounts are in INR lakhs, unless otherwise stated)

## 17(a) Share capital

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Authorised** | | | | |
| Equity shares of INR 10 each | 44,50,000 | 445.00 | 44,50,000 | 445.00 |
| 0.0001% compulsorily convertible non cumulative preference shares of INR 10 each | 5,50,000 | 55.00 | 5,50,000 | 55.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of INR 10 each | 41,23,562 | 412.36 | 35,77,709 | 357.77 |
| 0.0001% compulsorily convertible non cumulative preference shares of INR 10 each | - | - | 5,45,853 | 54.59 |
| | 41,23,562 | **412.36** | | **412.36** |
| **(i) Reconciliation of shares outstanding** | | | | |
| **Equity shares** | | | | |
| Balance as at the beginning of the year | 35,77,709 | 357.77 | 35,77,709 | 357.77 |
| Add: Shares issued during the year | 5,45,853 | 54.59 | - | - |
| **Balance as at the end of the year** | **41,23,562** | **412.36** | **35,77,709** | **357.77** |

Note:
During 2018-19, the Company has issued 545,853, 0.0001% Compulsorily convertible non cumulative preference shares of INR 10 each at a premium of INR 421 pursuant to the resolution approved by the Board of Directors at their meetings held during the financial year 2018-19.These have been converted into Equity Shares during the year pursuant to Board resolution dated 12th June 2020 to Vitalic Health Private Limited (erstwhile Holding Company)

| **0.0001% compulsorily convertible non cumulative preference shares (CCCPS):** | | | | |
|---|---|---|---|---|
| Balance as at the beginning of the year | | | 5,45,853 | 54.59 |
| Add: Shares issued during the year | | | - | - |
| Less: Conversion into equity shares during the year | | | (5,45,853) | (54.59) |
| **Balance as at the end of the year** | | | **-** | **-** |

Note:
During 2018-19, the Company has issued 545,853, 0.0001% Compulsorily convertible non cumulative preference shares of INR 10 each at a premium of INR 421 pursuant to the resolution approved by the Board of Directors at their meetings held during the financial year 2018-19.These have been converted into Equity Shares during the year pursuant to Board resolution dated 12th June 2020 to Vitalic Health Private Limited (erstwhile Holding Company)

**(ii) Rights, preferences and restrictions**

**Equity shares**
The Company has only one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Preference shares**
The holders of CCCPS shall be entitled to share in the distribution of declared dividends to common stockholders on an as if converted basis. The CCCPS shall carry a pre-determined non - cumulative dividend rate of 0.0001% per annum. In addition to the same, if the holders of equity shares are paid dividend in excess of 0.0001% per annum, the holders of the CCCPS shall be entitled to dividend at such higher rate. The dividend shall be payable, subject to cash flow solvency, in the event the Board declares any dividend for the relevant year and shall be paid in priority to other classes of shares. In a liquidity event, as applicable, the holder(s) of the CCCPS shall have the right to be first paid in priority to the other shareholders and all other classes of preference shareholders, any declared but accrued and unpaid dividends. The holders of CCCPS shall be entitled to attend meetings of all shareholders of the Company and, will be entitled to such voting rights on an as if converted basis, as may be permissible under applicable law. Accordingly, but subject to adjustments as set forth herein, the holders of CCCPS shall be entitled to the same number of votes for each CCCPS as a holder of 1 (one) equity share, provided however that in the event of any adjustment in conversion the number of votes associated with each CCCPS will change accordingly. The holders of CCCPS shall be entitled to vote on all such matters which affect their rights directly or indirectly.

**(iii) Details of shareholders holding more than 5% shares in the Company**

| | As at March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | Number of shares | % of holding | Number of shares | % of holding |
| **Equity shares of INR 10 each** | | | | |
| Vitalic Health Private Limited (including 1 share held by nominee shareholder) | - | - | 35,69,378 | 99.77% |
| Reliance Retail Ventures Limited (including 6 shares held by nominee shareholders) | 41,23,562 | 100.00% | - | - |

During the current financial year all the shares held by Vitalic Health Private Limited has been acquired by Reliance Retail Ventures Limited on August 18, 2020

| **0.0001% compulsorily convertible non cumulative preference shares:** | | | | |
|---|---|---|---|---|
| Vitalic Health Private Limited | - | - | 5,45,853 | 100% |

(All amounts are in INR lakhs, unless otherwise stated)

**17(b) Reserves and surplus**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Retained earnings | (52,316.74) | (3,873.94) |
| Securities premium | 40,295.21 | 40,295.21 |
| Deemed Equity Contribution - Group Share-based payment scheme | 855.07 | - |
| | **(11,166.46)** | **36,421.27** |

| | | |
|---|---|---|
| **Securities premium** | | |
| Balance as at the beginning of the year | 40,295.21 | 28,621.60 |
| Add: Securities premium on issue optionally fully convertible debentures | - | 11,673.61 |
| **Balance as at the end of the year** | **40,295.21** | **40,295.21** |
| **Retained earnings (Deficit in Statement of Profit and Loss)** | | |
| Balance as at the beginning of the year | (3,873.94) | (2,386.68) |
| Net Profit/ (Loss) for the year | (48,443.51) | (1,487.26) |
| *Items of other comprehensive income directly recognised in retained earnings* | | |
| Remeasurements of post-employment benefit obligations (net of tax) | 0.72 | - |
| **Balance as at the end of the year** | **(52,316.74)** | **(3,873.94)** |
| **Deemed Equity Contribution - Group Share-based payment scheme** | | |
| Balance as at the beginning of the year | - | - |
| Received from holding company/fellow subsidiary* (Refer below) | 855.07 | - |
| **Balance as at the end of the year** | **855.07** | **-** |

**Nature and purpose of reserves:**

**Securities premium**
Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**Retained earnings/General reserves**
Company's cumulative earnings since its formation minus dividends. These are available for distribution.

***Deemed Equity Contribution - Group Share-based payment scheme**
Represents amounts Paid through Vitalic Health Private Limited (erstwhile Holding company) to compensate the ESOP Holders of Vitalic ESOP 2019 of subsidiary company Netmeds Marketplace Limited and Dadha Pharma Distribution Private Limited (erstwhile subsidiary company)

**17(c) Instruments Classified as Equity**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 25,000 0.001% Optionally Fully Convertible Debentures Face Value Rs.10000 (Refer note(i) below) | 2,500.00 | - |
| | **2,500.00** | **-** |

Instruments classified as Equity includes 25,000 fully paid (previous year: NIL) 0.001% Unsecured Optionally Fully Convertible Debentures (OFCDs) of Face Value Rs.10,000 each held by Reliance Retail Ventures Limited (Holding Company). The Company has an option for early conversion at any time after allotment of the OFCDs by giving one-month notice to the Holder. The instrument is convertible into 1,000 equity shares for every 1 OFCD held, at the option of the Company at any time. The Equity Shares arising out of conversion of the OFCDs will rank pari passu in all respects with the then outstanding Equity Shares of the Company on the date of such conversion, except for dividend, which if declared, shall be paid on pro-rata basis from the date of allotment of such Equity Shares. The Company will settle the outstanding OFCDs on expiry of 10 years. OFCDs may be redeemed at any time earlier than 10 years (at any date after expiry of 30 days from the date of allotment of the OFCDs) at the option of the Company. Since the OFCDs are unsecured, no security is required to be created.

The reconciliation of the number of outstanding OFCD is set out below:

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Outstanding at the beginning of the year | - | - |
| Add: Issued during the year | 25,000 | - |
| Outstanding at the end of the year | **25,000** | **-** |

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **18 Borrowings** | | |
| **Non-current** | | |
| Unsecured loan | | |
| 0.001% optionally fully convertible debentures (Refer note below) | 5,206.55 | 6,203.37 |
| | **5,206.55** | **6,203.37** |

**Note:**
The Company had issued 145,82,116 optionally fully convertible debentures (OFCD) with a face value of INR 93 each for INR 13,561.37 lakhs over multiple tranches from 2016-17 to its erstwhile holding Company, Vitalic Health Private Limited.

The terms of the OFCD is maximum 10 years from the date of allotment i.e. at the end of the 10 year period, OFCD shall, unless converted into Equity shares in accordance with the terms thereof be redeemed. The face value of each OFCD is INR 93 each at a premium ranging from INR 338 to INR 371 and gives an option and entitlement to the OFCD holder to convert the same after a period of six months from the date of allotment of OFCDs in to 1 equity shares fully paid up against each outstanding 1 OFCD fully paid up. The OFCD shall carry interest at the rate of 0.001% per annum. The interest will be paid to the OFCD holder as on the relevant record date i.e. March 31 of every subsequent year, until the debenture are either redeemed or converted, as the case may be.

During the year, 3,728,112 OFCDs were redeemed. As on March 31, 2021 there are 10,854,004 OFCDs pending to be redeemed.

| | As at Mar 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Face value of the debentures issued and outstanding | 10,094.22 | 13,561.37 |
| Equity component of convertible debenture- value of conversion rights | 6,204.82 | 8,326.40 |
| | 3,889.40 | 5,234.97 |
| Interest expense (Refer note (i) below) | 1,317.39 | 968.65 |
| Interest paid | (0.25) | (0.25) |
| Non-current borrowings | 5,206.55 | 6,203.37 |

Interest expense was calculated by applying the effective interest rate of 7% to the liability component.

**Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| | As at Mar 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Cash and cash equivalents | 21.07 | 33.05 |
| Lease liabilities | (141.15) | (133.11) |
| Non-current borrowings | (5,206.55) | (6,203.37) |
| Current borrowings | - | (386.83) |
| **Net debt** | **(5,326.63)** | **(6,690.26)** |

**Tresara Health Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2021**
(All amounts are in INR lakhs, unless otherwise stated)

| | Other assets | Liabilities from financing activities | | |
|---|---|---|---|---|
| | Cash and cash equivalents | Lease liabilities | Non-current borrowings | Current borrowings |
| **Net debt as at March 31, 2019** | **2.79** | **-** | **(4,466.42)** | **(444.86)** |
| Cash flows | - | 9.96 | - | 58.03 |
| Additions | 30.26 | (143.07) | (1,216.60) | - |
| Interest expense | - | (7.99) | (520.48) | - |
| Interest paid | - | 7.99 | 0.13 | - |
| **Net debt as at March 31, 2020** | **33.05** | **(133.11)** | **(6,203.37)** | **(386.83)** |
| Cash flows | **(11.98)** | 39.22 | - | 386.83 |
| Additions | - | (32.04) | - | - |
| Interest expense | - | (15.22) | - | - |
| Conversion into equity shares | - | - | 996.82 | - |
| **Net debt as at March 31, 2021** | **21.07** | **(141.15)** | **(5,206.55)** | **-** |

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| **Secured** | | |
| *From banks* | | |
| Cash Credit from HDFC Bank | - | 386.83 |
| | **-** | **386.83** |

A. Cash credit from HDFC bank is repayable on demand and carries and interest rate of 9.60% per annum. The facility is secured by way of hypothecation of inventories and book debts and collaterally secured by land and building of the director of the Company. The entire amount outstanding is personally guaranteed by the directors of the Company.
B.During the current period the the CC Facilities from HDFC Bank has been foreclosed as on 30th October 2020

## 19 Trade payables

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total outstanding dues of creditors of micro, small and medium enterprises | 96.51 | 50.67 |
| Total outstanding dues of creditors other than micro, small and medium enterprises | 1,243.36 | 1,699.97 |
| | **1,339.88** | **1,750.64** |

**Dues to micro, small and medium enterprises**

| Particulars | As at Mar 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 96.51 | 50.67 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

| | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **20** | **Provisions** | | |
| | **Non-current** | | |
| | Provision for employee benefits: | | |
| | Gratuity (Refer Note 29) | 0.18 | 0.85 |
| | Leave encashment (Refer Note 29) | 0.28 | 0.60 |
| | | **0.46** | **1.45** |
| | **Current** | | |
| | Provision for employee benefits: | | |
| | Leave encashment (Refer Note 29) | - | 0.16 |
| | | **-** | **0.16** |
| **21** | **Current tax liabilities (net)** | | |
| | Current tax liabilities (Net of tax deducted at source Rs. 52.89 Lakhs) | 68.76 | - |
| | | **68.76** | **-** |
| | Refer Note 9 for net current tax asset as at the end of March 31, 2020 | | |
| **22** | **Other current liabilities** | | |
| | Advance from customers | 35.10 | 353.33 |
| | Statutory dues including tax deducted at source | 2.79 | 9.33 |
| | Refund liabilities * | 852.99 | 204.56 |
| | Advances-Others | 0.69 | - |
| | | **891.58** | **567.22** |

* Where a customer has a right to return the products within a given period, the Company recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled. The Company also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods (refer note 15).

(All amounts are in INR lakhs, unless otherwise stated)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **23 Revenue from operations** | | |
| **Sale of traded products** | | |
| Pharmaceutical products and FMCG | 16,893.06 | 8,166.73 |
| | **16,893.06** | **8,166.73** |

**23.1** The Company has only one category of revenue stream and one reportable segment. The requirement to disclose disaggregate revenue under Ind AS 115 and its relationship with operating segments under Ind AS 108 is not required.

**23.2 Reconciliation of revenue with contract price**

| **Particulars** | **Year ended March 31, 2021** | **Year ended March 31, 2020** |
|---|---|---|
| Contract price | 17,551.87 | 7,784.52 |
| Adjustments : | | |
| Discounts given | (10.38) | (6.03) |
| Refund liabilities | (648.43) | 388.24 |
| **Revenue from operations as per Statement of Profit and Loss** | **16,893.06** | **8,166.73** |

**23.3 Contract balances**
Payments received in advance from customers (i.e., before transferring control of goods) is recognised as a contract liability. As and when the performance obligation is met, the same is recognized as revenue. Contract liabilities are represented by "Advance from customers" (refer note 21). The entire amount of contract liability in the beginning (i.e., the closing balance of previous period) was recognised as revenue in the current period.

**23.4 Performance obligations**
The performance obligation of the contracts with customers has an original expected duration of one year or less, therefore applying the practical expedient under Para 121 of Ind AS 115, the transaction price allocated to the remaining performance obligations are not disclosed.

**Tresara Health Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2021**

(All amounts are in INR lakhs, unless otherwise stated)

| | | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|---|
| **24** | **Other income** | | |
| | Interest income from financial assets at amortised cost | | |
| | - Interest income on loans | 99.23 | 372.45 |
| | - on others | 0.52 | 0.21 |
| | Unwinding of discount on security deposits | 0.73 | 0.43 |
| | Net gain on sale of investment in mutual funds | 0.39 | 14.01 |
| | Guarantee commission | - | 25.00 |
| | Miscellaneous income | 1.02 | 0.93 |
| | Gain on Sale of Property Plant & Equipment | 0.27 | - |
| | | **102.16** | **413.03** |
| **25** | **Changes in inventories of stock-in-trade** | | |
| | **Opening balance** | | |
| | Traded goods | 973.09 | 166.06 |
| | Right to recover returned goods | 198.40 | 570.81 |
| | | **1,171.49** | **736.87** |
| | **Closing balance** | | |
| | Traded goods | 526.80 | 973.09 |
| | Right to recover returned goods | 815.46 | 198.40 |
| | | **1,342.26** | **1,171.49** |
| | **(Increase)/Decrease in stock-in-trade** | **(170.77)** | **(434.62)** |
| **26** | **Employee benefits expense** | | |
| | Salaries, wages and bonus | 14.26 | 23.81 |
| | Contribution to provident fund | 1.18 | 1.80 |
| | Gratuity (Refer Note 32) | 0.36 | 0.86 |
| | | **15.80** | **26.47** |
| **27** | **Depreciation expense** | | |
| | Depreciation of property, plant and equipment (Refer Note 3) | 28.76 | 10.49 |
| | Depreciation of right-of-use assets (Refer Note 4) | 35.03 | 16.96 |
| | | **63.79** | **27.45** |
| **28** | **Finance costs** | | |
| | Interest expense | | |
| | - on OFCD | 348.74 | 520.48 |
| | - on lease liabilities | 15.22 | 7.99 |
| | - others | 19.85 | 42.64 |
| | | **383.81** | **571.11** |

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **29 Other expenses** | | |
| Power and fuel | 20.02 | 15.97 |
| Rent | 14.40 | 47.18 |
| Repairs - others | 19.98 | 16.61 |
| Warehouse management charges | 0.57 | 8.56 |
| Commission | - | 0.46 |
| Rates and taxes | 9.42 | 4.14 |
| Travelling expenses | 2.70 | 2.05 |
| Manpower expenses | 231.00 | 188.00 |
| Payment to auditor | 10.24 | 6.90 |
| Professional fees | 37.48 | 18.08 |
| Communication expenses | 7.29 | 4.31 |
| Security charges | 10.61 | 13.53 |
| Lease rental adjustment | 5.25 | |
| Insurance Premium | 4.33 | 6.77 |
| Freight Charges | 0.43 | 46.01 |
| Packing Materials | 29.96 | - |
| Business Support Charges | 84.18 | 102.09 |
| Loss on sale of Investment | - | 2.31 |
| Loss allowance for credit impaired - claims receivable | 51.78 | 12.09 |
| Loss allowance for credit impaired loans - Others | 527.31 | 915.00 |
| Miscellaneous expenses | 50.91 | 0.63 |
| | **1,117.87** | **1,410.69** |

**Note 29 (a): Details of payments to auditors**

| | | |
|---|---|---|
| **Payment to auditors** | | |
| **As auditor** | | |
| Audit fee | 7.00 | 6.25 |
| Tax audit and other services | 3.24 | 0.50 |
| Certification fees | 0.25 | |
| Reimbursement of expenses | - | 0.15 |
| | **10.49** | **6.90** |

| | | |
|---|---|---|
| **30 Exceptional items** | | |
| Provision for Impairment of Investment (Refer Note I below) | (47,551.37) | - |
| Gain on Sale of Investment in Equity Shares of Subsidiary (Refer Note II below) | 199.54 | - |
| Loss on Sale of Investment in Capital Contribution of Subsidiary (Refer Note III below) | (625.05) | - |
| | **(47,976.89)** | **-** |

I. The Company has during the year ended 31 March 2021, considered an impairment in their investment of Equity shares in Netmeds Marketplace Limited to the extent of Rs. 47,551.37 Lakhs (including Rs. 788.03 Lakhs on deemed investment in Netmeds on account of Employee stock options) based on the 11 UA valuation under the Income tax act, 1961 and this has been included as exceptional item for the year ended 31 March 2021.

II. During the year, the company sold its entire stake in Dadha Pharma Distribution Private Limited to M/s Reliance Retail Ventures Limited. The gain on sale of investment in Dadha Pharma amounting to Rs. 199.54 Lakhs (Rs. 266.57 Lakhs less loss on de-recognition of deemed investment in Dadha Pharma Rs. 67.03 Lakhs) has been classified as exceptional item.

III. During the year, the company transferred its entire interest in the capital contribution of Medrx Technologies LLP to M/s Phalodi Support Services LLP. The loss on transfer of interest in Medrx Technologies LLP amounting to Rs. 625.05 Lakhs has been classified as exceptional item.

(All amounts are in INR lakhs, unless otherwise stated)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|---|---|
| **31 Income tax expense** | | |
| **(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:** | | |
| Profit/(Loss) before tax for the year | (48,325.13) | (1,487.26) |
| **Tax at the rate of 25.17% (March 31, 2020: 26%)** | **(12,163.44)** | **(374.34)** |
| **Tax effect of amounts which are not deductible (taxable) in calculating taxable income:** | | |
| Deferred taxes not created on tax losses, notional income and temporary timing differences | 12,281.82 | 386.69 |
| **Income tax expense** | **118.38** | **-** |
| **(b) Tax losses** | | |
| Unused tax losses for which no deferred tax asset has been recognised | - | (1,867.06) |

Note - On account of change in controlling interest in a closely held company, the company can no longer carry forward business losses. Hence, no deferred tax has been recognized on the expired unused tax losses.

(All amounts are in INR lakhs, unless otherwise stated)

## 32 Employee benefit obligations

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Compensated absences | - | 0.28 | 0.16 | 0.60 |
| Gratuity | - | 0.18 | | 0.85 |
| **Total employee benefit obligations** | **-** | **0.46** | **0.16** | **1.45** |

*amount below rounding off norms of the company

**(i) Other long-term employee benefit obligations - Compensated absences**

The leave obligations cover the Company's liability for earned leave. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment for such leave within the next 12 months.

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Leave obligations not expected to be settled within the next 12 months | 0.28 | 0.60 |

**(ii) Post employment obligations - Defined benefit plan - Gratuity**

The scheme is an unfunded defined benefit arrangement providing gratuity benefits, expressed in terms of accrued monthly salary and period of service. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The amount is payable at the time of separation from the Company or retirement, whichever is earlier.

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **For the year ended march 31, 2019** | | |
| **Opening balance** | **0.85** | |
| Current service cost | 0.32 | 0.85 |
| Interest expense/(income) | 0.04 | - |
| **Total amount recognised in profit or loss** | **0.36** | **0.85** |
| *Remeasurements* | | |
| (Gain)/loss from change in financial assumptions | 0.00 | - |
| Experience (gains)/losses | (0.73) | - |
| **Total amount recognised in other comprehensive income** | **(0.73)** | **-** |
| Employer contributions | | - |
| Benefit payments | (0.30) | - |
| **Balances as at year end** | **0.18** | **0.85** |

**(iii) Principal assumptions for actuarial valuation**

The significant actuarial assumptions were as follows:

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Discount rate | 5.45% | 5.79% |
| Salary growth rate | 9.00% | 9.00% |

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. The estimates of future salary increases, considered in actuarial valuation, take in to account, inflation, seniority, promotions and other relevant factors such as demand and supply in the employment market.

Information related to the previous four years has not been provided as this is the first year of applicability.

(All amounts are in INR lakhs, unless otherwise stated)

**(iv) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Change in assumption | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Discount rate** | | |
| + 1.00% | (0.01) | (0.04) |
| - 1.00% | 0.02 | 0.06 |
| **Salary growth rate** | | |
| + 1.00% | 0.01 | 0.06 |
| - 1.00% | (0.01) | (0.05) |
| **Attrition rate** | | |
| + 25% | (0.04) | (0.10) |
| - 25% | 0.05 | 0.13 |

The above sensitivity analyses 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.

**(v) Effect on future cash flows**

The weighted average duration of the gratuity obligation is 3.96 years (2020- 6.92 years.)
The expected maturity analysis of undiscounted gratuity is as follows:

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Less than a year | 0.00 | 0.00 |
| Between 2 - 5 years | 0.06 | 0.49 |
| Between 6 - 10 years | 0.12 | 0.41 |
| Between 11 - 15 years | 0.06 | 0.20 |
| Over 15 years | 0.06 | 0.17 |

(All amounts are in INR lakhs, unless otherwise stated)

## 33 Fair value measurements

### Financial instruments measured at Amortised Cost

| | Note | Hierarchy | March 31, 2021 | March 31, 2020 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Loans | 6 | NA | 790.70 | 4,184.11 |
| Other financial assets | 8 | NA | 0.65 | 178.50 |
| Trade receivables | 12 | NA | 1,236.00 | 985.87 |
| Cash and cash equivalents | 13 | NA | 21.07 | 33.05 |
| Bank balances other than cash and cash equivalents | 14 | NA | 1.35 | 1.27 |
| **Total financial assets** | | | **2,049.76** | **5,382.80** |

| | Note | Hierarchy | March 31, 2021 | March 31, 2020 |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Borrowings | 18 | NA | 5,206.55 | 6,590.20 |
| Trade payables | 19 | NA | 1,339.88 | 1,750.64 |
| Other financial liabilities | 4 | NA | 141.15 | 133.11 |
| **Total financial liabilities** | | | **6,687.57** | **8,340.84** |

### Financial instruments measured at FVTPL

| | Note | Hierarchy | March 31, 2021 | March 31, 2020 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Current Investment | 10 | Level 2 | 50.00 | - |
| **Total financial assets** | | | **50.00** | **-** |

The Company has investments in subsidiaries that are carried at cost under Ind AS 27, Separate Financial Statements, and hence are not disclosed in the above table.

**Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at 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 (for example, traded bonds, over-the-counter derivatives) 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. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between levels 1 and 2 during the year.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

There has been no significant change between the discounting rate used on the date of transaction and as at the end of the period for assets and liabilities measured at amortised cost. Hence, the carrying value is taken as fair value.

## 34 Financial risk management

The Company's financial principal liabilities comprises borrowings and trade payables. The main purpose of these financial liabilities to finance the Company operation. The Company's main financial assets includes loans, trade receivable, cash and cash equivalent and other bank balances derived from its operations.

| Risk | Exposure arising from | Measurement |
|---|---|---|
| Credit risk<br>(Refer Note A) | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Ageing analysis<br>Credit ratings |
| Liquidity risk<br>(Refer Note B) | Borrowings and other liabilities | Current ratio, Undrawn facilities |

### A. *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers including outstanding receivables and financial assets measured at amortised cost.

***(i) Credit risk management***

a) Credit risk on deposits is mitigated by depositing the funds in reputed private sector banks.
b) Credit risk on unsecured deposits is managed based on Company's established policy, procedures and controls. Outstanding deposits are regularly monitored and assessed for their recoverability.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company periodically monitors the recoverability and credit risks of its other financials assets including security deposits and other receivables.

***(ii) Impairment of financial assets***
The Company has two types of financial assets that are subject to expected credit model:
a) Trade receivables for sale of inventory
b) Claim receivables for claims lodged with the suppliers.
c) Loans

*Expected credit loss for financial assets other than trade receivables*

Entity's claims receivables are measured at amortised cost and are considered to have low credit risk, and the loss allowance recognised is restricted to 12 months' expected credit losses. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual obligations in the near term. The Company assesses whether there has been a significant increase in credit risk by comparing the risk of default at inception of the contract with the risk of default as at the reporting date by considering forward-looking information. Based on such assessment, the management considered that there has not been a significant risk in credit risk and has accordingly provided for 12-month expected credit losses. The Company has three parties who owes dues in excess of 10% of the total loans for the current year.

*Expected credit loss trade receivables - simplified approach*

Customer credit risk is managed by the Company based on established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on prior experience. Outstanding customer receivables are regularly monitored and assessed for its recoverability. Default is said to occur when the amount remains outstanding beyond the agreed credit period. An impairment analysis is performed at each reporting date on an individual basis for major clients. This is done by taking into account the financial position, past experience and other industry-wide factors. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

***Claims receivables***

| Particulars | Loss allowance measured at 12 month expected credit loss | Loss allowance measured at life-time expected credit losses | |
|---|---|---|---|
| | | Financial assets for which credit risk has increased significantly and not credit-impaired | Financial assets for which credit risk has increased significantly and credit-impaired |
| **Loss allowance on March 31, 2019** | **70.32** | **-** | **-** |
| Changes in loss allowance | | | |
| - Provision made during the year | 12.09 | - | - |
| - Written off | - | - | - |
| - Recoveries | - | - | - |
| **Loss allowance on March 31, 2020** | **82.41** | **-** | **-** |
| Changes in loss allowance | | | |
| - Provision made during the year | 51.78 | - | - |
| - Written off | (0.56) | - | - |
| - Recoveries | - | - | - |
| **Loss allowance on March 31, 2021** | **133.63** | **-** | **-** |

**B. Liquidity risk**

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Management monitors the Company's liquidity requirements on the basis of monthly and yearly projections. The Company's principal source of liquidity are cash flows that are generated from operations and surplus cash is deposited in the banks which are liquidated based on working capital requirements. The amounts disclosed in the table are the maturity profile of contractual undiscounted cash flows of the Company's financial liabilities:

| Particulars | Less than 6 months | 6 months to 1 year | More than 1 year | Total |
|---|---|---|---|---|
| **As at March 31, 2021** | | | | |
| Borrowings - non-current | - | - | 5,206.55 | **5,206.55** |
| Lease liabilities | 16.40 | 16.40 | 108.36 | **141.15** |
| Borrowings - current | - | - | - | **-** |
| Trade payables | 1,339.87 | - | - | **1,339.87** |
| **Total** | **1,356.27** | **16.40** | **5,314.90** | **6,687.57** |
| **As at March 31, 2020** | | | | |
| Borrowings - non-current | - | - | 6,203.37 | **6,203.37** |
| Lease liabilities | 11.36 | 11.36 | 110.39 | **133.11** |
| Borrowings - current | 386.83 | - | - | **386.83** |
| Trade payables | 1,750.64 | - | - | **1,750.64** |
| **Total** | **2,148.83** | **11.36** | **6,313.76** | **8,473.95** |

**C. Capital management**

The Company'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

• manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings (including current maturities of long-term borrowings and interest accrued) as reduced by cash and cash equivalents.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Net debt** | | |
| Debt | 5,347.71 | 6,723.05 |
| Cash and cash equivalents | 21.07 | 33.05 |
| | 5,326.63 | 6,690.00 |
| **Equity** | (2,049.28) | 45,160.03 |
| **Net debt - equity ratio (percentage)** | **(259.93%)** | **14.81%** |

The net debt to equity ratio has dropped from 14.81% to (259.93%) during the year which is primarily attributable to overall reduction in equity by way of loss on sale and provision for impairment of Investments

(All amounts are in INR lakhs, unless otherwise stated)

## 35 Related party transactions

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

**A. Name of related parties and nature of relationship**

**(i) Where control exists**

| | |
|---|---|
| **Ultimate Holding Company** | Reliance Industries Limited (w.e.f August 18, 2020) |
| **Holding company** | Vitalic Health Private Limited (up to August 17, 2020)<br>Reliance Retail Ventures Limited (w.e.f August 18, 2020) |
| **Subsidiaries** | Dadha Pharma Distribution Private Limited (up to August 17, 2020)<br>Netmeds Marketplace Limited<br>Medrx Technologies LLP (Formerly Medrx Distributors LLP) (up to August 14, 2020) |
| **Fellow Subsidaries (w.e.f August 18, 2020)** | Dadha Pharma Distribution Private Limited<br>Vitalic Health Private Limited<br>Reliance Retail Limited<br>Reliance Jio Infocomm Limited<br>Reliance Projects & Property Management Services Limited<br>TV18 Broadcast Limited<br>Indiawin Sports Private Limited<br>Reliance Brands Limited<br>Reliance Corporate IT Park Limited<br>Reliance Petro Marketing Limited<br>Rise Worldwide Limited (formerly known as "IMG Reliance Limited")<br>Football Sports Development Limited |
| **Step down subsidiary** | Netmeds Health Private Limited (formerly known as Medmemo Marketplace Private Limited and Netmeds Health and Wellness Marketplace Private Limited ) (up to July 30, 2020) |

**B. Other related parties with whom transactions have taken place during the year**

| | | |
|---|---|---|
| **Key management personnel (KMP)** | S Mohanchand Dadha* (resigned w.e.f January 21, 2021) | Director |
| | M Pradeep Dadha* | Director |
| | Nikhil Chakrapani* (w.e.f. September 14, 2020) | Director |
| | Advait Suhas Pandit* (w.e.f January 21, 2021) | Additional Director |
| | Prerna Jain | Company Secretary |

*No transactions during the year with these KMP

| | |
|---|---|
| **Entities in which Directors have an interest** | Dadha Pharma Private Limited |

(All amounts are in INR lakhs, unless otherwise stated)

**35 Related party transactions (Contd…)**

**B. Transactions with related parties**

| Name of the related party | Holding Company/Ultimate Holding Company | | Subsidiary | | Fellow Subsidiaries/Associates of Holding Company | | Key management personnel (KMP) | | Entities in which directors have an interest | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Sale of goods** | | | | | | | | | | |
| Dadha Pharma Distribution Private Limited | - | - | - | - | 0.29 | - | - | - | - | - |
| Reliance Industries Limited | 209.70 | - | - | - | - | - | - | - | - | - |
| Netmeds Marketplace Limited | - | - | 7.76 | - | - | - | - | - | - | - |
| Reliance Retail Limited | - | - | - | - | 7,697.64 | - | - | - | - | - |
| Football Sports Development Limited | - | - | - | - | 3.22 | - | - | - | - | - |
| Reliance Jio Infocomm Limited | - | - | - | - | 98.57 | - | - | - | - | - |
| Reliance Projects & Property Management Services Limited | - | - | - | - | 4.23 | - | - | - | - | - |
| TV18 Broadcast Limited | - | - | - | - | 7.28 | - | - | - | - | - |
| Indiawin Sports Private Limited | - | - | - | - | 0.81 | - | - | - | - | - |
| Reliance Corporate It Park Limited | - | - | - | - | 22.60 | - | - | - | - | - |
| Rise Worldwide Limited (formerly known as "IMG Reliance Limited") | - | - | - | - | 2.35 | - | - | - | - | - |
| | | | | | | | - | | | |
| **Purchase of goods** | | | | | | | - | - | | |
| Dadha Pharma Distribution Private Limited | - | - | 11.41 | 192.86 | 113.73 | - | - | - | - | - |
| | | | | | | | - | | | |
| **Rent** | | | | | | | - | - | | |
| Dadha Pharma Private Limited | - | - | - | - | - | - | - | - | 11.23 | 17.59 |
| | | | | | | | - | | | |
| **Power and fuel** | | | | | | | - | - | | |
| Dadha Pharma Private Limited | - | - | - | - | - | - | - | - | 0.66 | 3.13 |
| | | | | | | | - | | | |
| **Manpower services** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | 231.00 | 188.00 | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Interest income** | | | | | | | - | - | | |
| Dadha Pharma Distribution Private Limited | - | - | 25.02 | 78.32 | 33.36 | - | - | - | - | - |
| Netmeds Marketplace Limited | - | - | 40.85 | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Remuneration paid** | | | | | | | - | - | | |
| Prerna Jain | - | - | - | - | - | - | 5.04 | - | - | - |
| | | | | | | | - | | | |
| **Interest paid** | | | | | | | - | - | | |
| Vitalic Health Private Limited | 0.38 | 0.12 | - | - | - | - | - | - | - | - |
| Reliance Retail Ventures Limited | 15.10 | - | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |

**Tresara Health Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2021**
(All amounts are in INR lakhs, unless otherwise stated)

**35 Related party transactions (Contd…)**

**B. Transactions with related parties**

| Name of the related party | Holding Company/Ultimate Holding Company | | Subsidiary | | Fellow Subsidiaries/Associates of Holding Company | | Key management personnel (KMP) | | Entities in which directors have an interest | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Loans given** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | 1,500.00 | - | - | - | - | - | - | - |
| **Refundable Security Deposits given** | | | | | | | | | | |
| Netmeds Marketplace Limited | - | - | 300.00 | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Loans repaid** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | 1,500.00 | - | - | - | - | - | - | - |
| **Refundable Security Deposits repaid** | | | | | | | | | | |
| Netmeds Marketplace Limited | - | - | 300.00 | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Repayment received towards loans advanced** | | | | | | | - | - | | |
| Dadha Pharma Distribution Private Limited | - | - | - | 246.86 | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Advance from vendors** | | | | | | | - | - | | |
| Vitalic Nutrition Private Limited | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Optionally fully convertible debentures issued (including securities premium)** | | | | | | | - | - | | |
| Vitalic Health Private Limited | - | 14,831.07 | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Investments in Optionally fully convertible debentures** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | 1,580.00 | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Investments** | | | | | | | - | - | | |
| Dadha Pharma Distribution Private Limited | - | - | - | - | - | - | - | - | - | - |
| Netmeds Marketplace Limited | - | - | 1,308.99 | 14,449.93 | - | - | - | - | - | - |
| Medrx Technologies LLP | - | - | 105.50 | 520.00 | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Reimbursement of expenses** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Impairment of Investments** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | 46,763.34 | - | - | - | - | - | - | - |
| | | | | | | | - | | | |

(All amounts are in INR lakhs, unless otherwise stated)

**35 Related party transactions (Contd…)**

**B. Transactions with related parties**

| Name of the related party | Holding Company/Ultimate Holding Company | | Subsidiary | | Fellow Subsidiaries/Associates of Holding Company | | Key management personnel (KMP) | | Entities in which directors have an interest | |
|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Business Support Charges** | | | | | | | - | - | | |
| Vitalic Health Private Limited | 28.00 | 102.09 | - | - | 56.00 | - | - | - | - | - |
| Vitalic Nutrition Private Limited | | | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Sale of fixed assets** | | | | | | | - | - | | |
| Vitalic Nutrition Private Limited | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Borrowings repaid** | | | | | | | - | - | | |
| Reliance Retail Ventures Limited | 350.00 | - | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Interest On Compound Financial Instruments-** | | | | | | | | | | |
| **Optionally Fully convertible Debentures** | | | | | | | - | - | | |
| Vitalic Health Private Limited | - | - | - | - | 348.74 | - | - | - | - | - |
| | | | | | | | - | | | |
| **Deemed Investments** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | 788.04 | - | - | - | - | - | - | - |
| Dadha Pharma Distribution Private Limited | - | - | 67.03 | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Impairment of Deemed Investments** | | | | | | | - | - | | |
| Netmeds Marketplace Limited | - | - | 788.04 | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Optionally Fully convertible debentures** | | | | | | | - | - | | |
| Reliance Retail Ventures Limited | 2,500.00 | - | - | - | - | - | - | - | - | - |
| | | | | | | | - | | | |
| **Optionally Fully convertible debentures repaid** | | | | | | | - | - | | |
| Vitalic Health Private Limited | 2,675.15 | - | - | - | 792.00 | - | - | - | - | - |

(All amounts are in INR lakhs, unless otherwise stated)

### 35 Related party transactions (Contd…)

#### C. Balances as at year end

| Name of the related party | Holding Company/Ultimate Holding Company | | Subsidiary | | Fellow Subsidiaries/Associates of Holding Company | | Entities in which directors have an interest | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Trade receivables** | | | | | | | | |
| Reliance Industries Limited | 190.59 | - | - | - | - | - | - | - |
| Dadha Pharma Distribution Private Limited | - | - | - | - | 19.49 | - | - | - |
| Netmeds Marketplace Limited | - | - | 8.40 | - | - | - | - | - |
| Reliance Corporate IT Park Limited | - | - | - | - | 30.84 | - | - | - |
| Reliance Projects & Property Management Services Limited | - | - | - | - | 5.13 | - | - | - |
| Reliance Petro Marketing Limited | - | - | - | - | 0.16 | - | - | - |
| Reliance Jio Infocomm Limited | - | - | - | - | 19.28 | - | - | - |
| Reliance Brands Limited | - | - | - | - | 0.16 | - | - | - |
| Indiawin Sports Private Limited | - | - | - | - | 0.94 | - | - | - |
| TV18 Broadcast Limited | - | - | - | - | 2.58 | - | - | - |
| Football Sports Development Limited | - | - | - | - | 1.26 | - | - | - |
| Reliance Group Support Services Private Limited | - | - | - | - | 0.57 | - | - | - |
| Rise Worldwide Limited | - | - | - | - | 0.24 | - | - | - |
| Reliance Retail Limited | - | - | - | - | 888.14 | - | - | - |

(All amounts are in INR lakhs, unless otherwise stated)

**35 Related party transactions (Contd…)**

**C. Balances as at year end**

| Name of the related party | Holding Company/Ultimate Holding Company | | Subsidiary | | Fellow Subsidiaries/Associates of Holding Company | | Entities in which directors have an interest | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Trade payables** | | | | | | | | |
| Dadha Pharma Distribution Private Limited | - | - | - | 120.66 | - | - | - | - |
| Netmeds Marketplace Limited | - | - | 114.62 | 218.08 | - | - | - | - |
| Vitalic Health Private Limited | - | 41.04 | - | - | 54.15 | - | - | - |
| Dadha Pharma Private Limited | - | - | - | - | - | - | - | 1.63 |
| **Non-current Investment** | | | | | | | | |
| Dadha Pharma Distribution Private Limited | - | - | - | 551.00 | - | - | - | - |
| Netmeds Marketplace Limited | - | - | - | 45,454.34 | - | - | - | - |
| Medrx Technologies LLP | - | - | - | 520.55 | - | - | - | - |
| **Short-term loans and advances** | | | | | | | | |
| Dadha Pharma Distribution Private Limited | - | - | - | 841.44 | 770.95 | - | - | - |
| **Guarantee outstanding** | | | | | | - | - | - |
| Dadha Pharma Distribution Private Limited | - | - | - | 1,452.39 | - | - | - | - |
| | | | | | | - | - | - |
| **Deemed Equity contribution** | | | | | | | | |
| Reliance Retail Ventures Limited | 855.07 | - | - | - | - | - | - | - |
| **Investments-Optionally fully convertible debentures** | | | | | | | | |
| Netmeds Marketplace Limited | - | - | 1,580.00 | - | - | - | - | - |
| **Optionally fully convertible debentures** | | | | | | | | |
| Vitalic Health Private Limited | - | 13,561.37 | - | - | 10,094.22 | - | - | - |
| Reliance Retail Ventures Limited | 2,500.00 | - | - | - | - | - | - | - |

*(All amounts are in INR lakhs, unless otherwise stated)*

## 36 Segment reporting

**(a) Description of segments**

The board of directors as chief operating decision maker (CODM) of the Company for the purpose of resource allocation and segment performance focuses on single business segment of distribution, import and export of pharmaceuticals, medicines, antibiotics, drugs, biologicals, neutracitcals, ayurvedic, healthcare and allied products and hence, there is only one reportable business segment in terms of Ind AS 108, Operating Segments.
The Chief operational decision maker (Board of Directors) monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

**(b) Segment revenue**

The Company is domiciled in India. Entire revenue from the operating segment is derived from India.

(c) All non-current assets of the Company are located in India.

## 37 Commitments

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **(a) Other Commitments** | | |
| Bank Undertaking in respect of credit facilities sanctioned by IDBI Bank to Dadha Pharma Distribution Private Limited. | - | 500.00 |

## 38 Contingent liabilities

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Corporate guarantee in respect of credit facilities sanctioned by IDBI Bank to Dadha Pharma Distribution Private Limited. | - | 2,000.00 |
| Amount outstanding in respect of above as at the year end | - | 1,452.39 |

(All amounts are in INR lakhs, unless otherwise stated)

**39 Earnings per share**

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Basic earnings per share** | | |
| Profit/(Loss) after tax (A) | (48,443.51) | (1,487.26) |
| Number of shares of INR 10 each at the beginning of the period/year | | |
| Equity shares | 41,23,562 | 35,77,709 |
| Instrument entirely equity in nature | | |
| - Compulsorily Convertible Preference Shares | - | 5,45,853 |
| Number of shares of INR 10 each at the end of the period/year | | |
| Equity shares | 41,23,562 | 35,77,709 |
| Instrument entirely equity in nature | | |
| - Compulsorily Convertible Preference Shares | - | 5,45,853 |
| - Optionally Fully Convertible Debentures (includes issue made to Vitalic Health Private Limited and Reliance Retail Ventures Limited) | 2,44,15,648 | 1,32,24,269 |
| Weighted average number of equity shares of INR 10 each outstanding during the year (B) | 41,23,562 | 35,77,709 |
| Weighted average number of potential equity shares (arising out of Optionally fully convertible Debentures) of INR 10 each outstanding during the year (C) | 2,44,15,648 | 1,37,70,122 |
| Basic earnings per share - (in INR) (A/B) | (1,174.80) | (41.57) |
| Diluted Earnings per share- (in INR) (A/{B+C}) | (169.74) | (8.57) |

**40 Going Concern**

The Company has prepared its financial statements on going concern basis despite erosion in networth by 100%, taking into consideration the following factors:

a) Networth is eroded mainly due to exceptional items referred in Note 30, which are non-recurring in nature.

b) The Company has repaid all its external debts and extinguished its guarantees and contingencies. All borrowings as at March 31, 2021 are only with group companies.

c) The Company has entered into trading arrangements with its group companies and is expected to grow in the future. This is already reflected in the operating income for the current year.

d) The Comapany has a positive working capital as at March 31, 2021.

Based on the above factors and based on the business projections for FY 22, the Company is expected to have adequate funds to meets its obligations.

**41 Impact on account of COVID 19**

The spread of COVID-19 has severely affected business around the globe. Many countries, including India, have undertaken various measures to contain the spread of the virus including lock-downs, travel bans, quarantines, social distancing and other emergency measures. These measures have had a direct impact on businesses and have affected the supply chains and production of goods. Lower economic activity has also resulted in the suppressed demand for goods and services. The Company is engaged in the business of distribution of pharmaceuticals, medicines, antibiotics, drugs, biologicals, neutracitcals, ayurvedic, healthcare and allied products.

The Company being in the essential services segment has not experienced any significant disruptions affecting its business. In view of the lockdown and curfew announced across many states in India, the Company has undertaken and strengthened various measures to ensure the safety and wellbeing of its employees and has focused on continued delivery of pharmaceutical products across the country.

In assessing the recoverability of various assets including investments, property, plant and equipment, receivables and its obligations, the Company has considered internal and external information up to the date of approval of financial statements including liquidity and solvency position for the Company for the ensuing twelve months and economic forecasts relevant to the Company. The Company based on current indicators of future economic conditions and factors mentioned above, expects to recover the carrying amount of its assets and meet its obligations and concluded that no material adjustments required in their financial statements.

The impact of the global health pandemic may be different from that estimated, as at the date of approval of the financial statements, consequent to the highly uncertain economic environment and the Company will continue to closely monitor any material changes to future economic conditions and to carry out a definitive reassessment of the impact as circumstances evolve.

**42** The financial statements were authorized for issuance by the Company's Board of Directors on April 26, 2021.

**For and on behalf of Board of Directors**
**Tresara Health Private Limited**

**M Pradeep Dadha**
Director
DIN: 00087519

**Advait Suhas Pandit**
Director
DIN: 02972886

**Prerna Jain**
Company Secretary

Place: Chennai
Date: April 26, 2021