

**Dadha Pharma Distribution Private Limited**  
**Financial Statements**  
**2020-21**

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Dadha Pharma Distribution Private Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Dadha Pharma Distribution 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 profit and total comprehensive income, 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

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- 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.

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- 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.

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- 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - 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.

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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: 21209252AAAAFN4189**

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 Dadha Pharma Distribution 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.

# **Deloitte Haskins & Sells LLP**

## **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: 21209252AAAAFN4189**

Place: Chennai

Date: 26 April 2021

# Deloitte Haskins & Sells LLP

## 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 been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations
  - (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.

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- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Except for certain delays in Provident Fund and certain delays in Goods and services tax, the Company has been regular in depositing undisputed statutory dues, including Employees' State Insurance, Income-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) Details of dues of Income-tax and Goods and services tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of statute      | Nature of dues  | Amounts (Rs.) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------|---|---------------|------------------------------------|------------------------------------|
| Income Tax Act, 1961 | Income tax liability including interest and penalty as applicable | 3,64,376      | AY 2016-17                         | Commissioner of Income tax appeals |

- (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. The company has not issued any debentures.
- (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) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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.

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- (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 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: 21209252AAAAFN4189**

Place: Chennai  
Date: 26 April 2021

| <b>Dadha Pharma Distribution Private Limited</b>                                       |                        |  |                                 |
|--|------------------------|--|---------------------------------|
| <b>Balance Sheet as at March 31, 2021</b>  |                        |  |                                 |
| <i>(All amounts are in INR lakhs, unless otherwise stated)</i>                         |                        |  |                                 |
|  | <b>Note</b>            | <b>As at<br/>March 31, 2021</b>                  | <b>As at<br/>March 31, 2020</b> |
| <b>ASSETS</b>  |                        |  |                                 |
| <b>Non-current assets</b>  |                        |  |                                 |
| Property, plant and equipment  | 3                      | 28.62  | 30.69                           |
| Right-of-use assets  | 4                      | 9.89   | 1.48                            |
| Goodwill   | 5                      | 22.54  | 22.54                           |
| Other intangible assets  | 5                      | 1.86   | 2.48                            |
| Financial assets   |                        |  |                                 |
| (i) Loans  | 6                      | 64.21  | 100.08                          |
| (ii) Other financial assets  | 7                      | -  | 30.76                           |
| Deferred tax assets (net)  | 9                      | 60.80  | 62.61                           |
| <b>Total non-current assets</b>  |                        | <b>187.92</b>                                    | <b>250.64</b>                   |
| <b>Current assets</b>  |                        |  |                                 |
| Inventories  | 12                     | 1,855.89   | 1,491.67                        |
| Financial assets   |                        |  |                                 |
| (i) Trade receivables  | 13                     | 1,942.58   | 2,205.54                        |
| (ii) Cash and cash equivalents   | 14                     | 171.74   | 12.04                           |
| (iv) Investment  | 8                      | 250.00   | -                               |
| (v) Other financial assets   | 7                      | 70.77  | 147.48                          |
| Current tax assets   | 10                     | 23.05  | 10.42                           |
| Other current assets   | 11                     | 363.67   | 339.93                          |
| <b>Total current assets</b>  |                        | <b>4,677.70</b>                                  | <b>4,207.08</b>                 |
| <b>Total assets</b>  |                        | <b>4,865.62</b>                                  | <b>4,457.72</b>                 |
| <b>EQUITY AND LIABILITIES</b>  |                        |  |                                 |
| <b>EQUITY</b>  |                        |  |                                 |
| Equity share capital   | 15                     | 81.16  | 81.16                           |
| <b>Other equity</b>  |                        |  |                                 |
| Reserves and surplus   | 16                     | 901.72   | 755.57                          |
| <b>Total equity</b>  |                        | <b>982.88</b>                                    | <b>836.73</b>                   |
| <b>LIABILITIES</b>   |                        |  |                                 |
| <b>Non-current liabilities</b>   |                        |  |                                 |
| Financial liabilities  |                        |  |                                 |
| Lease liabilities  | 4                      | 6.15   | -                               |
| Provisions   | 17                     | 69.73  | 60.08                           |
| <b>Total non-current liabilities</b>   |                        | <b>75.88</b>                                     | <b>60.08</b>                    |
| <b>Current liabilities</b>   |                        |  |                                 |
| Financial liabilities  |                        |  |                                 |
| (i) Borrowings   | 18                     | 770.95   | 2,293.83                        |
| (ii) Trade payables  |                        |  |                                 |
| Total outstanding dues of micro and small enterprises                                  | 19                     | 4.53   | 2.28                            |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 19                     | 505.15   | 801.86                          |
| (iii) Lease liabilities  | 4                      | 3.54   | 1.60                            |
| (iv) Other financial liabilities   | 20                     | 2,027.83   | 43.15                           |
| Provisions   | 17                     | 4.04   | -                               |
| Other current liabilities  | 21                     | 490.82   | 418.19                          |
| <b>Total current liabilities</b>   |                        | <b>3,806.86</b>                                  | <b>3,560.91</b>                 |
| <b>Total liabilities</b>   |                        | <b>3,882.74</b>                                  | <b>3,620.99</b>                 |
| <b>Total equity and liabilities</b>  |                        | <b>4,865.62</b>                                  | <b>4,457.72</b>                 |
| See accompanying notes to the financial statements                                     |                        |  |                                 |
| This is the Balance Sheet referred in our report of even date.                         |                        |  |                                 |
| <b>For Deloitte Haskins &amp; Sells LLP</b>  |                        | For and on behalf of Board of Directors          |                                 |
| Chartered Accountants  |                        | <b>Dadha Pharma Distribution Private Limited</b> |                                 |
| <b>Ananthi Amarnath</b>  | <b>M Pradeep Dadha</b> | <b>Jethu Singh Bhati</b>                         |                                 |
| Partner  | Director               | Whole-time Director                              |                                 |
|  | DIN: 00087519          | DIN: 00104046                                    |                                 |
| Place: Chennai   | Place: Chennai         | Place: Ernakulam                                 |                                 |
| Date: April 26, 2021   | Date: April 26, 2021   | Date: April 26, 2021                             |                                 |

| <b>Dadha Pharma Distribution Private Limited</b>   |   |   |                                      |
|--|---|---|--------------------------------------|
| <b>Statement of Profit and Loss for the year ended March 31, 2021</b>  |   |   |                                      |
| <i>(All amounts are in INR lakhs, unless otherwise stated)</i>   |   |   |                                      |
|  | <b>Note</b>   | <b>Year ended<br/>March 31, 2021</b>  | <b>Year ended<br/>March 31, 2020</b> |
| <b>REVENUE</b>   |   |   |                                      |
| Sale of traded products  |   | 13,343.45   | 14,836.53                            |
| Less: GST recovered  |   | 1,441.23  | 1,588.73                             |
| Revenue from operations  | 22  | 11,902.22   | 13,247.80                            |
| Other income   | 23  | 4.17  | 3.97                                 |
| <b>Total income</b>  |   | <b>11,906.39</b>  | <b>13,251.77</b>                     |
| <b>EXPENSES</b>  |   |   |                                      |
| Purchases of stock-in-trade (Pharmaceutical products and FMCGs)  |   | 11,355.62   | 12,016.21                            |
| Changes in inventories of stock-in-trade   | 24  | (363.26)  | 241.51                               |
| Employee benefits expense  | 25  | 221.27  | 248.06                               |
| Depreciation and amortisation expense  | 26  | 15.19   | 17.28                                |
| Finance costs  | 27  | 145.40  | 216.56                               |
| Other expenses   | 28  | 407.37  | 438.73                               |
| <b>Total expenses</b>  |   | <b>11,781.59</b>  | <b>13,178.35</b>                     |
| <b>Profit before tax</b>   |   | <b>124.80</b>   | <b>73.42</b>                         |
| Income tax expense   | 29  |   |                                      |
| Current tax  |   | 35.10   | 39.05                                |
| Deferred tax   |   | 1.81  | (13.39)                              |
| <b>Total tax expense</b>   |   | <b>36.91</b>  | <b>25.66</b>                         |
| <b>Profit/(Loss) after tax</b>   |   | <b>87.89</b>  | <b>47.76</b>                         |
| <i>Items that will not be reclassified to profit or loss</i>   |   |   |                                      |
| Remeasurements of post-employment benefit obligations (net of tax)   | 29  | (0.03)  | (2.61)                               |
| Income tax relating to these items   |   | -   | 0.73                                 |
| <b>Other comprehensive income/(loss) for the year</b>  |   | <b>(0.03)</b>   | <b>(1.88)</b>                        |
| <b>Total comprehensive income for the year</b>   |   | <b>87.86</b>  | <b>45.88</b>                         |
| Earnings per equity share (Basic and Diluted) (in INR)<br>(Nominal value per share: Rs. 10 (March 31, 2020: Rs. 10)) | 36  | 10.83   | 5.88                                 |
| See accompanying notes to the financial statements   |   |   |                                      |
| This is the Statement of Profit and Loss referred to our report of even date.  |   |   |                                      |
| <b>For Deloitte Haskins &amp; Sells LLP</b><br>Chartered Accountants   |   | For and on behalf of Board of Directors<br><b>Dadha Pharma Distribution Private Limited</b> |                                      |
| <b>Ananthi Amarnath</b><br>Partner   | <b>M Pradeep Dadha</b><br>Director<br>DIN: 00087519 | <b>Jethu Singh Bhati</b><br>Whole-time Director<br>DIN: 00104046                            |                                      |
| Place: Chennai<br>Date: April 26, 2021   | Place: Chennai<br>Date: April 26, 2021              | Place: Ernakulam<br>Date: April 26, 2021  |                                      |

**Dadha Pharma Distribution 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      |
|---|-----------|--------------|
| As at April 1, 2019                               | 15        | 81.16        |
| Changes in equity share capital during the period |           | -            |
| <b>Balance as at March 31, 2020</b>               | <b>15</b> | <b>81.16</b> |
| Changes in equity share capital during the period |           | -            |
| <b>Balance as at March 31, 2021</b>               |           | <b>81.16</b> |

**B Other equity**

|  | Note | Reserves and surplus |                    |                   |   |                               | TOTAL         |
|--|------|----------------------|--------------------|-------------------|---|-------------------------------|---------------|
|  |      | Capital reserve      | Securities premium | Retained earnings | Deemed Equity Contribution - Group Share-based payment scheme | Employee stock option reserve |               |
| <b>Balance as at March 31, 2019</b>            |      | <b>3.96</b>          | <b>419.84</b>      | <b>274.97</b>     | -   | -                             | <b>698.77</b> |
| Profit for the year                            | 16   | -                    | -                  | 47.76             | -   | -                             | 47.76         |
| Other comprehensive income                     | 16   | -                    | -                  | (1.88)            | -   | -                             | (1.88)        |
| <b>Total comprehensive income for the year</b> |      | -                    | -                  | <b>45.88</b>      | -   | -                             | <b>45.88</b>  |
| Employees stock option expense                 | 25   | -                    | -                  | -                 | -   | 8.74                          | 8.74          |
| <b>Balance as at March 31, 2020</b>            |      | <b>3.96</b>          | <b>419.84</b>      | <b>323.03</b>     | -   | <b>8.74</b>                   | <b>755.57</b> |
| Profit for the year                            | 16   | -                    | -                  | 87.89             | -   | -                             | 87.89         |
| Other comprehensive income                     | 16   | -                    | -                  | (0.03)            | -   | -                             | (0.03)        |
| <b>Total comprehensive income for the year</b> |      | -                    | -                  | <b>87.86</b>      | -   | -                             | <b>87.86</b>  |
| Received from holding company                  |      | -                    | -                  | -                 | 67.03   | -                             | 67.03         |
| Employees stock option expense                 |      | -                    | -                  | -                 | -   | 27.82                         | 27.82         |
| Transfer to liability on cancellation of grant |      | -                    | -                  | -                 | -   | (36.56)                       | (36.56)       |
| <b>Balance as at March 31, 2021</b>            |      | <b>3.96</b>          | <b>419.84</b>      | <b>410.89</b>     | <b>67.03</b>  | -                             | <b>901.72</b> |

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

For and on behalf of Board of Directors  
**Dadha Pharma Distribution Private Limited**

**Ananthi Amarnath**  
Partner

**M Pradeep Dadha**  
Director  
DIN: 00087519

**Jethu Singh Bhati**  
Whole-time Director  
DIN: 00104046

Place: Chennai  
Date: April 26, 2021

Place: Chennai  
Date: April 26, 2021

Place: Ernakulam  
Date: April 26, 2021

| <b>Dadha Pharma Distribution Private Limited</b>                            |                                      |                                      |
|---|--------------------------------------|--------------------------------------|
| <b>Statement of Cash Flows for the year ended March 31, 2021</b>            |                                      |                                      |
| <i>(All amounts are in INR lakhs, unless otherwise stated)</i>              |                                      |                                      |
|   | <b>Year ended<br/>March 31, 2021</b> | <b>Year ended<br/>March 31, 2020</b> |
| <b>Cash flow from operating activities</b>                                  |                                      |                                      |
| Profit before tax   | 124.80                               | 73.42                                |
| <b>Adjustments for:</b>   |                                      |                                      |
| Finance costs   | 145.40                               | 216.56                               |
| Unwinding of interest on security deposit                                   | (0.25)                               | (0.27)                               |
| Depreciation and amortisation expense                                       | 15.19                                | 17.28                                |
| Bad debts written off   | 5.32                                 | 38.44                                |
| Loss allowance provision for credit impaired trade receivables              | -                                    | 22.86                                |
| Loss allowance provision for credit impaired claims receivable              | -                                    | 25.59                                |
| Employee share based payment expense  | 27.82                                | 8.74                                 |
| Interest income from financial assets at amortised cost                     | (3.92)                               | (3.22)                               |
| <b>Operating profit before working capital changes (1)</b>                  | <b>314.36</b>                        | <b>399.40</b>                        |
| <b>Changes in operating assets and liabilities:</b>                         |                                      |                                      |
| (Increase)/decrease in loans  | 0.35                                 | (54.83)                              |
| (Increase)/decrease in other current financial assets                       | 75.12                                | (58.63)                              |
| (Increase)/decrease in other current assets                                 | (23.74)                              | 59.08                                |
| (Increase)/decrease in trade receivables                                    | 257.64                               | 25.58                                |
| (Increase)/decrease in inventories  | (364.22)                             | 190.25                               |
| Increase/(decrease) in trade payables                                       | (294.46)                             | 109.42                               |
| Increase/(decrease) in other current financial liabilities                  | 1,960.94                             | (7.88)                               |
| Increase/(decrease) other non-current liabilities                           | -                                    | -                                    |
| Increase/(decrease) other current liabilities                               | 72.63                                | (59.71)                              |
| Increase/(decrease) in non current and current provisions                   | 13.66                                | 0.11                                 |
| <b>Sub-total (2)</b>  | <b>1,697.92</b>                      | <b>203.39</b>                        |
| <b>Cash generated from operations (1) + (2) = (3)</b>                       | <b>2,012.28</b>                      | <b>602.79</b>                        |
| Income taxes paid (net of refunds)  | (47.73)                              | (68.30)                              |
| <b>Net cash inflow from operating activities (A)</b>                        | <b>1,964.55</b>                      | <b>534.49</b>                        |
| <b>Cash flow from investing activities</b>                                  |                                      |                                      |
| Purchase of property, plant and equipment                                   | (8.63)                               | (2.36)                               |
| Purchase of investments in mutual funds                                     | (250.00)                             | -                                    |
| Loans recovered   | 35.00                                | (35.00)                              |
| Deposit Realised  | 30.76                                | (13.21)                              |
| Interest received   | 5.51                                 | 1.65                                 |
| <b>Net cash used in investing activities (B)</b>                            | <b>(187.36)</b>                      | <b>(48.92)</b>                       |
| <b>Cash flow from financing activities</b>                                  |                                      |                                      |
| Net movement in Short-term borrowings                                       | (1,522.88)                           | (271.27)                             |
| Equity Contribution   | 67.03                                | -                                    |
| Interest paid   | (157.56)                             | (213.69)                             |
| Payments related to lease liabilities                                       | (4.08)                               | (3.81)                               |
| <b>Net cash (used in) financing activities (C)</b>                          | <b>(1,617.49)</b>                    | <b>(488.77)</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)</b> | <b>159.70</b>                        | <b>(3.20)</b>                        |
| Cash and cash equivalents as at the beginning of the year                   | 12.04                                | 15.24                                |
| <b>Cash and cash equivalents as at the end of the year</b>                  | <b>171.74</b>                        | <b>12.04</b>                         |

**Dadha Pharma Distribution Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2021**  
*(All amounts are in INR lakhs, unless otherwise stated)*

**Reconciliation of cash and cash equivalents as per the Statement of Cash Flows**

Cash and cash equivalents as per above comprises of the following:

|   | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|---|---------------------------------|---------------------------------|
| Balances with banks                         |                                 |                                 |
| - In current accounts                       | 169.84                          | 1.68                            |
| Cash on hand                                | 1.90                            | 8.74                            |
| Cheques on hand                             | -                               | 1.62                            |
| <b>Balances per Statement of Cash Flows</b> | <b>171.74</b>                   | <b>12.04</b>                    |

See accompanying notes to the financial statements

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

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

For and on behalf of Board of Directors  
**Dadha Pharma Distribution Private Limited**

**Ananthi Amarnath**  
Partner

**M Pradeep Dadha**  
Director  
DIN: 00087519

**Jethu Singh Bhati**  
Whole-time Director  
DIN: 00104046

Place: Chennai  
Date: April 26, 2021

Place: Chennai  
Date: April 26, 2021

Place: Ernakulam  
Date: April 26, 2021

## 1 Corporate Information

### 1.1 Brief description of the Company

Dadha Pharma Distribution Private Limited ('the Company') is a company incorporated in India having its registered office at New No.250/Old No. 268, 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 and trading of pharmaceutical products which include medicines, antibiotics, drugs, biologicals, nutraceuticals and healthcare 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) 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.

**(v) 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 29

Taxation - Refer note 2.04 and note 28

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 2.10

**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 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 gains/(losses).

**2.03 Revenue recognition**

**Sale of goods**

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 practice 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.

#### 2.05 Leases

##### *As a lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the 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 Company 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 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.

## **2.07 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.

## **2.08 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.

## **2.09 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 accounts 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.

(iii) 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.

## 2.10 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 calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| <b>Asset</b>              | <b>Useful life</b> |
|---------------------------|--------------------|
| Furniture and fixtures    | 10 years           |
| Vehicles                  | 8 years            |
| Office equipments         | 5 years            |
| Computers and accessories | 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 and are in line with those specified by Schedule II to the Companies Act, 2013. 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).

## 2.11 Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation / depletion and impairment loss, if any. Such cost includes purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

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 entity and the cost can be measured reliably.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

**(i) Goodwill**

Goodwill on business combination is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

**(ii) Computer software**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

**(iii) Amortisation methods and periods**

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

| <b>Asset</b>      | <b>Useful life</b> |
|-------------------|--------------------|
| Computer software | 4 years            |

The amortisation period and the amortisation method for Intangible Assets with a finite useful life are reviewed at each reporting date.

**2.12 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.

**2.13 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.

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

**2.14 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.

**2.15 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.

**2.16 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 Liabilities***

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They 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 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

***(iii) Post-employment obligations***

***(a) Defined contribution plans***

***Provident Fund***

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 benefits 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.

***(b) Defined benefit plans***

***Gratuity***

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan 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 actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits 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) Share-based payments:***

Share-based compensation benefits provided to employees via the "Vitalic ESOP 2019" plan, an employee share scheme by the Company's erstwhile ultimate holding company Vitalic Health Private Limited was discontinued in the current year vide resolution passed in the Extraordinary General Meeting of Vitalic Health Private Limited held on 15th June 2020 and cancellation of all options under the plan.

***Employee options:***

The option is treated as an equity-settled share-based payment as the Company does not have an obligation to settle the award. The fair value of options granted under the plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, any revision to the estimates of the number of options that are expected to vest based on the non-market vesting and service conditions, if any, are recognised, in profit or loss, with a corresponding adjustments to equity.

**2.17 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.

**2.18 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.

**2.19 Inventories**

Inventories are stated at lower of cost or net realisable value. The cost of traded goods comprises the cost of purchases (after deducting rebates and discount) and the all other cost of bringing the inventories to their present location and condition. Cost is assigned to the individual items of inventory on the basis of First in first out method. 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. Inventories are written down for expired goods, wherever necessary

**2.20 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.

**2.21 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.

**Dadha Pharma Distribution 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**

|   | Furniture and fixtures | Vehicles    | Office equipments | Computers and accessories | Total        |
|---|------------------------|-------------|-------------------|---------------------------|--------------|
| <b>Year ended March 31, 2021</b>                      |                        |             |                   |                           |              |
| <b>Gross carrying amount</b>                          |                        |             |                   |                           |              |
| Opening gross carrying amount as at April 1, 2020     | 38.08                  | 8.96        | 8.84              | 4.22                      | 60.10        |
| Additions   | 3.30                   | -           | 1.07              | 4.26                      | 8.63         |
| Disposals   | -                      | -           | -                 | -                         | -            |
| Closing gross carrying amount as on March 31, 2021    | 41.38                  | 8.96        | 9.91              | 8.48                      | 68.73        |
| <b>Accumulated depreciation</b>                       |                        |             |                   |                           |              |
| Opening accumulated depreciation as at April 1, 2020  | 17.83                  | 4.72        | 4.12              | 2.74                      | 29.41        |
| Depreciation charge during the year                   | 6.29                   | 1.32        | 0.98              | 2.11                      | 10.70        |
| Disposals   | -                      | -           | -                 | -                         | -            |
| Closing accumulated depreciation as on March 31, 2021 | 24.12                  | 6.04        | 5.10              | 4.85                      | 40.11        |
| <b>Net carrying amount as on April 1, 2020</b>        | <b>20.25</b>           | <b>4.24</b> | <b>4.72</b>       | <b>1.48</b>               | <b>30.69</b> |
| <b>Net carrying amount as on March 31, 2021</b>       | <b>17.26</b>           | <b>2.92</b> | <b>4.81</b>       | <b>3.63</b>               | <b>28.62</b> |
| <b>Year ended March 31, 2020</b>                      |                        |             |                   |                           |              |
| <b>Gross carrying amount</b>                          |                        |             |                   |                           |              |
| Deemed cost as at April 1, 2019                       | 38.08                  | 8.96        | 7.46              | 3.23                      | 57.74        |
| Additions   | -                      | -           | 1.38              | 0.98                      | 2.37         |
| Additions from business combinations                  | -                      | -           | -                 | -                         | -            |
| Disposals   | -                      | -           | -                 | -                         | -            |
| Closing gross carrying amount                         | 38.08                  | 8.96        | 8.84              | 4.22                      | 60.10        |
| <b>Accumulated depreciation</b>                       |                        |             |                   |                           |              |
| Opening accumulated depreciation                      | 9.93                   | 2.80        | 2.64              | 1.14                      | 16.51        |
| Depreciation charge during the year                   | 7.90                   | 1.92        | 1.48              | 1.60                      | 12.90        |
| Disposals   | -                      | -           | -                 | -                         | -            |
| Closing accumulated depreciation                      | 17.83                  | 4.72        | 4.12              | 2.74                      | 29.41        |

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|   |              |             |             |             |              |
|---|--------------|-------------|-------------|-------------|--------------|
| <b>Net carrying amount as on March 31, 2020</b> | <b>20.25</b> | <b>4.24</b> | <b>4.72</b> | <b>1.48</b> | <b>30.69</b> |
|---|--------------|-------------|-------------|-------------|--------------|

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Refer Note 18 for information on Property,Plant and Equipment pledged as security by the Company

**Dadha Pharma Distribution 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)*

**4 Leases**

This note provides information for leases where the Company is a lessee. The Company generally enters into building leases. Rental contracts are typically made for fixed period from 11 months to 3 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:

|                            | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|----------------------------|---------------------------------|---------------------------------|
| <b>Right-of-use assets</b> |                                 |                                 |
| Buildings                  | 9.89                            | 1.48                            |
| <b>Total</b>               | <b>9.89</b>                     | <b>1.48</b>                     |

| <b>Description of Assets</b>                       | <b>Amount</b> |
|--|---------------|
| <b>I - Gross carrying value</b>                    |               |
| As at April 01, 2019                               | 8.58          |
| Additions  | -             |
| Disposals / Adjustments during the year            | -             |
| <b>As at March 31, 2020</b>                        | <b>8.58</b>   |
| As at April 01, 2020                               | 8.58          |
| Additions  | 12.28         |
| Disposals / Adjustments during the year            | -             |
| <b>As at March 31, 2021</b>                        | <b>20.86</b>  |
| <b>II. Accumulated depreciation and impairment</b> |               |
| As at April 01, 2019                               | 3.55          |
| Charge for the year                                | 3.55          |
| Disposals / Adjustments during the year            | -             |
| <b>As at March 31, 2020</b>                        | <b>7.10</b>   |
| As at April 01, 2020                               | 7.10          |
| Charge for the year                                | 3.87          |
| Disposals / Adjustments during the year            | -             |
| <b>As at March 31, 2021</b>                        | <b>10.97</b>  |
| <b>III. Net Carrying Value</b>                     |               |
| <b>As at March 31, 2020</b>                        | <b>1.48</b>   |
| <b>As at March 31, 2021</b>                        | <b>9.89</b>   |

Additions to the right-of-use assets during the current financial year were ₹12.28 lakhs (31 March 2020 NIL).

**Lease liabilities**

|              |             |             |
|--------------|-------------|-------------|
| Current      | 3.54        | 1.60        |
| Non-current  | 6.15        | -           |
| <b>Total</b> | <b>9.69</b> | <b>1.60</b> |

| <b>Description of Liabilities</b> | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|-----------------------------------|---------------------------------|---------------------------------|
| <b>Opening balance</b>            | <b>1.60</b>                     | <b>5.06</b>                     |
| Additions                         | 11.51                           | -                               |
| Finance cost accrued              | 0.66                            | 0.35                            |
| Deletions                         | -                               | -                               |
| Payment of lease liabilities      | (4.08)                          | (3.81)                          |
| <b>Closing Balance</b>            | <b>9.69</b>                     | <b>1.60</b>                     |

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

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

|  | <b>As at<br/>March 31, 2021</b> | <b>As at<br/>March 31, 2020</b> |
|--|---------------------------------|---------------------------------|
| Depreciation of for right-of-use assets                            |                                 |                                 |
| Buildings  | 3.87                            | 3.55                            |
|  | <b>3.87</b>                     | <b>3.55</b>                     |
| Interest expense (included in finance costs)                       | 0.66                            | 0.35                            |
| Expense relating to short-term leases (included in other expenses) | 80.66                           | 73.02                           |

The total cash outflow for leases for the year ended March 31, 2021 was INR 4.08lakhs (March 31, 2020 - INR 76.84 lakhs)

**(iii) Extension and termination options**

Extension and termination options are considered in assessing 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 determining 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).

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.

**Dadha Pharma Distribution 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)***5 Intangible Assets**

|   | <b>Computer software</b> | <b>Goodwill</b> |
|---|--------------------------|-----------------|
| <b>Year ended March 31, 2020</b>                |                          |                 |
| <b>Gross carrying amount</b>                    |                          |                 |
| Opening gross carrying amount                   | 4.41                     | 22.54           |
| Additions                                       | -                        | -               |
| Disposals                                       | -                        | -               |
| Closing gross carrying amount                   | 4.41                     | 22.54           |
| <b>Accumulated amortisation</b>                 |                          |                 |
| Opening accumulated amortisation                | 1.10                     | -               |
| Amortisation charge during the year             | 0.83                     | -               |
| Disposals                                       | -                        | -               |
| Closing accumulated amortisation                | 1.93                     | -               |
| <b>Net carrying amount</b>                      | <b>2.48</b>              | <b>22.54</b>    |
| <b>Year ended March 31, 2021</b>                |                          |                 |
| <b>Gross carrying amount</b>                    |                          |                 |
| Opening gross carrying amount                   | 4.41                     | 22.54           |
| Additions                                       | -                        | -               |
| Disposals                                       | -                        | -               |
| Closing gross carrying amount                   | 4.41                     | 22.54           |
| <b>Accumulated amortisation</b>                 |                          |                 |
| Opening accumulated amortisation                | 1.93                     | -               |
| Amortisation charge during the year             | 0.62                     | -               |
| Disposals                                       | -                        | -               |
| Closing accumulated amortisation                | 2.55                     | -               |
| <b>Net carrying amount as on March 31, 2020</b> | <b>2.48</b>              | <b>22.54</b>    |
| <b>Net carrying amount as on March 31, 2021</b> | <b>1.86</b>              | <b>22.54</b>    |

**Dadha Pharma Distribution 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<br>March 31, 2021    | As at<br>March 31, 2020 |
|--|----------------------------|-------------------------|
| <b>6 Financial assets-Loans</b>  |                            |                         |
| <b>Non-current</b>   |                            |                         |
| Unsecured, considered good   |                            |                         |
| Security deposits  | 64.21                      | 65.08                   |
| Loan to directors  | -                          | 35.00                   |
|  | <b>64.21</b>               | <b>100.08</b>           |
| <b>7 Other financial assets</b>  |                            |                         |
| <b>Non-current</b>   |                            |                         |
| Unsecured, considered good   |                            |                         |
| Bank deposits with maturity of more than 12 months                                 | -                          | 30.76                   |
|  | <b>-</b>                   | <b>30.76</b>            |
| <b>Current</b>   |                            |                         |
| Unsecured, considered good unless otherwise specified                              |                            |                         |
| Claims receivable  | 70.41                      | 145.89                  |
| Claims receivable - credit impaired  | 73.19                      | 73.19                   |
| Less: Loss allowance for credit impaired   | (73.19)                    | (73.19)                 |
| Interest Receivable  | 0.36                       | -                       |
| Interest on loan to directors  | -                          | 1.59                    |
|  | <b>70.77</b>               | <b>147.48</b>           |
| <b>8 Investment - Current</b>  |                            |                         |
| <b>Investments Measured at Fair value Through Profit &amp; Loss</b>                |                            |                         |
|  | <b>No of Units</b>         | <b>Amount</b>           |
|  | As at<br>March 31,<br>2021 | As at<br>March 31, 2020 |
|  | As at<br>March 31, 2021    | As at<br>March 31, 2020 |
| Axis Mutual fund - Overnight fund Direct (Growth)                                  | 22,970.12                  | -                       |
|  | <b>22,970.12</b>           | <b>-</b>                |
| Aggregate amount of unquoted investments   | <b>250.00</b>              |                         |
| Aggregate amount of impairment in value of investments                             | -                          | -                       |
|  | <b>250.00</b>              | <b>-</b>                |
| <b>9 Deferred tax assets (Net)</b>   |                            |                         |
| <b>(i) Deferred tax assets</b>   |                            |                         |
| Provision for doubtful debts and advances  | 32.75                      | 34.89                   |
| Other timing differences (expenses disallowed u/s 43B of the Income tax Act, 1961) | 18.57                      | 16.73                   |
| Depreciation   | 9.48                       | 10.95                   |
| Right-of-use assets  | -                          | (0.41)                  |
| <b>(ii) Deferred tax liabilities</b>   |                            |                         |
| Lease liability  | -                          | 0.45                    |
| <b>Deferred tax assets (Net)</b>   | <b>60.80</b>               | <b>62.61</b>            |

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.

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

| Particulars   | At<br>April 1, 2019 | Expense for the<br>year ended 31<br>March 2020 | At<br>March 31, 2020 | Expense for the<br>year ended 31<br>March 2021 | At<br>March 31, 2021 |
|---|---------------------|--|----------------------|--|----------------------|
| Provision for doubtful debts and advances                                 | 21.80               | (13.09)  | 34.89                | 2.14   | 32.75                |
| Difference between book and tax written down value of depreciable fixed a | 10.68               | (0.27)   | 10.95                | 1.47   | 9.48                 |
| Other timing differences  | 16.00               | (0.73)   | 16.73                | (1.84)   | 18.57                |
| Lease contracts   | 0.01                | (0.03)   | 0.04                 | 0.04   | -                    |
|   | <b>48.49</b>        | <b>(14.12)</b>                                 | <b>62.61</b>         | <b>1.81</b>                                    | <b>60.80</b>         |

**Dadha Pharma Distribution 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<br>March 31, 2021 | As at<br>March 31, 2020 |
|--|-------------------------|-------------------------|
| <b>10 Current Tax Assets</b>   |                         |                         |
| Advance Tax and Tax deducted-at-source (Net of Provision for Tax of ₹ 35.10 lacs (FY 19-20: ₹ 39.05 lacs)  | 23.05                   | 10.42                   |
|  | <b>23.05</b>            | <b>10.42</b>            |
| <b>11 Other Current assets</b><br><i>(unsecured and considered good)</i>   |                         |                         |
| Balances with government authorities   | 29.03                   | -                       |
| Deposits with sales tax authorities  | -                       | 1.03                    |
| Advance to suppliers   | 5.78                    | 13.76                   |
| Prepaid expenses   | 8.77                    | 3.24                    |
| Advances to employees  | 0.83                    | 1.68                    |
| Right to recover returned goods  | 319.26                  | 320.22                  |
|  | <b>363.67</b>           | <b>339.93</b>           |
| <b>12 Inventories</b>  |                         |                         |
| Traded goods (Stock-in-trade)  |                         |                         |
| Pharmaceutical products and FMCGs  | 1,855.89                | 1491.67                 |
|  | <b>1,855.89</b>         | <b>1,491.67</b>         |
| <b>13 Trade receivables</b>  |                         |                         |
| Trade receivables considered good - Unsecured  | 1,942.58                | 2205.54                 |
| Trade receivables – credit impaired  | 53.61                   | 53.61                   |
| Less: Loss allowance for credit impaired   | (53.61)                 | (53.61)                 |
|  | <b>1,942.58</b>         | <b>2,205.54</b>         |
| 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. |                         |                         |
| <b>14 Cash and cash equivalents</b>  |                         |                         |
| Balances with banks  |                         |                         |
| - In current accounts  | 169.84                  | 1.68                    |
| Cash on hand   | 1.90                    | 8.74                    |
| Cheques in hand  | -                       | 1.62                    |
|  | <b>171.74</b>           | <b>12.04</b>            |

**15 Equity share capital**

|   | As at March 31, 2021 |              | As at March 31, 2020 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | Number of shares     | Amount       | Number of shares     | Amount       |
| <b>Authorised</b>                                 |                      |              |                      |              |
| Equity shares of INR 10 each                      | 10,00,000            | 100.00       | 10,00,000            | 100.00       |
| <b>Issued, subscribed and fully paid up</b>       |                      |              |                      |              |
| Equity shares of INR 10 each                      | 8,11,600             | 81.16        | 8,11,600             | 81.16        |
| <b>(i) Reconciliation of equity share capital</b> |                      |              |                      |              |
| Balance as at the beginning of the year           | 8,11,600             | 81.16        | 8,11,600             | 81.16        |
| <b>Balance as at the end of the year</b>          | <b>8,11,600</b>      | <b>81.16</b> | <b>8,11,600</b>      | <b>81.16</b> |

**(ii) Terms and rights attached to 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 shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Shares of the Company held by holding company**

|   | As at March 31, 2021 |              | As at March 31, 2020 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | Number of shares     | % of holding | Number of shares     | % of holding |
| Reliance Retail Ventures Limited (including shares held by Tresara Health Private Limited (including shares held by nominees) | 8,11,600             | 100.00%      | -                    | -            |
|   | -                    | -            | 8,11,600             | 100.00%      |

During the year, the shares held by Tresara Health Private Limited is sold to Reliance Retail Ventures Limited and is the holding company w.e.f August 18, 2020

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

|   | As at March 31, 2021 |              | As at March 31, 2020 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | Number of shares     | % of holding | Number of shares     | % of holding |
| Reliance Retail Ventures Limited (including shares held by Tresara Health Private Limited (including shares held by nominees) | 8,11,600             | 100.00%      | -                    | -            |
|   | -                    | -            | 8,11,600             | 100.00%      |

**Dadha Pharma Distribution 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)*

**16 Reserves and surplus**

|   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| Capital reserve   | 3.96                    | 3.96                    |
| Securities premium  | 419.84                  | 419.84                  |
| Retained earnings   | 410.89                  | 323.03                  |
| Employees stock option reserve  | -                       | 8.74                    |
| Deemed Equity Contribution - Group Share-based payment scheme                       | 67.03                   | -                       |
| <b>Total reserves and surplus</b>   | <b>901.72</b>           | <b>755.57</b>           |
| <b>Securities premium</b>   |                         |                         |
| Balance as at the beginning of the year   | 419.84                  | 419.84                  |
| <b>Balance as at the end of the year</b>  | <b>419.84</b>           | <b>419.84</b>           |
| <b>Retained earnings (Surplus in Statement of Profit and Loss)</b>                  |                         |                         |
| Balance as at the beginning of the year   | 323.03                  | 277.15                  |
| Net profit/(loss) for the year  | 87.86                   | 47.76                   |
| <i>Items of other comprehensive income directly recognised in retained earnings</i> |                         |                         |
| Remeasurements of post-employment benefit obligations (net of tax)                  | -                       | (1.88)                  |
| <b>Balance as at the end of the year</b>  | <b>410.89</b>           | <b>323.03</b>           |
| <b>Employees stock option reserve</b>   |                         |                         |
| Balance as at the beginning of the year   | 8.74                    | -                       |
| Employee stock option expense for the year  | 27.82                   | 8.74                    |
| Transfer to liability on modification to scheme                                     | (36.56)                 | -                       |
| <b>Balance as at the end of the year</b>  | <b>-</b>                | <b>8.74</b>             |
| <b>Deemed Equity Contribution - Group Share-based payment scheme</b>                |                         |                         |
| Balance as at the beginning of the year   | -                       | -                       |
| Received from holding company   | 67.03                   | -                       |
| <b>Balance as at the end of the year</b>  | <b>67.03</b>            | <b>-</b>                |

**Dadha Pharma Distribution 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)*

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**Nature and purpose of reserves:**

**Capital reserve**

Capital reserve represent reserve created pursuant to the business combinations.

**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**

Company's cumulative earnings since its formation minus dividends. These are available for distribution.

**Employees stock option reserve**

Share-based compensation benefits provided to employees via the "Vitalic ESOP 2019" plan, an employee share scheme by the Company's erstwhile ultimate holding company Vitalic Health Private Limited was discontinued in the current year vide resolution passed in the Extraordinary General Meeting of Vitalic Health Private Limited( erstwhile ultimate Holding company) held on 15th June 2020 and cancellation of all options under the plan((Refer Note 25.1). Accordingly, the reserve is reversed during the year

The option is treated as an equity-settled share-based payment as the Company does not have an obligation to settle the award. The fair value of options granted under the plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, any revision to the estimates of the number of options that are expected to vest based on the non-market vesting and service conditions, if any, are recognised, in profit or loss, with a corresponding adjustments to equity.

**Deemed Equity Contribution - Group Share-based payment scheme**

Represents amounts paid by Reliance Retail Ventures Limited through Vitalic Health Private Limited (erstwhile Holding company) to compensate the ESOP Holders of Vitalic ESOP 2019 of subsidiary company Dadha Pharma Distribution Private Limited.

**Dadha Pharma Distribution 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<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| <b>17 Provisions</b>                |                         |                         |
| <b>Non-current</b>                  |                         |                         |
| Provision for employee benefits:    |                         |                         |
| -Gratuity                           | 69.73                   | 60.08                   |
| -Provision for compensated absences | -                       | -                       |
|                                     | <b>69.73</b>            | <b>60.08</b>            |
| <b>Current</b>                      |                         |                         |
| Provision for employee benefits:    |                         |                         |
| -Gratuity                           | -                       | -                       |
| -Provision for compensated absences | 4.04                    | -                       |
|                                     | <b>4.04</b>             | <b>-</b>                |

**18 Borrowings**

|  |               |                 |
|--|---------------|-----------------|
| <b>Current</b>                                 |               |                 |
| Secured - Loans repayable on demand from banks |               |                 |
| IDBI bank (Overdraft account)                  | -             | 1,452.39        |
| Unsecured                                      |               |                 |
| Loan from related party                        | 770.95        | 841.44          |
|  | <b>770.95</b> | <b>2,293.83</b> |

**Note:**  
1. A).Overdraft account with IDBI bank is secured by a charge on current assets, movable fixed assets and recurring deposit of the Company, and collaterally secured by land and building of the director of the Company. The entire amount outstanding is personally guaranteed by the directors and also corporate guarantee of Vitalic Health Private Limited, ultimate holding company (erstwhile) and Tresara Health Private Limited, holding company (erstwhile). They are repayable on demand and carry interest at MCLR + 1% p.a (March 31, 2020 - MCLR + 1% p.a.).

B).During the current period the the CC Facilities from IDBI Bank has been foreclosed on 29-Oct-2020

2. The loan from related party is repayable on demand of lender or at the discretion of the company and carry interest at 8.5% till 17-Aug-20 & 7% from 18-Aug-20 (March 31, 2020- 8.5%)

**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<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------|-------------------------|-------------------------|
| Cash and bank balances | 171.74                  | 12.04                   |
| Lease liabilities      | (9.69)                  | (1.60)                  |
| Current borrowings     | (770.95)                | (2,293.83)              |
| <b>Net debt</b>        | <b>(608.90)</b>         | <b>(2,283.39)</b>       |

**Dadha Pharma Distribution 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<br>March 31, 2021           | As at<br>March 31, 2020                      |
|--------------------------------------|-----------------------------------|--|
|                                      | <b>Other assets</b>               | <b>Liabilities from financing activities</b> |
|                                      | <b>Cash and bank<br/>balances</b> | <b>Current<br/>borrowings</b>                |
|                                      |                                   | <b>Lease liabilities</b>                     |
| <b>Net debt as at March 31, 2019</b> | <b>15.24</b>                      | <b>(2,565.10)</b>                            |
| Cash flows                           | (3.20)                            | 271.27                                       |
| Additions                            | -                                 | -  |
| Interest expense                     | -                                 | -  |
| Interest paid                        | -                                 | 0.35   |
| <b>Net debt as at March 31, 2020</b> | <b>12.04</b>                      | <b>(2,293.83)</b>                            |
| <b>Cash flows</b>                    | <b>159.70</b>                     | <b>1,794.15</b>                              |
| Additions                            | -                                 | (11.51)                                      |
| Interest expense                     | -                                 | 0.66   |
| Interest paid                        | -                                 | (0.66)                                       |
| <b>Net debt as at March 31, 2021</b> | <b>171.74</b>                     | <b>(770.95)</b>                              |

**19 Trade payables**

|   |               |               |
|---|---------------|---------------|
| Total outstanding dues of creditors of micro, small and medium enterprises (refer note below) | 4.53          | 2.28          |
| Total outstanding dues of creditors other than micro, small and medium enterprises            | 505.15        | 788.10        |
|   | <b>509.68</b> | <b>790.38</b> |

| Particulars  | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | 4.53           | 2.28           |
| 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   | -              | -              |

**20 Other financial liabilities**

|  |                 |              |
|--|-----------------|--------------|
| <b>Current</b>   |                 |              |
| Interest accrued but not due on borrowings/security deposits | -               | 12.82        |
| Refundable Security Deposits                                 | 2,000.00        | -            |
| Employee benefits payable                                    | 23.49           | 30.33        |
| Other liabilities (refer note 20.1)                          | 4.34            | 10.06        |
|  | <b>2,027.83</b> | <b>43.15</b> |

**20.1** Other Liabilities as on March 31, 2021 represents amount payable to ESOP holders arising out of acquisition of shares in the company by Reliance Retail Ventures Limited during the year from Tresera Health Private Limited (erstwhile Holding company)

**21 Other current liabilities**

|  |               |               |
|--|---------------|---------------|
| Statutory dues including provident fund and tax deducted at source | 13.90         | 35.08         |
| Advance from customers   | 121.01        | 26.95         |
| Refund liabilities *   | 345.88        | 346.10        |
| Other liabilities  | 10.03         | 10.06         |
|  | <b>490.82</b> | <b>418.19</b> |

\* 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 9).

**Dadha Pharma Distribution 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)*

|                                   | For the year<br>ended<br>March 31, 2021 | For the year<br>ended<br>March 31, 2020 |
|-----------------------------------|---|---|
| <b>22 Revenue from operations</b> |   |   |
| <b>Sale of traded products</b>    |   |   |
| Pharmaceutical products and FMCGs | 11,902.22                               | 13,247.80                               |
|                                   | <b>11,902.22</b>                        | <b>13,247.80</b>                        |

**22.1 Revenue**

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.

**22.2 Reconciliation of revenue with contract price**

| Particulars  | For the year<br>ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--|---|------------------------------|
| Contract price   | 12,233.41                               | 13,198.63                    |
| Adjustments :  |   |                              |
| Discounts given  | (331.41)                                | (5.80)                       |
| Refund liabilities   | 0.22                                    | 54.97                        |
| <b>Revenue from operations as per Statement of Profit and Loss</b> | <b>11,902.22</b>                        | <b>13,247.80</b>             |

**22.3 Contract liabilities**

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.

**22.4 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.

**Dadha Pharma Distribution 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<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--|------------------------------|------------------------------|
| <b>23 Other income</b>                                       |                              |                              |
| Interest income from financial assets at amortised cost      |                              |                              |
| - Interest income on deposits with banks                     | 1.59                         | 1.63                         |
| - on others  | 2.33                         | 2.03                         |
| Unwinding of discount on security deposits                   | 0.25                         | 0.27                         |
| Miscellaneous income   | -                            | 0.04                         |
|  | <b>4.17</b>                  | <b>3.97</b>                  |
| <b>24 Changes in inventories of stock-in-trade</b>           |                              |                              |
| <b>Stock at the beginning of the year</b>                    |                              |                              |
| Stock-in-trade (traded goods)                                | 1,491.67                     | 1,681.92                     |
| Right to recover returned goods                              | 320.22                       | 371.48                       |
|  | <b>1,811.89</b>              | <b>2,053.40</b>              |
| <b>Stock at the end of the year</b>                          |                              |                              |
| Stock-in-trade (traded goods)                                | 1,855.89                     | 1,491.67                     |
| Right to recover returned goods                              | 319.26                       | 320.22                       |
|  | <b>2,175.15</b>              | <b>1,811.89</b>              |
|  | <b>(363.26)</b>              | <b>241.51</b>                |
| <b>25 Employee benefits expense</b>                          |                              |                              |
| Salaries, wages and bonus                                    | 161.49                       | 211.45                       |
| Contribution to provident and other funds                    | 12.37                        | 14.24                        |
| Gratuity (Refer Note 29)                                     | 9.64                         | 0.11                         |
| Employee share-based payment expense (Refer Note 25.1)       | 27.82                        | 8.74                         |
| Staff welfare expenses                                       | 9.95                         | 13.52                        |
|  | <b>221.27</b>                | <b>248.06</b>                |
| <b>26 Depreciation and amortisation expense</b>              |                              |                              |
| Depreciation of property, plant and equipment (Refer Note 3) | 10.70                        | 12.90                        |
| Depreciation of right-of-use assets (Refer Note 4)           | 3.87                         | 3.55                         |
| Amortisation of intangible assets (Refer Note 5)             | 0.62                         | 0.83                         |
|  | <b>15.19</b>                 | <b>17.28</b>                 |

**Dadha Pharma Distribution 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<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|-------------------------|------------------------------|------------------------------|
| <b>27 Finance costs</b> |                              |                              |
| Interest expense        |                              |                              |
| - on borrowings         | 144.74                       | 215.64                       |
| - on income tax         | -                            | 0.57                         |
| - on lease liabilities  | 0.66                         | 0.35                         |
|                         | <b>145.40</b>                | <b>216.56</b>                |

**28 Other expenses**

|  |               |               |
|--|---------------|---------------|
| Brokerage and commission                             | 25.02         | 20.88         |
| Outward freight                                      | 45.85         | 40.87         |
| Printing and stationery                              | 8.11          | 6.60          |
| Outsourced manpower                                  | 21.11         | 19.22         |
| Power and fuel                                       | 10.71         | 11.36         |
| Insurance  | 7.17          | 6.10          |
| Travelling   | 16.17         | 16.58         |
| Rent   | 80.66         | 73.02         |
| Rates and taxes                                      | 1.40          | 1.07          |
| Repairs and maintenance                              |               |               |
| - Computers  | 1.75          | 0.61          |
| - Vehicles   | 15.34         | 13.15         |
| - Others   | 1.89          | 2.80          |
| Loss allowance for credit impaired claims receivable | -             | 25.59         |
| Loss allowance for credit impaired trade receivables | -             | 22.86         |
| Bad debts written off                                | 5.32          | 38.44         |
| Payment to auditors (refer note below)               | 8.85          | 6.90          |
| Legal and professional fees                          | 139.42        | 110.43        |
| Miscellaneous expenses                               | 18.60         | 22.25         |
|  | <b>407.37</b> | <b>438.73</b> |

**Note 28(a): Details of payments to auditors****Payment to auditors****As auditor**

|  |             |             |
|--|-------------|-------------|
| Audit fee  | 7.00        | 6.25        |
| Tax audit and other services (including Rs. 0.10 Lakhs paid to erstwhile auditors) | 1.60        | 0.50        |
| Reimbursement of expenses  | 0.25        | 0.15        |
| <b>Total payments to auditors</b>  | <b>8.85</b> | <b>6.90</b> |

**Dadha Pharma Distribution 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<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|--|------------------------------|------------------------------|
| <b>29 Income tax expense</b>   |                              |                              |
| <b>(a) Income tax expense</b>  |                              |                              |
| <b>Current tax</b>   |                              |                              |
| Current tax on profits for the year  | 35.10                        | 35.05                        |
| Current tax relating to prior period   | -                            | 4.00                         |
| <b>Total current tax expense</b>   | <b>35.10</b>                 | <b>39.05</b>                 |
| <b>Deferred tax</b>  |                              |                              |
| Decrease/(increase) in deferred tax assets/liabilities   | 1.81                         | (13.39)                      |
| <b>Total deferred tax expense</b>  | <b>1.81</b>                  | <b>(13.39)</b>               |
|  | <b>36.91</b>                 | <b>25.66</b>                 |
| <b>(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:</b>     |                              |                              |
| Profit/(Loss) before tax for the year  | 124.80                       | 73.42                        |
| <b>Tax at the rate of 25.17% (March 31, 2020: 27.82%)</b>                                      | <b>31.41</b>                 | <b>20.43</b>                 |
| <b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b> |                              |                              |
| Tax expense pertaining to earlier years  | -                            | 4.00                         |
| Other disallowances  | -                            | 1.23                         |
| Deferred taxes not created on notional income and temporary timing differences (refer note 9)  | 5.50                         | -                            |
|  | <b>36.91</b>                 | <b>25.66</b>                 |

**25.1 Share-based payments**

Share-based compensation benefits were provided to employees under via the "Vitalic ESOP 2019" plan, an employee share scheme which was discontinued in the current year vide resolution passed in the Extraordinary General Meeting held on 15th June 2020 and cancellation of all options under the plan. All outstanding and granted options stand cancelled.

**Employee option plan**

The erstwhile Ultimate Holding Company's "Vitalic ESOP 2019" (Plan) was approved by the shareholders, in their general meeting held on February 19, 2019. The object of the plan is

- i) to create a shared vision and to promote ownership among the employees,
- ii) to recognize and reward the past and present performance and to provide a motivation tool for future (potential and expected) performance of Employees in their employment with the Company and its subsidiaries; and
- iii) to provide an incentive compensation for the effort made by Employees in the successful operation, long term growth and financial success of the Company and its subsidiaries.

Under the plan, the participants are granted options which vest not earlier than 1 year and not later than 5 years from the date of grant of such options. The vesting options would be subject to continued employment with the Company or its subsidiaries. In addition, the Board may also, if it feels necessary in certain or in all cases, specify certain performance parameters in the letter of grant subject to which the options would vest. The vested options may be exercised within a period being not more than 10 years from the date of vesting of such option.

Options are granted under the plan for consideration as agreed between the Company and the grant holder. The grants does not give the option grantee any right or status of any kind of a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any shares covered by the grant unless the option grantee exercise the option and becomes a registered holder of the shares of the Company. Each option is convertible into one equity share. The exercise price of the options is decided based on the grant letter provided to the option grantee.

The Plan covers employees across the group companies. Refer (ii) below for break-up of the share of the Company and its subsidiaries.

**(i) Set out below is a summary of options granted under the plan:**

|                               | March 31, 2021                         |                   | March 31, 2020                         |                   |
|-------------------------------|--|-------------------|--|-------------------|
|                               | Average exercise price per share (INR) | Number of options | Average exercise price per share (INR) | Number of options |
| Opening balance               | 620                                    | 2,82,151          | -                                      | -                 |
| Granted during the year       |  |                   | 620                                    | 2,83,362          |
| Exercised during the year     |  |                   |  |                   |
| Lapsed during the year        | 620                                    | 1,509             | 620                                    | 1,211             |
| Cancelled during the year     | 620                                    | 2,80,642          |  |                   |
| <b>Closing balance</b>        |  | <b>-</b>          |  | <b>2,82,151</b>   |
| <b>Vested and exercisable</b> |  | <b>-</b>          |  | <b>-</b>          |

No options were exercisable and no options expired during the periods covered in the above tables.

**Dadha Pharma Distribution 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)*

**(ii) Number of options granted to employees of different group entities**

|   | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Vitalic Health Private Limited            | -              | 814            |
| Netmeds Marketplace Limited               | -              | 2,50,809       |
| Dadha Pharma Distribution Private Limited | -              | 11,172         |
| Medrx Technologies LLP                    | -              | 19,356         |

**(iii) Share options outstanding at the end of the year have the following expiry date and exercise price:**

| Grant date   | Expiry date | Exercise price (in INR) | Share options  |                 |
|--------------|-------------|-------------------------|----------------|-----------------|
|              |             |                         | March 31, 2021 | March 31, 2020  |
| 07-Jun-19    | 10-Jun-20   | 620                     | -              | 1,36,108        |
| 07-Jun-19    | 01-Oct-20   | 620                     | -              | 11,292          |
| 07-Jun-19    | 10-Jun-21   | 620                     | -              | 58,606          |
| 07-Jun-19    | 01-Oct-21   | 620                     | -              | 11,290          |
| 07-Jun-19    | 10-Jun-22   | 620                     | -              | 64,855          |
| <b>Total</b> |             |                         | -              | <b>2,82,151</b> |

Weighted average remaining contractual life of options outstanding at the end of March 31, 2021 is Nil (March 31, 2020 - 0.93 Yrs).

**(iv) Fair value of options granted**

The fair value of grant date of options granted during the year ended March 31, 2021 is Nil (March 31, 2020 - INR 116.93). The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended March 31, 2020 included:

- a) options are granted at INR 620 per option and vest upon satisfaction of the vesting conditions, being remaining in service until the vesting date. The vested are exercisable within a period being not more than 10 years from the date of vesting of such option.
- b) exercise price is fixed at INR 620 per option
- c) grant date is June 7, 2019.
- d) expiry date ranges from June 2020 to June 2022, as the plan contains graded vesting
- e) share price grant date is INR 706.81 per share
- f) expected price volatility of the company's shares is 16.45%
- g) expected dividend yield is Nil
- h) risk-free interest rate is 5.83%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to feature volatility due to publicly available information.

The expenses arising from share-based payment transactions is recognised in profit or loss as part of employee benefit expenses (Refer note 27).

**(v) Settlement of Options Scheme**

During the year, the Company had entered into a settlement agreement with the employees who were offered share options as mentioned above.

The employees have confirmed, agreed, acknowledged and undertook that the ESOP Options granted to them by the Company shall forthwith, without any further action, stand terminated and cancelled.

As part of the agreement, the employees have agreed to the full and final settlement of their respective share options, waived their rights with respect to the cancelled options including the right to exercise such ESOP Options under the ESOP plan.

In lieu of cancellation of the ESOP scheme, the management has agreed to compensate eligible employees through a pre-determined cash settlement and the settlement amount shall be paid out in 4 (four) annual tranches over 4 (four) years subject to continued employment over the preceding 12 months of the payout, with the Company or any of the group entity(ies) which are either subsidiaries and/or affiliates. This liability, based on the pre-determined cash settlement amount, for the year ended March 31, 2021 has been recorded as Employee share based payment expense and the unpaid amount as at March 31, 2021 has been recorded as Employee share based liability.

The Company in line with Ind AS 102 had passed entries to accelerate the recognition of fair value of options and had transferred the outstanding balance in the employee share options reserve to the settlement liability. The difference between the amortized cost of employee liability required and the amount transferred from the employee share options reserve has been charged to profit and loss.

The following figures represent the effect of entering into the settlement agreement.

| <b>Particulars</b>   | <b>Under the ESOP Scheme<br/>(if scheme had not been cancelled)</b> | <b>Effect of changes</b> | <b>As at March 31, 2021</b> |
|--|---|--------------------------|-----------------------------|
| Employee share-based payment expense<br>(Refer Note 25)                    | 3.24  | 24.58                    | 27.82                       |
| Employee share based reserve<br>(Refer Note 14)                            | 11.98   | (11.98)                  | -                           |
| Deemed Equity Contribution from Ultimate holding company/Fellow Subsidiary | -   | 67.03                    | 67.03                       |
| Employee share based liability<br>(Refer Note 20)                          | -   | 4.34                     | 4.34                        |

**29 Employee benefit obligations**

**(i) Defined contribution plans**

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 12.37 (March 31, 2020 – INR 14.24).

**(ii) Employee benefit Obligations**

| Particulars                               | March 31, 2021 |              |
|---|----------------|--------------|
|   | Current        | Non-current  |
| Gratuity                                  | -              | 69.73        |
| Compensated absences                      | 4.04           | -            |
| <b>Total employee benefit obligations</b> | <b>-</b>       | <b>69.73</b> |

| Particulars                               | March 31, 2020 |              |
|---|----------------|--------------|
|   | Current        | Non-current  |
| Gratuity                                  | -              | 60.08        |
| Compensated absences                      | -              | -            |
| <b>Total employee benefit obligations</b> | <b>-</b>       | <b>60.08</b> |

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

The Company has a defined benefit Gratuity Plan. 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 same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

|  | Present value of obligation | Fair value of plan assets | Net amount   |
|--|-----------------------------|---------------------------|--------------|
| <b>For the year ended March 31, 2020</b>                     |                             |                           |              |
| <b>Opening balance</b>                                       | 91.10                       | 33.74                     | 57.36        |
| Adjustment to opening obligation                             | -                           | -                         | -            |
| Current service cost   | 0.81                        | -                         | 0.81         |
| Past service cost  | -                           | -                         | -            |
| Interest expense/(income)                                    | 1.74                        | 2.44                      | (0.70)       |
| <b>Total amount recognised in profit or loss</b>             | <b>2.55</b>                 | <b>2.44</b>               | <b>0.11</b>  |
| <i>Remeasurements</i>  |                             |                           |              |
| (Gain)/loss from change in demographic assumptions           | 0.02                        | -                         | 0.02         |
| (Gain)/loss from change in financial assumptions             | 4.91                        | -                         | 4.91         |
| Experience (gains)/losses                                    | (2.32)                      | -                         | (2.32)       |
| <b>Total amount recognised in other comprehensive income</b> | <b>2.61</b>                 | <b>-</b>                  | <b>2.61</b>  |
| Employer contributions                                       | -                           | -                         | -            |
| Benefit payments   | -                           | -                         | -            |
| <b>Balances as at year end</b>                               | <b>96.26</b>                | <b>36.18</b>              | <b>60.08</b> |

|  | Present value of obligation | Fair value of plan assets | Net amount   |
|--|-----------------------------|---------------------------|--------------|
| <b>For the year ended March 31, 2021</b>                     |                             |                           |              |
| <b>Opening balance</b>                                       | <b>96.26</b>                | <b>36.18</b>              | <b>60.08</b> |
| Current service cost   | 5.81                        | -                         | 5.81         |
| Past service cost  | -                           | -                         | -            |
| Interest expense/(income)                                    | 5.29                        | 1.46                      | 3.83         |
| <b>Total amount recognised in profit or loss</b>             | <b>11.10</b>                | <b>1.46</b>               | <b>9.64</b>  |
| <i>Remeasurements</i>  |                             |                           |              |
| (Gain)/loss from change in financial assumptions             | (0.08)                      | -                         | (0.08)       |
| Experience (gains)/losses                                    | (2.00)                      | (2.11)                    | 0.11         |
| <b>Total amount recognised in other comprehensive income</b> | <b>(2.08)</b>               | <b>(2.11)</b>             | <b>0.03</b>  |
| Employer contributions                                       | -                           | -                         | -            |
| Benefit payments   | (26.65)                     | (26.63)                   | (0.02)       |
| <b>Balances as at year end</b>                               | <b>78.62</b>                | <b>8.90</b>               | <b>69.73</b> |

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

The significant actuarial assumptions were as follows:

|                    | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|--------------------|-----------------------|-----------------------|
| Discount rate      | 6.39%                 | 6.38%                 |
| Salary growth rate | 12.00%                | 12.00%                |

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.

**(iv) Sensitivity analysis**

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

| <b>Change in assumption</b> | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|-----------------------------|-----------------------|-----------------------|
| <b>Discount rate</b>        |                       |                       |
| + 1.00%                     | 3.79                  | 5.60                  |
| - 1.00%                     | (14.78)               | -6.37                 |
| <b>Salary growth rate</b>   |                       |                       |
| + 1.00%                     | 13.65                 | -4.76                 |
| - 1.00%                     | (4.55)                | 4.39                  |
| <b>Attrition rate</b>       |                       |                       |
| + 25.00%                    | 5.63                  | 3.18                  |
| - 25.00%                    | (13.49)               | (4.46)                |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to

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

The Company's best estimate of contribution towards post-employment benefit plan for the year ending March 31, 2022 is INR 6.51 lakhs.

The weighted average duration of the defined benefit obligation is 7.90 years (2020 – 7.09 years).

The expected maturity analysis of undiscounted gratuity is as follows:

|                       | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|-----------------------|-----------------------|-----------------------|
| Less than 1 year      | 6.51                  | 8.81                  |
| Between 2 - 5 years   | 45.73                 | 45.49                 |
| Between 6 - 10 years  | 23.50                 | 44.14                 |
| Between 11 - 15 years | 22.95                 | 19.40                 |
| Over 15 years         | 39.20                 | 41.58                 |

**Dadha Pharma Distribution 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)*

**30 Fair value measurements**

**Financial instruments measured at Amortised cost**

|                               | Note | Hierarchy | March 31, 2021  | March 31, 2020  |
|-------------------------------|------|-----------|-----------------|-----------------|
| <b>Financial assets</b>       |      |           |                 |                 |
| Loans                         | 6    | NA        | 64.21           | 100.08          |
| Other financial assets        | 7    | NA        | 70.77           | 178.24          |
| Trade receivables             | 13   | NA        | 1,942.58        | 2,205.54        |
| Cash and cash equivalents     | 14   | NA        | 171.74          | 12.04           |
| <b>Total financial assets</b> |      |           | <b>2,249.30</b> | <b>2,495.90</b> |

|                                    | Note | Hierarchy | March 31, 2021  | March 31, 2020  |
|------------------------------------|------|-----------|-----------------|-----------------|
| <b>Financial liabilities</b>       |      |           |                 |                 |
| Borrowings                         | 18   | NA        | 770.95          | 2,293.83        |
| Trade payables                     | 19   | NA        | 509.68          | 804.14          |
| Other financial liabilities        | 20   | NA        | 2,037.52        | 44.75           |
| <b>Total financial liabilities</b> |      |           | <b>3,318.15</b> | <b>3,142.72</b> |

**Financial instruments measured at FVTPL**

|                               | Note | Hierarchy | March 31, 2021 | March 31, 2020 |
|-------------------------------|------|-----------|----------------|----------------|
| <b>Financial assets</b>       |      |           |                |                |
| Current Investment            | 8    | Level 2   | 250.00         | -              |
| <b>Total financial assets</b> |      |           | <b>250.00</b>  | <b>-</b>       |

**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.

**31 Financial risk management**

The Company's financial principal liabilities comprises borrowings, trade payables and other payables. The main purpose of these financial liabilities to finance the Company operation. The Company's main financial assets includes trade and other receivable, cash and cash equivalent, 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 | Aging analysis Credit ratings |
| Liquidity risk<br>(Refer Note B) | Borrowings and other liabilities  | Rolling cash flow forecasts   |

**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**

- Credit risk on deposits is mitigated by depositing the funds in reputed private sector banks.
- 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:

- Trade receivables for sale of inventory
- Claim receivables for claims lodged with the suppliers.

*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.

*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. The company's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivable balance as on March 31, 2021 and March 31, 2020

**Dadha Pharma Distribution 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)

**(iii) Reconciliation of loss allowance provision**

**(a) Trade receivables**

| Particulars                             | Amount       |
|---|--------------|
| <b>Loss allowance on April 1, 2018</b>  | 11.07        |
| Changes in loss allowance               |              |
| - Provision made during the year        | 19.68        |
| - Written off                           | -            |
| <b>Loss allowance on March 31, 2019</b> | <b>30.75</b> |
| Changes in loss allowance               |              |
| - Provision made during the year        | 40.30        |
| - Written off                           | (17.44)      |
| <b>Loss allowance on March 31, 2020</b> | <b>53.61</b> |
| Changes in loss allowance               |              |
| - Provision made during the year        | -            |
| - Written off                           | -            |
| <b>Loss allowance on March 31, 2021</b> | <b>53.61</b> |

**(b) 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 |
| <b>Loss allowance on April 1, 2018</b>  | <b>25.30</b>   | -  | -  |
| Changes in loss allowance               |  |  |  |
| - Provision made during the year        | 22.32  | -  | -  |
| - Written off                           | -  | -  | -  |
| - Recoveries                            | -  | -  | -  |
| <b>Loss allowance on March 31, 2019</b> | <b>47.60</b>   | -  | -  |
| Changes in loss allowance               |  |  |  |
| - Provision made during the year        | 38.80  | -  | -  |
| - Written off                           | (13.21)  | -  | -  |
| - Recoveries                            | -  | -  | -  |
| <b>Loss allowance on March 31, 2020</b> | <b>73.19</b>   | -  | -  |
| Changes in loss allowance               |  |  |  |
| - Provision made during the year        | -  | -  | -  |
| - Written off                           | -  | -  | -  |
| <b>Loss allowance on March 31, 2021</b> | <b>73.19</b>   | -  | -  |

**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           |
|-----------------------------|--------------------|--------------------|------------------|-----------------|
| <b>As at March 31, 2021</b> |                    |                    |                  |                 |
| Borrowings                  | -                  | -                  | -                | -               |
| Lease liabilities           | 3.54               | 3.08               | 3.07             | 9.69            |
| Loan from related party     | 770.95             | -                  | -                | 770.95          |
| Trade payables              | 509.68             | -                  | -                | 509.68          |
| Other financial liabilities | 2,027.83           | -                  | -                | 2,027.83        |
| <b>Total</b>                | <b>3,312.00</b>    | <b>3.08</b>        | <b>3.07</b>      | <b>3,318.15</b> |
| <b>As at March 31, 2020</b> |                    |                    |                  |                 |
| Borrowings                  | 1,452.39           | -                  | -                | 1,452.39        |
| Lease liabilities           | 1.64               | -                  | -                | 1.64            |
| Loan from related party     | 841.44             | -                  | -                | 841.44          |
| Trade payables              | 790.38             | -                  | -                | 790.38          |
| Other financial liabilities | 43.15              | -                  | -                | 43.15           |
| <b>Total</b>                | <b>3,129.00</b>    | <b>-</b>           | <b>-</b>         | <b>3,129.00</b> |

**32 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
- maintain an optimal capital structure to reduce the cost of capital.

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 |
|---|----------------------|----------------------|
| <b>Net debt</b>                             |                      |                      |
| Debt  | 780.64               | 2,295.43             |
| Cash and cash equivalents                   | 171.74               | 12.04                |
|   | 608.90               | 2,283.39             |
| <b>Equity</b>                               | 982.88               | 836.73               |
| <b>Net debt - equity ratio (percentage)</b> | <b>61.95%</b>        | <b>272.89%</b>       |

The net debt to equity ratio for the current year decreased to 61.95% from 272.89%. The reason for decrease in net debt is repayment of borrowings during the year due to effective fund management.

### 33 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 | Vitalic Health Private Limited (up to August 17, 2020)<br>Reliance Industries Limited (w.e.f August 18, 2020)      |
| Holding company          | Tresara Health Private Limited (up to August 17, 2020)<br>Reliance Retail Ventures Limited (w.e.f August 18, 2020) |
| Fellow Subsidiaries      | Reliance Retail Limited (w.e.f August 18, 2020)<br>Tresara Health Private Limited (w.e.f August 18, 2020)          |

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

|   |   |  |
|---|---|--|
| <b>Key management personnel (KMP)</b>               | S Mohanchand Dadha  | Whole-time Director (Upto September 29, 2020)<br>Director (w.e.f. September 30, 2020 and resigned w.e.f. January 21, 2021) |
|   | M Pradeep Dadha<br>Advait Suhas Pandit (w.e.f January 21, 2021)<br>Jethu Singh Bhati      | Director<br>Additional Director<br>Whole-time Director   |
| <b>Relatives of Key Management Personnel</b>        | Shubda Dadha (spouse of M Pradeep Dadha)<br>Kanta Kavar Dadha (Mother of M Pradeep Dadha) |  |
| <b>Entities in which directors have an interest</b> | Pradeep Dadha Distributors  |  |

**Dadha Pharma Distribution 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)*

**33 Related party transactions (Contd.)**

**C. Transactions during the year with related parties (excluding reimbursements):**

| Name of the related party   | Holding Company |                | Fellow Subsidiaries |                | Key Managerial Personnel |                | Company/Proprietorship in which Director(s) are interested |                |
|---|-----------------|----------------|---------------------|----------------|--------------------------|----------------|--|----------------|
|   | March 31, 2021  | March 31, 2020 | March 31, 2021      | March 31, 2020 | March 31, 2021           | March 31, 2020 | March 31, 2021   | March 31, 2020 |
| <b>Sale of goods</b>  |                 |                |                     |                |                          |                |  |                |
| Pradeep Dadha Distributors  | -               | -              | -                   | -              | -                        | -              | -  | 6.99           |
| Tresara Health Private Limited  | 11.41           | 191.74         | 113.74              | -              | -                        | -              | -  | -              |
| Reliance Retail Limited   | -               | -              | 1,880.65            | -              | -                        | -              | -  | -              |
| <b>Purchase of goods</b>  |                 |                |                     |                |                          |                |  |                |
| Pradeep Dadha Distributors  | -               | -              | -                   | -              | -                        | -              | 0.29   | 80.23          |
| <b>Interest on borrowings</b>   |                 |                |                     |                |                          |                |  |                |
| Tresara Health Private Limited  | 25.02           | 78.32          | 33.36               | -              | -                        | -              | -  | -              |
| <b>Rent expenses</b>  |                 |                |                     |                |                          |                |  |                |
| Kanta Kavar Dadha   | -               | -              | -                   | -              | -                        | -              | -  | 25.96          |
| Shubda Dadha  | -               | -              | -                   | -              | -                        | -              | 38.35  | 34.61          |
| M. Pradeep Dadha  | -               | -              | -                   | -              | -                        | -              | 38.35  | -              |
| <b>Remuneration paid (including payments made in lieu of employee stock option reserve)</b> |                 |                |                     |                |                          |                |  |                |
| Jethu Singh Bhati   | -               | -              | -                   | -              | 44.21                    | 33.47          | -  | -              |
| S Mohanchand Dadha  | -               | -              | -                   | -              | 6.12                     | 27.60          | -  | -              |
| <b>Interest Income recovered from Director</b>  |                 |                |                     |                |                          |                |  |                |
| Jethu Singh Bhati   | -               | -              | -                   | -              | 1.80                     | 1.59           | -  | -              |

**Dadha Pharma Distribution 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)*

**33 Related party transactions (Contd.)**

**C. Transactions during the year with related parties (excluding reimbursements):**

| Name of the related party                                   | Holding Company |                | Fellow Subsidiaries |                | Key Managerial Personnel |                | Company/Proprietorship in which Director(s) are interested |                |
|---|-----------------|----------------|---------------------|----------------|--------------------------|----------------|--|----------------|
|   | March 31, 2021  | March 31, 2020 | March 31, 2021      | March 31, 2020 | March 31, 2021           | March 31, 2020 | March 31, 2021   | March 31, 2020 |
| <b>Loans repaid</b><br>Tresara Health Private Limited       | -               | 246.86         | -                   | -              | -                        | -              | -  | -              |
| <b>Loans advanced</b><br>Jethu Singh Bhati                  | -               | -              | -                   | -              | -                        | 35.00          | -  | -              |
| <b>Loans repaid</b><br>Jethu Singh Bhati                    | -               | -              | -                   | -              | 35.00                    | -              | -  | -              |
| <b>Interest Receivable on loan</b><br>Jethu Singh Bhati     | -               | -              | -                   | -              | -                        | 1.59           | -  | -              |
| <b>Security Deposit Received</b><br>Reliance Retail Limited | -               | -              | 2,000.00            | -              | -                        | -              | -  | -              |

**Dadha Pharma Distribution 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)*

**33 Related party transactions (Contd.)**

**D. Balance as at year end:**

| Name of the related party                  | Holding Company |                | Ultimate Holding Company |                | Fellow Subsidiaries |                | Key Managerial Personnel |                | Company/Proprietorship in which Director(s) are interested |                |
|--|-----------------|----------------|--------------------------|----------------|---------------------|----------------|--------------------------|----------------|--|----------------|
|  | 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 |
| <b>Trade payable</b>                       |                 |                |                          |                |                     |                |                          |                |  |                |
| Tresara Health Private Limited             | -               | 26.04          | -                        | -              | 19.48               | -              | -                        | -              | -  | -              |
| <b>Advance to suppliers</b>                |                 |                |                          |                |                     |                |                          |                |  |                |
| Pradeep Dadha Distributors                 | -               | -              | -                        | -              | -                   | -              | -                        | -              | -  | 0.06           |
| <b>Trade receivables</b>                   |                 |                |                          |                |                     |                |                          |                |  |                |
| Tresara Health Private Limited             | -               | 115.91         | -                        | -              | -                   | -              | -                        | -              | -  | -              |
| Reliance Retail Limited                    | -               | -              | -                        | -              | 236.10              | -              | -                        | -              | -  | -              |
| <b>Borrowings/Security Deposit</b>         |                 |                |                          |                |                     |                |                          |                |  |                |
| Tresara Health Private Limited(Borrowings) | -               | 841.44         | -                        | -              | 770.95              | -              | -                        | -              | -  | -              |
| Reliance Retail Limited(Security Deposit)  | -               | -              | -                        | -              | 2,000.00            | -              | -                        | -              | -  | -              |
| <b>Rent deposit</b>                        |                 |                |                          |                |                     |                |                          |                |  |                |
| Shubda Dadha                               | -               | -              | -                        | -              | -                   | -              | -                        | -              | -  | 28.90          |
| M. Pradeep Dadha                           | -               | -              | -                        | -              | -                   | -              | -                        | -              | -  | 28.85          |
| <b>Loans to Directors</b>                  |                 |                |                          |                |                     |                |                          |                |  |                |
| Jethu Singh Bhati                          | -               | -              | -                        | -              | -                   | -              | -                        | 35.00          | -  | -              |
| <b>Interest due on Loans to Directors</b>  |                 |                |                          |                |                     |                |                          |                |  |                |
| Jethu Singh Bhati                          | -               | -              | -                        | -              | -                   | -              | -                        | 1.59           | -  | -              |
| <b>ESOP Payable</b>                        |                 |                |                          |                |                     |                |                          |                |  |                |
| Jethu Singh Bhati                          | -               | -              | -                        | -              | -                   | -              | -                        | 4.96           | -  | -              |
| <b>Claim receivable</b>                    |                 |                |                          |                |                     |                |                          |                |  |                |
| Pradeep Dadha Distributors                 | -               | -              | -                        | -              | -                   | -              | -                        | -              | -  | 1.08           |
| <b>Dues to key managerial personnel</b>    |                 |                |                          |                |                     |                |                          |                |  |                |
| S.Mohanchand dadha                         | -               | -              | -                        | -              | -                   | -              | -                        | 3.12           | -  | -              |
| Jethu Singh Bhati                          | -               | -              | -                        | -              | -                   | -              | -                        | 4.23           | -  | -              |
| <b>Guarantee outstanding</b>               |                 |                |                          |                |                     |                |                          |                |  |                |
| Vitalic Health Private Limited             | -               | -              | -                        | 1,452.39       | -                   | -              | -                        | -              | -  | -              |
| <b>Guarantee outstanding</b>               |                 |                |                          |                |                     |                |                          |                |  |                |
| Tresara Health Private Limited             | -               | 1,452.39       | -                        | -              | -                   | -              | -                        | -              | -  | -              |

**33 Related party transactions (Contd.)****E. Disclosure as required under section 186(4) of the Companies Act, 2013:**

| Particulars              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------|-------------------------|-------------------------|
| <b>Jethu Singh Bhati</b> |                         |                         |
| Loans to Directors       | -                       | 35.00                   |

The loan has been borrowed for the purpose of marriage ceremony of his daughter and is line with scheme approved by the members by special resolution dated September 17, 2019. The loan is repayable over 4 years and carries a interest of 8.5% per annum. During the year, the Director had repaid the entire loan with interest.

**34 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 and trading of pharmaceutical products which include medicines, antibiotics, drugs, biologicals, nutraceuticals and healthcare 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.

**Information about revenue from major customers**

During the year, there is no revenue from a single customer which is more than 10% of the Company's total revenue.

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

**35 Contingent liabilities**

| Particulars   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---|-------------------------|-------------------------|
| <b>Claims against the company not acknowledged as debts</b> |                         |                         |
| -Income Tax matters   | 3.64                    | 3.64                    |

**36 Earnings per share**

| Particulars   | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|---|------------------------------|------------------------------|
| <b>Basic earnings per share</b>   |                              |                              |
| Profit after tax (A)  | 87.89                        | 47.76                        |
| Number of equity shares of INR 10 each at the end of the year                           | 8,11,600                     | 8,11,600                     |
| Weighted average number of equity shares of INR 10 each outstanding during the year (B) | 8,11,600                     | 8,11,600                     |
| Basic earnings per share - (in INR) (A/B)   | 10.83                        | 5.88                         |

There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.