Netmeds Marketplace Limited

Financial Statements

2020-21

Deloitte
Haskins & Sells LLP

Chartered Accountants
ASV N Ramana Tower,
52, Venkatnarayana Road,
T. Nagar,
Chennai - 600 017,
Tamil Nadu, India

Phone: +91 44 6688 5000
Fax: +91 44 6688 5400

INDEPENDENT AUDITOR'S REPORT

To The Members of Netmeds Marketplace Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Netmeds Marketplace 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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ananthi Amarnath
Partner
Membership No. 209252
UDIN: 21209252AAAAFM9578

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 Netmeds Marketplace Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Ananthi Amarnath
Partner
Membership No. 209252
UDIN: 21209252AAAAFM9578

Place: Chennai
Date: 26 April 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

(ii) The Company is in the business of rendering services, and consequently does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any 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.

(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) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.

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

(a) Except for certain delays in Goods and services tax, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, 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) There are no dues of Income-tax and Goods and services tax as on March 31, 2021 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government. The Company has not defaulted in the repayment of dues to debenture holders.

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

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

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

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

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

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding 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: 21209252AAAAFM9578

Place: Chennai
Date: 26 April 2021

Netmeds Marketplace Limited
Balance Sheet as at March 31, 2021
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	155.54	214.62
Right-of-use assets	4	23.52	9,469.35
Goodwill	5	-	9.40
Other intangible assets	5	42.43	84.32
Financial assets			
(i) Investments	6	-	-
(ii) Loans	7	244.57	238.60
Other non-current assets	9	2,664.47	4,251.40
Total non-current assets		**3,130.53**	**14,267.70**
Current assets			
Financial assets			
(i) Investments	6	50.00	-
(ii) Trade receivables	10	3,343.45	981.89
(iii) Cash and cash equivalents	11	314.93	175.65
(iv) Bank balances other than (ii) above	12	4.03	3.77
(v) Other financial assets	8	343.65	595.15
Current Tax Assets	13	268.50	328.17
Other current assets	14	1,392.77	159.35
		5,717.33	**2,243.99**
Total assets		**8,847.86**	**16,511.68**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15(a)	929.24	904.26
Other Equity			
i) Instruments classified as Equity	15(c)	1,580.00	-
ii) Reserves and surplus	15(b)	(247.52)	(2,320.93)
Total equity		**2,261.72**	**(1,416.67)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	-	1,899.96
(ii) Lease Liabilities	4	13.10	7,622.50
(ii) Other financial liabilities	20	-	3.25
Provisions	17	148.10	152.55
Other non-current liabilities	18	-	0.50
Total non-current liabilities		**161.20**	**9,678.76**
Current liabilities			
Financial liabilities			
(i) Borrowings	16	3,928.33	-
(ii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	19	28.70	50.56
(b) Total outstanding dues of creditors other than micro and small enterprises	19	765.00	2,860.14
(iii) Lease Liabilities	4	10.06	2,323.48
(iv) Other financial liabilities	20	540.91	462.31
Provisions	17	101.30	126.19
Other current liabilities	21	1,050.64	2,426.90
Total current liabilities		**6,424.94**	**8,249.59**
Total liabilities		**6,586.14**	**17,928.35**
Total equity and liabilities		**8,847.86**	**16,511.68**

See accompanying notes to the financial statements

This is the Balance Sheet referred in our report of even date.

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

For and on behalf of Board of Directors
Netmeds Marketplace Limited

Ananthi Amarnath
Partner

M Pradeep Dadha
Director
DIN: 00087519

Advait Suhas Pandit
Director
DIN: 02972886

Place: Chennai
Date: April 26, 2021

Place: Chennai
Date: April 26, 2021

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

	Note	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE			
Income from Services		15,833.02	3,816.02
Less: GST recovered		2,409.60	89.69
Revenue from operations	22	13,423.42	3,726.33
Other income	23	1,700.34	278.74
Total income		**15,123.76**	**4,005.08**
EXPENSES			
Employee benefits expense	24	2,540.99	3,190.06
Depreciation and amortisation expense	25	2,139.63	2,499.21
Finance costs	26	943.52	1,107.19
Other expenses	27	9,396.35	13,615.11
Total expenses		**15,020.49**	**20,411.58**
Profit before exceptional items and tax		**103.26**	**(16,406.50)**
Exceptional items	28	(1.50)	-
Profit/(Loss) before tax		**104.76**	**(16,406.50)**
Income tax expense	29		
Current tax		-	-
Deferred tax		-	-
Total tax expense		**-**	**-**
Profit/(Loss) after tax		**104.76**	**(16,406.50)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		63.34	(8.51)
Income tax relating to these items		-	-
Other comprehensive income/(loss)		**63.34**	**(8.51)**
Total comprehensive income/(loss) for the year		**168.10**	**(16,415.01)**
Basic earnings per share (in INR) [Nominal value per share: Rs. 5 (March 31, 2020: Rs. 5)]	37	0.57	(105.46)
Dilutive earnings per share (in INR) [Nominal value per share: Rs. 5 (March 31, 2020: Rs. 5)]	37	0.33	(105.46)

See accompanying notes to the financial statements

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

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

Ananthi Amarnath
Partner

Place: Chennai
Date: April 26, 2021

For and on behalf of Board of Directors
Netmeds Marketplace Limited

M Pradeep Dadha
Director
DIN: 00087519

Advait Suhas Pandit
Director
DIN: 02972886

Place: Chennai
Date: April 26, 2021

Netmeds Marketplace 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(a)	628.50
Issue of equity share capital		275.76
Balance as at March 31, 2020		**904.26**
Issue of equity share capital		24.98
Balance as at March 31, 2021		**929.24**

B Other equity

	Note	Reserves and surplus				Instrument classified as Equity	Total
		Securities premium	Retained earnings	Employee stock option reserve	Deemed Equity Contribution		
Balance as at April 1, 2019		**29,788.41**	**(30,037.27)**	**-**	**-**	**-**	**(248.86)**
Loss for the year	15(b)	-	(16,406.50)	-	-	-	(16,406.50)
Other comprehensive loss	15(b)	-	(8.51)	-	-	-	(8.51)
Total comprehensive loss for the year		-	(16,415.02)	-	-	-	(16,415.02)
Issue of equity shares		14,174.17	-	-	-	-	14,174.17
Employees stock option expense	15(b)	-	-	168.74	-	-	168.74
Balance as at March 31, 2020		**43,962.58**	**(46,452.25)**	**168.74**	**-**	**-**	**(2,320.93)**
Profit for the year	15(b)	-	104.76	-	-	-	104.76
Other comprehensive income	15(b)	-	63.34	-	-	-	63.34
Total comprehensive income for the year		-	**168.11**	-	-	-	168.11
Issue of equity shares		1,284.02	-	-	-	-	1,284.02
Issue of Optionally fully convertible debentures		-	-	-	-	1,580.00	1,580.00
Received from Holding Company		-	-	-	790.03	-	790.03
Lapse of employee stock options		-	-	(21.61)	-	-	(21.61)
Transfer to Employee stock option liability (refer note 23.2)	15(b)	-	-	(147.13)	-	-	(147.13)
Balance as at March 31, 2021		**45,246.60**	**(46,284.15)**	**(0.00)**	**790.03**	**1,580.00**	**1,332.48**

See accompanying notes to the financial statements

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ananthi Amarnath
Partner

Place: Chennai
Date: April 26, 2021

For and on behalf of Board of Directors
Netmeds Marketplace Limited

M Pradeep Dadha
Director
DIN: 00087519

Advait Suhas Pandit
Director
DIN: 02972886

Place: Chennai
Date: April 26, 2021

Netmeds Marketplace Limited
Statement of Cash Flows for the year ended March 31, 2021
(All amounts are in INR lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit/(Loss) before tax	104.76	(16,406.50)
Adjustments for:		
Finance costs	943.52	1,114.37
Unwinding of interest on security deposit	(3.92)	(8.54)
Depreciation and amortisation expense	2,139.64	2,499.04
Provision for financial guarantee contracts	(210.40)	210.40
Interest income on refund of Income Tax	(25.76)	(0.27)
Provision for doubtful advances	24.71	4.00
Net gain on sale of investment in mutual funds	(1.74)	(4.38)
Reversal of provision for doubtful balances	(186.81)	-
Goodwill written off	9.40	-
Gain or loss on termination of lease	(813.63)	-
Sundry Creditors written back	(2.89)	-
Gain/ loss on Investment	(1.50)	
Employee share-based payment expense	82.59	168.74
Operating profit/(Loss) before working capital changes	**2,057.98**	**(12,423.15)**
Changes in operating assets and liabilities:		
(Increase)/Decrease in loans	(2.05)	(8.13)
(Increase)/Decrease in other financial assets	251.50	(61.66)
(Increase)/Decrease in other current and non-current assets	515.61	(1,382.43)
(Increase)/Decrease in trade receivables	(2,361.56)	(357.02)
Increase/(Decrease) in trade payables	(2,114.12)	937.84
Increase/(Decrease) in other financial liabilities	34.42	945.33
Increase/(Decrease) other current and non-current liabilities	(1,376.76)	(372.28)
Increase/(Decrease) in provisions	34.01	97.96
Cash used in operations	**(2,960.97)**	**(12,623.54)**
Income taxes paid (net of refunds)	59.67	(171.18)
Net cash outflow from operating activities (A)	**(2,901.30)**	**(12,794.73)**
Cash flow from investing activities		
Investment in Subsidiary (Net of Impairment)	-	(4.00)
Sale of investment in Subsidiary	1.50	-
Investment in property, plant and equipment and intangible assets	(55.74)	(112.12)
Purchase of investment in mutual funds	(2,100.00)	(2,751.50)
Sale of investment in mutual funds	2,051.73	2,755.87
Deposits with bank (net)	(0.26)	(0.24)
Loans given to subsidiary	-	1.04
Interest income on refund of Income Tax	25.76	0.27
Net cash outflow from investing activities (B)	**(77.00)**	**(110.68)**
Cash flow from financing activities		
Issue of Share capital	1,309.00	14,449.94
Borrowings received	2,028.37	1,142.02
Issue of Optionally Fully Convertible Debentures	1,580.00	-
Finance Cost paid	(229.52)	(138.49)
Lease liability payments	(2,360.29)	(2,843.01)
Equity Contribution	790.03	-
Net cash inflow from financing activities (C)	**3,117.59**	**12,610.47**
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	**139.28**	**(294.94)**
Cash and cash equivalents as at the beginning of the period	175.65	470.59
Cash and cash equivalents as at the end of the period	**314.93**	**175.65**

Netmeds Marketplace 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:

	Year ended March 31, 2021	Year ended March 31, 2020
Balances with banks		
- In current accounts	314.90	174.94
Cash on hand	0.03	0.71
Balances per Statement of Cash Flows	**314.93**	**175.65**

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

Ananthi Amarnath
Partner

Place: Chennai
Date: April 26, 2021

For and on behalf of Board of Directors
Netmeds Marketplace Limited

M Pradeep Dadha
Director
DIN: 00087519

Advait Suhas Pandit
Director
DIN: 02972886

Place: Chennai
Date: April 26, 2021

1 Corporate Information

1.1 Brief description of the Company

Netmeds Marketplace Limited ('the Company') is a company incorporated in India having its registered office at No.1, Lalithapuram, Royapettah, Chennai, Tamil Nadu-600014, India. The Company's immediate holding company is Tresara Health Private Limited, intermediate holding company is Reliance Retail Ventures Limited and the Ultimate Holding Company is Reliance Industries Limited.
The Company is carrying on the business of acting as commission agents for procuring on-line orders for supply of pharmaceutical and other products to maintain the payment gateway for accepting payments on behalf of one or more principals who would be supplying the products to the customers against the orders so procured. The Company is also started rendering agency services relating to doctor consultations, diagonistics and customer subscriptions. Further, the Company is also engaged in the business of providing business consultancy, technical services and related advisory/support services

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) 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 2.17 and note 28
Taxation - Refer note 2.04 and note 27
Fair value measurements and valuation processes - Refer note 2.10 and note 29
Impairment of financial assets - Refer note 2.10 and note 30
Estimated useful life of property, plant and equipment - Note 2.11

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

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

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

2.01 Segment reporting

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

The board of directors of Netmeds Marketplace Limited assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors have been identified as being the CODM. Refer note 33 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 services

Sale of services - Commission income and marketplace fees
Revenue in the nature of commission income is received from sellers of pharmaceutical products through the Company’s online marketplace. Revenue from providing services is recognised at a point in time when the performance obligations are fulfilled.

Franchisee fees
Revenue in the nature of franchisee fees is recognised over time during which the performance obligation of providing the licenses is provided.

Diagnostic services
Revenue from diagnostic consultation is recognised at a point in time, when the services are performed and the customer has availed the services.

Doctor consultation
Revenue from doctor consultation is recognised over time, when the performance obligation of providing the consultation is performed.

Marketing services:
Revenue from marketing services are in the nature of time and space provided in the online marketplace for advertisement. Revenue is recognised over time when the performance obligations are satisfied in the accounting periods it is performed.

Shipping charges:
Revenue from shipping charges are recognized over time during the period of delivery to the end customers.

Warehousing income:
Revenue from warehousing is recognised over time in the accounting periods when the related services are performed.

Business Consultancy, technical services and related advisory/support services:
Revenue in the nature of Business Consultancy, technical services and related advisory/support services is recognised over time when the performance obligations are fulfilled and there is no uncertainty over the realisation of revenue from the customer.

Payment for the commission income services are as per the terms of the contract. The license fee and franchisee is receivable as per the terms of the contract when license is provided to the customers. Collections from marketing services are due as per the agreed credit terms of the contract. Payment for the doctor consultation is received upfront when the customer blocks appointment through the portal. Payment for the diagnostic consultation is received either when the end customer blocks the appointment for the services, or when the consultation services is performed. Shipping charges are receivable when the goods are delivered at the location of the customers. Payment for the warehouse income is as per the terms of the contract.Payment for Business Consultancy, technical services and related advisory/support services are as per the terms of the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

The Company operates a loyalty programme where customers earn award points for purchases made through its domain which entitle them to discounts on future purchases. Revenue relating to such award points is deferred and recognised when the points are redeemed.

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

From April 1, 2018, 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 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary/business comprises the:
(i) fair values of the assets transferred;
(ii) liabilities incurred to the former owners of the acquired business;
(iii) equity interests issued by the Company; and
(iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

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

Acquisition-related costs are expensed as incurred. The excess of the:
(i) consideration transferred;
(ii) amount of any non-controlling interest in the acquired entity, and
(iii) acquisition-date fair value of any previous equity interest in the acquired entity
over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

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

2.07 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.

2.08 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.

2.09 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.

2.10 Investments and other financial assets

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

B. Subsequent Measurement
a) Financial Assets Measured at Amortised Cost (AC)
A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.
b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)
A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.
c) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)
A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

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

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

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

E. Impairment of Financial Assets
In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).
Expected credit losses are measured through a loss allowance at an amount equal to:
• The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
or
• Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.
For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities
A. Initial Recognition and Measurement
All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.
B. Subsequent Measurement
Financial Liabilities are carried at amortized cost using the effective interest method.
For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(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.

(iv) Income recognition
Interest income
Interest Income from a Financial Asset is recognised using effective interest rate method.
Dividends
Dividend Income is recognised when the Company's right to receive the amount has been established.

2.11 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

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

The useful lives have been determined based on technical evaluation done by the Management's expert, in order to reflect the actual usage of the assets 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).

2.12 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 arising on business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating unit that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or when there is an indication that the unit may be impaired. The recoverable amount of cash generating unit is determined for each cash generating unit based on a value in use calculation which uses cash flow projections and appropriate discount rate is applied. The discount rate takes into account the expected rate of return to shareholders, the risk of achieving the business projections, risks specific to the investments and other factors. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Computer software including internally developed software

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

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

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

(iii) Amortisation methods and periods

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

Asset	Useful life
Computer software	4 years
Licenses	4 years
Non compete fee	3 years

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

2.13 Trade and other payables

These amounts represent liabilities for services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the period agreed with the vendors. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

2.14 Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

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.

2.15 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.

2.16 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.

2.17 Employee benefits

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

(ii) Other long-term employee benefit obligations

The 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.

2.18 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.

2.19 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.

2.20 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.

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

3 Property, plant and equipment

	Leasehold improvements	Office equipment	Furniture and fixtures	Computers and accessories	Total
Year ended March 31, 2020					
Gross carrying amount					
Opening gross carrying amount	126.65	35.65	61.88	260.87	485.05
Additions	-	11.62	-	80.85	92.47
Disposals	-	-	-	4.64	4.64
Closing gross carrying amount	126.65	47.27	61.88	337.09	572.88
Accumulated depreciation					
Opening accumulated depreciation	58.54	12.24	13.26	94.88	178.92
Depreciation charge during the year	39.49	13.55	12.62	115.36	181.02
Disposals	-	-	-	1.68	1.68
Closing accumulated depreciation	98.03	25.79	25.88	208.56	358.26
Net carrying amount as on March 31,2020	28.62	21.48	36.00	128.53	214.62
Year ended March 31, 2021					
Gross carrying amount					
Opening gross carrying amount	126.65	47.27	61.88	337.08	572.88
Additions	-	-	-	55.72	55.72
Disposals	-	-	-	-	-
Closing gross carrying amount	126.65	47.27	61.88	392.80	628.60
Accumulated depreciation					
Opening accumulated depreciation	98.03	25.79	25.88	208.56	358.26
Depreciation charge during the year	13.31	9.54	9.32	82.63	114.80
Disposals	-	-	-	-	-
Closing accumulated depreciation	111.34	35.33	35.20	291.19	473.06
Net carrying amount as on March 31,2021	15.31	11.94	26.68	101.61	155.54

4 Leases

This note provides information for leases where the Company is a lessee. The Company leases various offices and warehouses. Rental contracts are typically made for fixed period of 11 months to 6 years, but may have extension clauses as described in (ii) below.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at March 31, 2021	As at March 31, 2020
Right-of-use assets		
Buildings	23.52	9,469.35
Total	**23.52**	**9,469.35**
Lease liabilities		
Current	10.06	2,323.48
Non-current	13.10	7,622.50
Total	**23.16**	**9,945.98**

Additions to the right-of-use assets during the current financial year were NIL (March 31, 2020 - INR 2,819.17 lakhs).

Description of Liabilities	As at March 31, 2021	As at March 31, 2020
Opening balance	**9,945.98**	**8,994.11**
Additions	-	2,817.62
Finance cost accrued	714.00	975.71
Deletions (Refer Note 4.1)	(8,276.52)	-
Payment of lease liabilities	(2,360.30)	(2,841.46)
Closing Balance	**23.16**	**9,945.98**

Description of Assets	**Amount**
I - Gross carrying value	
As at April 01, 2019	9,312.50
Additions	2,819.17
Disposals / Adjustments during the year	-
As at March 31, 2020	**12,131.67**
As at April 01, 2020	12,131.67
Additions	-
Disposals / Adjustments during the year(Refer note 4.1)	7,462.89
As at March 31, 2021	**4,668.78**
II. Accumulated depreciation and impairment	
As at April 01, 2019	398.58
Charge for the year	2,263.73
Disposals / Adjustments during the year	-
As at March 31, 2020	**2,662.32**
As at April 01, 2020	2,662.32
Charge for the year	1,982.94
Disposals / Adjustments during the year	
As at March 31, 2021	**4,645.26**

III. Net Carrying Value	
As at 31 March 2020	**9,469.35**
As at 31 March 2021	**23.52**

4.1. The right to use asset as on 1st April 2020 of Rs.9,469.35 lakhs and corresponding Lease liability of Rs.9,945.98 lakhs under Ind AS 116 was created for lease contracts undertaken by Netmeds Marketplace Limited with various warehouses and office premises. Since the lease contracts with the warehouses were cancelled effective January 2021(other than one contract which was subsequently cancelled effective March 2021), the net of right to use asset and lease liability balance in the books de-recognized and the resultant gain of Rs. 813.63 Lakhs on termination of lease contracts are accounted and disclosed under "Gain/(loss) on termination of lease" in Note 23.

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

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

	As at March 31, 2021	As at March 31, 2020
Depreciation charge for right-of-use assets		
Buildings	1,982.94	2,263.73
Total	**1,982.94**	**2,263.73**
Interest expense (included in finance costs) (Refer Note 26)	714.00	975.71
Expense relating to short-term leases (included in other expenses) (Refer Note 27)	310.19	257.93

The total cash outflow for leases for the year ended March 31, 2021 was INR 2433.11 Lakhs (March 31, 2020 - INR 2,802.76).

Extension and termination options:

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not with the respective lessor.

(iii) Critical judgements in derermining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).
For leases of buildings, the following factors are normally the most relevant:
(a) If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend and not terminate).
(b) If any leasehold improvements are expected to have a significant remaining value the Company is typically reasonably certain to extend (or not terminate).
(c) Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

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

4.2 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	11.95	-
One to five years	13.96	-
More than five years	-	2,495.94
Total	**25.91**	**2,495.94**

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

5 Intangible Assets

	Computer software	Licences	Non compete fee	Total	Goodwill
Year ended March 31, 2020					
Gross carrying amount					
Opening gross carrying amount	159.79	7.83	17.15	184.76	9.40
Additions	3.87	-	-	3.87	-
Additions from business combinations	-	-	-	-	-
Disposals	-	-	-	-	-
Closing gross carrying amount	163.66	7.83	17.15	188.64	9.40
Accumulated depreciation					
Opening accumulated depreciation	40.97	5.88	3.01	49.85	-
Amortisation charge during the year	46.78	1.95	5.73	54.46	-
Disposals	-	-	-	-	-
Closing accumulated depreciation	87.75	7.83	8.74	104.31	-
Net carrying amount as on March 31,2020	75.91	-	8.41	84.32	9.40
Year ended March 31, 2021					
Gross carrying amount					
Opening gross carrying amount	163.66	7.83	17.15	188.64	-
Additions	-	-	-	-	-
Additions from business combinations	-	-	-	-	-
Disposals	-	-	-	-	-
Closing gross carrying amount	163.66	7.83	17.15	188.64	-
Accumulated depreciation					
Opening accumulated depreciation	87.75	7.83	8.74	104.31	-
Amortisation charge during the year	36.66		5.23	41.89	-
Disposals	-	-	-	-	-
Closing accumulated depreciation	124.41	7.83	13.97	146.21	-
Net carrying amount as on March 31,2021	**39.25**	**-**	**3.18**	**42.43**	**-**

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

		As at March 31, 2021	As at March 31, 2020
6	**Investments**		
	Non-Current- unquoted		
	Investments in subsidiary - at cost (fully paid-up)		
	2,30,000 (March 31, 2020) equity shares of of INR 10 each fully paid up held in Netmeds Health Private Limited (formerly known as "Netmeds Health and Wellness Marketplace Private Limited") (Refer Note 28)	-	23.00
	Less: Provision for impairment	-	(23.00)
		-	-
	Aggregate amount of unquoted investments	-	23.00
	Aggregate amount of impairment in the value of investments	-	23.00

Current

Investment measured at Fair value Through Profit & Loss

Particulars	No.of units	As at March 31, 2021	No.of units	As at March 31, 2020
Investment in Mutual fund				
-Axis Mutual Fund-Overnight Fund Direct (Growth)	4,596.12	50.00	-	-
	4,596.12	**50.00**	**-**	**-**
Aggregate amount of unquoted investments		50.00	-	-
Aggregate amount of impairment in the value of investments		-	-	-

		As at March 31, 2021	As at March 31, 2020
7	**Financial assets - Loans**		
	(considered good, unless otherwise stated)		
	Non-current		
	Loans considered good - Unsecured		
	Security deposits	244.57	238.60
	Loan receivables which have significant increase in credit risk		
	Advances to fulfillment centres	-	13.00
	Less: Allowance for increase in credit risk	-	(13.00)
		244.57	**238.60**
7.1	Movement in Allowance for advances to fulfillment centres		
	Opening balance	13.00	13.00
	Add: Addition during the year	-	-
	Less: Reversed during the year	(13.00)	-
	Closing balance	-	13.00
8	**Other financial assets**		
	Current		
	Receivable from payment gateways and delivery agents		
	- Considered good, Unsecured	224.93	353.31
	Receivable from payment gateways and delivery agents - credit impaired	64.26	50.19
	Less: Loss allowance for credit impaired	(64.26)	(50.19)
	Contractually reimburesable expenses	118.72	241.84
		343.65	**595.15**
8.1	Movement in loss allowance for Receivable from payment gateways and delivery agents		
	Opening balance	50.19	50.19
	Add: Addition during the year	14.07	-
	Less: Reversed during the year	-	-
	Closing balance	64.26	50.19

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

		As at March 31, 2021	As at March 31, 2020
9	**Other non-current assets**		
	(Considered good, unless otherwise stated)		
	Capital advances	9.77	26.24
	Advances other than capital advances:		
	Credit unutilised	-	180.18
	Balance with government authorities		
	Considered good - unsecured	2,654.70	4,044.10
	Considered doubtful - unsecured	-	170.13
	Less: Loss allowance	-	(170.13)
		2,654.70	4,044.10
	Prepaid expenses	-	0.88
		2,664.47	**4,251.40**
9.1	**Movement in loss allowance for doubtful balances with government authorities**		
	Opening balance	170.13	170.13
	Add: Addition during the year	-	-
	Less: Reversed during the year	(170.13)	-
	Closing balance	-	170.13
10	**Trade receivables**		
	Trade receivables considered good - unsecured (refer Note 32 for Related party receivables)	3,343.45	981.89
	less: Provision for bad and doubful debts	-	-
		3,343.45	**981.89**

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.

11	**Cash and cash equivalents**		
	Balances with banks		
	- In current accounts	314.90	174.94
	Cash on hand	0.03	0.71
		314.93	**175.65**
12	**Bank balances other than cash and cash equivalents**		
	Deposits with maturity of more than 3 months and less than 12 months	4.03	3.77
		4.03	**3.77**
13	**Current Tax Assets**		
	Current tax assets (Net of Provision Rs. Nil/- (PY - Rs. Nil/-))	268.50	328.17
		268.50	**328.17**
14	**Other current assets**		
	Balance with government authorities considered good - unsecured	1,080.00	-
	Advances to suppliers considered good - unsecured	28.90	14.32
	Advances to suppliers - credit impaired	3.56	3.56
	Less: Loss allowance for credit impaired	(3.56)	(3.56)
		1,108.90	14.32
	Prepaid expenses	236.91	107.09
	Other advances	46.96	37.94
		1,392.77	**159.35**
14.1	Movement in loss allowance for credit impaired		
	Opening balance	3.56	3.56
	Add: Addition during the year	-	-
	Less: Reversed during the year	-	-
	Closing balance	3.56	3.56

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

15(a) Equity share capital

	March 31,2021		March 31,2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 5 each	20,000,000	1,000	20,000,000	1,000
Issued, subscribed and fully paid up				
Equity shares of INR 5 each	18,584,788	929.24	18,085,172	904.26
(i) Movements in equity share capital				
Balance as at the beginning of the year	18,085,172	904.26	12,569,930	628.50
Add: Shares issued during the year	499,616	24.98	5,515,242	275.76
Balance as at the end of the year	**18,584,788**	**929.24**	**18,085,172**	**904.26**

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 5 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.

Note:-
During the year, the Company has alloted its shareholders for the following number of shares on rights issue pursuant to the resolution approved by the Board of Directors at their meetings held during the year:
FY 2020-21 - 4,99,616 equity shares of INR 5 each at a premium of INR 257 per share. (FY 2019-20 - 55,15,242 equity shares of INR 5 each at a premium of INR 257 per share.)

(ii) Shares of the Company held by holding company

	March 31, 2021	March 31, 2020
Tresara Health Private Limited*	18,584,788	18,085,172

* includes shares held by Nominees

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

	March 31, 2021		March 31, 2020	
	Number of shares	% of holding	Number of shares	% of holding
Tresara Health Private Limited	18,584,788	100.00%	18,085,172	100.00%

15(b) Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Securities premium	45,246.60	43,962.58
Retained earnings	(46,284.15)	(46,452.25)
Employees stock option reserve	-	168.74
Deemed Equity Contribution - Group Share-based payment scheme	790.03	-
	(247.52)	**(2,320.93)**
Securities premium		
Balance as at the beginning of the year	43,962.58	29,788.41
Add: Proceeds received (Refer 15(a) Note above)	1,284.02	14,174.17
Balance as at the end of the year	**45,246.60**	**43,962.58**
Retained earnings (Deficit in Statement of Profit and Loss)		
Balance as at the beginning of the year	(46,452.25)	(30,037.27)
Profit/(Loss) after tax	104.76	(16,406.47)
Items of other comprehensive income directly recognised in retained earnings		
Remeasurements of post-employment benefit obligations (net of tax)	63.34	(8.51)
Balance as at the end of the year	**(46,284.15)**	**(46,452.25)**
Employees stock option reserve		
Balance as at the beginning of the year	168.74	-
Employee stock option expense/(lapse) of employee stock option (refer note 24.1)	(21.61)	168.74
Transfer to employee stock option liability	(147.13)	-
Balance as at the end of the year	**-**	**168.74**

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

	As at March 31, 2021	As at March 31, 2020
Deemed Equity Contribution - Group Share-based payment scheme		
Balance as at the beginning of the year	-	-
Received from holding company (Refer Note 24.2)	790.03	-
Balance as at the end of the year	**790.03**	**-**

Nature and purpose of reserves:

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

Retained earnings/General reserves
Company's cumulative loss 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

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 Netmeds Marketplace Limited.

Share options outstanding account
The employees stock option reserve is used to recognise the grant date fair value of options issued to employees under Vitalic ESOP 2019 plan.

15(c) Instruments classified as Equity

	As at March 31, 2021	As at March 31, 2020
0.001%,15800, Optionaly Fully Convertiable Debentures Face Value Rs.10000 (Refer note below)	1,580.00	-
	1,580.00	**-**

Instruments classified as Equity includes 15,800 fully paid (previous year: NIL) 0.001% Unsecured Optionally Fully Convertible Debentures (OFCDs) of Face Value Rs.10,000 each held by Tresara Health Private Limited (Holding Company). The Company (issuer) has an option for early conversion at any time afterallotment of the OFCDs by giving one month notice to the Holder. The instrument is convertible into 2,000 equity shares for every 1 OFCD held, at the option of the Company at any time. The Equity Shares arising out of conversion of the OFCDs will rank pari-passu in all respects with the then outstanding Equity Shares of theCompany on the date of such conversion, except for dividend, which if declared, shall be paid on pro-rata basis from the date of allotment of such Equity Shares. The Company will settle the outstanding OFCDs on expiry of 10 years. OFCDs may be redeemed at any time earlier than 10 years (at any date after expiry of 30 days from the date of allotment of the OFCDs) at the option of the Company. Since the OFCDs are unsecured, no security is required to be created.

The reconciliation of the Number of optionally fully convertible debentures outstanding is set out below:

	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	-	-
Add: Issued during the year	15,800	-
Outstanding at the end of the year	**15,800**	**-**

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

	As at March 31, 2021	As at March 31, 2020
16 Borrowings		
Non-current		
Line of credit facility from supplier	-	1,899.96
	-	**1,899.96**
Current		
Unsecured		
Borrowings from Related party (Refer note 34)	3,928.33	-
Total current borrowings	**3,928.33**	**-**

Terms of repayment:

Unsecured loan from Vitalic Health Private Limited and Reliance Retail Ventures Limited is repayable on demand and carries a interest rate of 7% p.a. with effect from August 18, 2020. Interest payable to Vitalic Health Private Limtied and Reliance Retail Ventures Limited until August 18, 2020 was 8.5% and 12.5% respectively.

Net debt reconciliation:

	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Lease obligations	Non-current borrowings	Current borrowings
Net debt as at April 1, 2019	470.59	(8,994.11)	(757.97)	-
Cash flows	(294.94)	2,841.46	(1,031.25)	-
Acquisition - leases	-	(2,817.62)		-
Interest expense	-	(975.71)	(110.74)	-
Interest paid	-	-	-	-
Net debt as at March 31, 2020	175.65	(9,945.98)	(1,899.96)	-
Cash flows	139.28	2,360.30	1,754.75	(3,698.81)
Interest expense	-	(714.00)	-	(229.52)
Termination of lease/loan	-	8,276.52	145.22	
Net debt as at March 31, 2021	**314.93**	**(23.16)**	**-**	**(3,928.33)**

	As at March 31, 2021	As at March 31, 2020
17 Provisions		
Non-current		
Provision for employee benefits:		
Gratuity (Refer note 30)	124.40	152.55
Compensated absences (Refer note 30)	23.71	-
	148.10	**152.55**
Current		
Provision for employee benefits:		
Gratuity (Refer note 30)	21.49	27.17
Compensated absences (Refer note 30)	79.81	99.02
	101.30	**126.19**
18 Other non-current liabilities		
Advance from customers	-	0.50
Other Payables	-	
	-	**0.50**

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

		As at March 31, 2021	As at March 31, 2020
19	**Trade payables**		
	Total outstanding dues of creditors of micro, small and medium enterprises (refer note 19.1 below)	28.70	50.56
	Total outstanding dues of creditors other than micro, small and medium enterprises	765.00	2,860.14
		793.70	**2,910.70**

19.1 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

	For the year ended	
Particulars	**31-Mar-21**	**31-Mar-20**
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	28.70	50.56
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	0.02
c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	-
e) Further interest remaining due and payable for earlier years.	-	-

		As at March 31, 2021	As at March 31, 2020
20	**Other financial liabilities**		
	Non-current		
	Security deposits	-	3.25
		-	**3.25**
	Current		
	Security deposits	8.93	51.57
	Advances received from customers of fulfilment centres	151.12	122.15
	Purchase consideration payable	-	56.50
	Guarantee liabilities	-	213.96
	Refundable Security Deposit	292.25	-
	Employee benefits payable	12.16	18.13
	Amount Payable to employees (Refer note 19.2)	76.45	-
		540.91	**462.31**

20.1 Advance payable to fulfillment centres represents amounts collected from customers of fulfillment centres.

20.2 Amount payable to employees represents amount payable to ESOP holders arising out of acquisition of shares in Tresera Health Private Limited (erstwhile Holding company) by Reliance Retail Ventures Limited during the year.

21	**Other current liabilities**		
	Statutory dues including provident fund and tax deducted at source	199.52	150.16
	Amounts payable to fulfillment centres	557.41	1,981.87
	Contract liabilities (deferred revenue)	38.21	60.67
	Advance from customers	4.45	-
	Other liabilities - Cash back to customers	251.05	234.20
		1,050.64	**2,426.90**

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

	For the year ended March 31, 2021	For the year ended March 31, 2020*
22 Revenue from operations		
Sale of services		
Technical Support Services	10,000.00	-
Commission income	2,807.88	3,228.05
Franchisee fees	4.61	1.59
Customer subscription charges	50.93	16.01
Shipping charges received from customers	322.72	375.31
Other operating revenue		
Marketing services	86.37	105.38
Marketplace fees	142.85	-
Software Income	8.06	-
Total revenue from operations	**13,423.42**	**3,726.33**

The Company had during the preivous year netted of the following expenses against the commission income. During the currnet year, the company has presented commission income on gross basis. Accordingly, Warehousing charges, Interest on lease laiblities and Depreciation on ROU assets which was netted of agains the commission income in the previous year has been presented on gross basis in line with the current year presentation.

Particulars	Before Changes	Net Effect of change	After Changes
Commission Income	-	3,228.05	3,228.05
Depreciation of right of use assets (Refer Note 25)	(89.25)	(2,174.48)	(2,263.73)
Interest on lease liabilities (Refer Note 26)	(11.63)	(964.08)	(975.71)
Warehousing Charges (Refer Note 27)	(41.39)	(89.49)	(130.88)
Net income/(cost)	**(142.27)**	**-**	**(142.27)**

22.1 Disaggregated revenue

The Company derives revenue from transfer of goods and services over time and at a point in time as given below:

	For the year ended March 31, 2021	For the year ended March 31, 2020*
Timing of recognition		
Over time		
Marketing services	86.37	105.38
Customer subscription charges	50.93	16.01
Franchisee fees	4.61	1.59
Shipping charges received from customers	322.72	375.31
Technical Support Services	10,000.00	-
	10,464.63	**498.28**
Point in time		
Commission income	2,807.88	3,228.05
Marketplace Fees	142.85	-
Software Income	8.06	-
	2,958.79	**3,228.05**
Total	**13,423.42**	**3,726.33**

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

22.2 Reconciliation of revenue with contract price

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price:		
Commission income	2,813.50	3,642.04
Shipping charges received from customers	322.72	375.31
Revenue from doctor consultation	46.52	153.98
Revenue from diagnostic consultation	172.27	268.00
Others	10,292.82	122.97
Adjustments:		
Incentives - relating to commissions income, revenue from diagonistic and consultation	(16.85)	474.65
Contract liabilities - commission income, franchisee fees and customer subscription charges	22.46	(60.67)
Negative revenue disclosed under other expenses (refer note 26)	218.79	421.98
Revenue from operations as per Statement of Profit and Loss	**13,423.42**	**3,726.33**

22.3 The Company has only one reportable segment. The requirement to disclose relationship with operating segments under Ind AS 108 is not required.

22.4 Contract balances
Payment for the revenue recognised is collected as per the terms of the contract. In case of Commission Income, Franchise Fee and Customer Subscription charges, revenue is received in advance. Such Revenue is deferred in accordance with Ind AS 115. Also refer note 20.

22.5 Performance obligations
The Contracts with customers are structured in such a way that the Company has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance obligation complete to date and the Company has the right to invoice. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

Netmeds Marketplace Limited
Notes forming part of the Financial Statements for the year ended March 31, 2021
(All amounts are in INR lakhs, unless otherwise stated)

		Year ended March 31, 2021	Year ended March 31, 2020
23	**Other income**		
	Interest income from financial assets at amortised cost		
	- Interest income on deposits with banks		
	- on others	25.76	0.27
	Support services to group companies	297.00	254.00
	Unwinding of discount on security deposits	3.92	8.54
	Net gain on sale of investment in mutual funds	1.74	4.38
	Guarantee commission	3.57	3.57
	Miscellaneous income	9.36	7.98
	Gain on de-recognition of line of credit	145.22	-
	Reversal of Provision for Doubtful Balance	186.81	-
	Provision for financial guarantee contracts no longer required	210.40	-
	Sundry Creditors written back	2.89	-
	Net loss on foreign currency transactions and translations	0.04	-
	Gain/(loss) on termination of lease (Refer Note 4.1)	813.63	-
		1,700.34	**278.74**
24	**Employee benefits expense**		
	Salaries, wages and bonus	2,202.25	2,704.54
	Contribution to provident and other funds (Refer note 30)	111.77	137.26
	Gratuity (Refer note 30)	41.95	36.35
	Employee share-based payment expense (Refer note 24.1)	82.59	168.74
	Staff welfare expenses	102.43	143.17
		2,540.99	**3,190.06**
25	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (Refer note 3)	114.80	181.02
	Depreciation of right-of-use assets (Refer note 4)	1,982.94	2,263.73
	Amortisation of intangible assets (Refer note 5)	41.89	54.46
		2,139.63	**2,499.21**
26	**Finance costs**		
	Interest on lease liabilities	714.00	975.71
	Interest on line of credit	-	110.74
	Interest on loans from related parties	229.52	20.74
		943.52	**1,107.19**

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

		Year ended March 31, 2021	Year ended March 31, 2020
27	**Other expenses**		
	Net Expenses from doctor consultation	10.45	11.36
	Software license fee	-	33.92
	Business support and advisory charges	363.31	437.60
	Promotional packing materials	422.17	533.54
	Freight and delivery charges	1,970.64	2,142.13
	Donation	-	10.00
	Power and fuel	45.44	58.37
	Rent	310.19	257.93
	Rates and taxes	4.68	4.69
	Repairs and maintenance	550.15	383.76
	Travelling and conveyance	49.69	103.94
	Allowance for increase in credit risk and impairment provisions	-	4.00
	Provision for doubtful balances	24.71	-
	Provision for financial guarantee contracts	-	210.40
	Payment to auditors (Refer Note 27(a))	17.35	13.21
	Communication expenses	390.81	333.86
	Printing and stationery	53.65	96.45
	Web hosting expenses	1,301.14	296.27
	Legal and professional fees	280.47	955.22
	Payment gateway charges	432.17	432.44
	Advertisement expenses	3,042.39	7,092.10
	Security charges	10.17	15.12
	Warehousing Charges	5.16	130.88
	Subscription and membership charges	16.69	27.56
	Interest expense		
	- on Others	1.73	4.95
	- on Taxes Due	2.76	1.87
	Net loss on foreign currency transactions and translations	-	0.92
	Loss on Diagnostics consultation	48.89	21.81
	Marketing Fees	22.18	-
	Goodwill writen off	9.40	-
	Discount on Issue of Vouchers	8.28	-
	Miscellaneous expenses	1.68	0.79
		9,396.35	**13,615.11**

Note 27(a): Details of payments to auditors

	Year ended March 31, 2021	Year ended March 31, 2020
Payment to auditors		
As auditor		
Audit fee	14.00	12.50
Tax audit and other services	3.10	0.50
Certification fees	0.25	
Reimbursement of expenses	-	0.21
	17.35	**13.21**

		Year ended March 31, 2021	Year ended March 31, 2020
28	**Exceptional items**		
	Gain or Loss on Sale of Investment	(1.50)	-
		(1.50)	**-**

Note - The Company, during the year, sold its entire stake in Netmeds Health Private Limited for Rs. 1.5 Lakh. The Company had earlier impaired its investment and hence, entire sale proceed has been recognized as gain or loss on sale of investment.

29 Income tax expense

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) before tax for the year	104.76	(16,406.50)
Tax at the rate of 25.17% (March 31, 2020: 26.00%)	**26.37**	**(4,265.69)**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred taxes not created on tax losses and temporary	(26.37)	4,265.69
Income tax expense	**-**	-

(c) Tax losses

	Year ended March 31, 2021	Year ended March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	38,865.74	38,977.28
Potential tax benefit @ 25.17% (March 31, 2020 - 26.00%)	9,782.51	10,134.09

Unrecognised deferred tax assets relates to unabsorbed depreciation which can be carried forward without any

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

24.1 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	282,151		-
Granted during the year			620	283,362
Exercised during the year				
Lapsed during the year	620	1,509	620	1,211
Cancelled during the year	620	280,642		
Closing balance		**-**		**282,151**
Vested and exercisable		**-**		**-**

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

(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	-	250,809
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
7-Jun-19	10-Jun-20	620	-	136,108
7-Jun-19	1-Oct-20	620	-	11,292
7-Jun-19	10-Jun-21	620	-	58,606
7-Jun-19	1-Oct-21	620	-	11,290
7-Jun-19	10-Jun-22	620	-	64,855
Total			-	282,151

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

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 satisaction of the vesting conditions, being remaning 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 settlment agreement.

Particulars	**Under the ESOP Scheme (if scheme had not been cancelled)**	**Effect of changes**	**As at March 31, 2021**
Employee share-based payment expense (Refer Note 25)	44.82	37.77	82.59
Employee share based reserve (Refer Note 14)	132.06	(132.06)	-
Deemed Equity Contribution from Ultimate holding company/Fellow Subsidiary of Holding Company	-	790.03	790.03
Employee share based liability (Refer Note 20)	-	76.45	76.45

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

30 Employee benefit obligations

The Company has recognized in the Statement of Profit and Loss for the year ended March 31, 2021 an amount of INR 111.77 (March 31, 2020 - INR 137.26) towards expenses under defined contribution plans and included in 'Contribution to provident and other funds' under Note 27.

a) Defined benefit plan

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

	March 31, 2021	
	Current	**Non-current**
Compensated absences	23.70	79.81
Gratuity	21.49	124.40
Total employee benefit obligations	**45.19**	**204.21**

	March 31, 2020	
	Current	**Non-current**
Compensated absences	99.02	-
Gratuity	27.17	152.55
Total employee benefit obligations	**126.19**	**152.55**

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

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

	March 31, 2021	**March 31, 2020**
Leave obligations not expected to be settled within the next 12 months	79.81	67.56

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

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

	March 31, 2021	**March 31, 2020**
Opening balance	**179.72**	**141.11**
Current service cost	31.90	26.86
Past service cost		-
Interest expense/(income)	9.99	9.49
Total amount recognised in profit or loss	**41.89**	**36.35**
Remeasurements		
(Gain)/loss from change in financial assumptions	(63.34)	9.22
Experience (gains)/losses		(0.71)
Total amount recognised in other comprehensive income	**(63.34)**	**8.51**
Employer contributions		-
Benefit payments	(12.38)	(6.26)
Balances as at year end	**145.89**	**179.72**

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

(iii) Principal assumptions for actuarial valuation

The significant actuarial assumptions were as follows:

	March 31, 2021	March 31, 2020
Discount rate	5.45%	5.80%
Salary growth rate	9.00%	9.00%
Attrition rate	25.00%	20.00%

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:

Change in assumption*	March 31, 2021	March 31, 2020
Discount rate		
+ 1.00%	(7.14)	(8.54)
- 1.00%	7.90	9.43
Salary growth rate		
+ 1.00%	6.80	7.90
- 1.00%	(6.34)	(7.45)
Attrition rate		
+ 1.00%	(8.15)	(8.43)
- 1.00%	11.58	11.59

* figures in brackets represents increase in defined benefit obligation.

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

(v) Effect on future cash flows

The weighted average duration of the defined benefit obligation is 5.92 years (2020– 5.77 years).

The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2021	March 31, 2020
Less than 1 year	21.49	27.17
Between 2 - 5 years	74.91	94.99
Between 6 - 10 years	57.42	70.48
Between 11 - 15 years	26.39	32.91
Over 15 years	21.89	26.73

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

31 Fair value measurements

Financial instruments measured at Amortised cost

	Note	Hierarchy	March 31, 2021	March 31, 2020
Financial assets				
Loans	7	NA	244.57	238.60
Other financial assets	8	NA	343.65	595.15
Trade receivables	10	NA	3,343.45	981.89
Cash and cash equivalents	11	NA	314.93	175.65
Bank balances other than cash and cash equivalents	12	NA	4.03	3.77
Total financial assets			**4,250.64**	**1,995.06**

	Note	Hierarchy	March 31, 2021	March 31, 2020
Financial liabilities				
Borrowings	16	NA	3,928.33	1,899.96
Trade payables	19	NA	793.70	2,910.70
Other financial liabilities	20	NA	540.91	465.56
Lease Liabilities	4	NA	23.16	9,945.98
Total financial liabilities			**5,286.11**	**15,222.21**

Financial instruments measured at FVTPL

	Note	Hierarchy	March 31, 2021	March 31, 2020
Financial assets				
Non-current Investment	6	Level 3	-	-
Current Investment	6	Level 2	50.00	-
Total financial assets			**50.00**	**-**

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

Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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

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

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

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.

32 Financial risk management

The Company's principal financial liabilities comprises borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company operation. The Company's main financial assets includes trade and other receivable, cash and cash equivalents, investments from its operations.

Risk	Exposure arising from	Measurement
Credit risk (Refer Note A)	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis Credit ratings
Liquidity risk (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.

Credit risk management

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company periodically monitors the recoverability and credit risks of its other financials assets including security deposits and other receivables. The Company has three parties who owe dues in excess of 10% of the total receivables for the current year.

(ii) Impairment of financial assets

Expected credit loss for financial assets other than trade receivables

There has been no significant increase in credit risk for financial assets other than trade receivables. Thus, no expected credit losses have been recognised.

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.

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

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 through equity infusion from Holding Company and surplus cash is deposited in the banks which are liquidated based on working capital requirements.

The amounts disclosed in the table are the maturity profile of contractual undiscounted cash flows of the Company's financial liabilities:

Particulars	Less than 6 months	6 months to 1 year	More than 1 year	Total
As at March 31, 2021				
Borrowings	3,928.33	-	-	**3,928.33**
Lease liabilities	4.90	5.16	13.10	**23.16**
Other financial liabilities	540.91	-	-	**540.91**
Trade payables	793.70	-	-	**793.70**
Total	**5,267.85**	**5.16**	**13.10**	**5,286.11**
As at March 31, 2020				
Borrowings	-	-	1,899.96	**1,899.96**
Lease liabilities	1,628.01	1,592.36	8,761.45	**11,981.82**
Other financial liabilities	462.31	-	3.25	**465.56**
Trade payables	2,910.70	-	-	**2,910.70**
Total	**5,001.03**	**1,592.36**	**10,664.66**	**17,258.05**

33 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
Net debt		
Debt	3,951.50	11,845.94
Cash and cash equivalents	314.93	175.65
	3,636.57	11,670.29
Equity	929.24	904.26
Net debt - equity ratio (percentage)	**391%**	**1291%**

The net debt to equity ratio for the current year decreased from 1291% to 391%. Net debt has decrease due to cancellation of lease during the year.

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

34 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 17th,2020) Reliance Industries Limited (w.e.f 18th August,2020)
Holding company	Tresara Health Private Limited Reliance Retail Ventures Limited (w.e.f 18th August,2020)
Fellow subsidiaries	Vitalic Health Private Limited (w.e.f August 18th,2020) Jio Haptik Technologies Limited (Formerly known as Reliance Jio Digital Services Limited) (w.e.f August 18th,2020) Reliance Jio Infocomm Limited (w.e.f August 18th,2020) Reliance Retail Limited (w.e.f 18th August,2020) Dadha Pharma Distribution Private Limited MedRx Technologies LLP (Previously known as "MedRx Distributors LLP") (Upto August 14, 2020)

(ii) Other related parties with whom transactions have taken place during the year

Subsidiary	Netmeds Health Private Limited (up to July 30th, 2020) (formerly known as Netmeds Health and Wellness Marketplace Private Limited)	
Key management personnel (KMP)	S Mohanchand Dadha (resigned w.e.f January 21,2021)	Director
	M Pradeep Dadha	Director
	Jethu Singh Bhati	Director
	Advait Suhas Pandit (w.e.f January 21,2021)	Additional Director
	Ramya Krishna Singarapu (resigned w.e.f. April 25, 2021)	Company Secretary
Enterprises in which Key Management personnel exercise significant influence	Dadha Pharma Private Limited	

34 Related party transactions (Contd…)

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

Name of the related party	Ultimate Holding Company		Holding Company		Subsidiary		Fellow Subsidiaries		Key Managerial personnel/Enterprises in which Key Management personnel exercise significant influence	
	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
Support services to group companies	**22.00**	**66.00**	**231.00**	**188.00**	**-**	**-**	**10,044.00**	**-**	**-**	**-**
Vitalic Health Private Limited	22.00	66.00	-	-	-	-	44.00	-	-	-
Tresara Health Private Limited	-	-	231.00	188.00	-	-	-	-	-	-
Reliance Retail Limited	-	-	-	-	-	-	10,000.00	-	-	-
Other Expenses										
Business support and advisory Charges etc	**155.00**	**437.60**	**7.76**	**-**	**-**	**-**	**245.78**	**-**	**-**	**-**
Vitalic Health Private Limited	155.00	437.60	-	-	-	-	208.19	-	-	-
Reliance Retail Limited	-	-	-	-	-	-	0.12	-	-	-
Jio Haptik Technologies Limited (Formerly known as Reliance Jio Digital Services Limited)	-	-	-	-	-	-	3.60	-	-	-
Reliance Jio Infocomm Limited	-	-	-	-	-	-	33.87	-	-	-
Purchase of Products										
Tresara Health Private Limited	-	-	7.76	-	-	-				
Remuneration paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13.75**	**-**
Advait Suhas Pandit	-	-	-	-	-	-	-	-	7.19	-
Ramya Krishna Singarapu	-	-	-	-	-	-	-	-	6.56	-
Rent	**-**	-	-	-	-	-	**-**	-	**21.21**	**17.08**
Dadha Pharma Private Limited	-	-	-	-	-	-	-	-	21.21	17.08
Advertisement and publicity expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26.90**	**116.73**
Dadha Pharma Private Limited	-	-	-	-	-	-	-	-	26.90	116.73
Asset purchase	**-**	**-**	**-**	**-**	**-**	**-**	**39.80**	**-**	**-**	**-**
Reliance Retail Limited							39.80			
Borrowings	**2,338.33**	**-**	**3,090.00**	**1,315.00**	**-**	**-**	**-**	**-**	-	-
Vitalic Health Private Limited	2,338.33	-	-	-	-	-		-	-	-
Tresara Health Private Limited	-	-	1,500.00	1,315.00	-	-	-	-	-	-
Reliance Retail Ventures Limited	-	-	1,590.00	-	-	-	-	-	-	-
Repayment of Borrowings	**-**	**-**	**1,500.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Tresara Health Private Limited	-	-	1,500.00	-	-	-	-	-	-	-

34 Related party transactions (Contd…)

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

Name of the related party	Ultimate Holding Company		Holding Company		Subsidiary		Fellow Subsidiaries		Key Managerial personnel/Enterprises in which Key Management personnel exercise significant influence	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loans converted to equity shares	**-**	-	**-**	1,315.00	**-**	-	-	-	-	-
Tresara Health Private Limited	-	-		1,315.00	-	-	-	-	-	-
Share capital issued (including securities premium)	**-**	-	**1,308.99**	**14,449.94**	**-**	-	**-**	-	**-**	-
Tresara Health Private Limited	-	-	1,308.99	14,449.94	-	-	-	-	-	-
Investment in equity shares	**-**	**-**	**-**	**-**	**-**	**4.00**	**-**	**-**	**-**	**-**
Netmeds Health Private Limited (Previously known as Netmeds Health and Wellness Private Limited)	-	-	-	-	-	4.00	-	-	-	-
Interest paid	**-**	**-**	**40.85**	**20.74**	**-**	**-**	**178.21**	**-**	**-**	**-**
Tresara Health Private Limited	-	-	40.85	20.74	-	-	-	-	-	-
Vitalic Health Private Limited	-	-	-	-	-	-	109.30	-	-	-
Reliance Retail Ventures Limited	-	-	-	-	-	-	68.91	-	-	-
Corporate Guarantee Commssion	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.57**	**-**	**-**
MedRx Technologies LLP (Previously known as 'MedRx Distributors LLP')	-	-	-	-	-	-	-	3.57	-	-
Security Deposit received	**-**	**-**	**300.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Tresara Health Private Limited	-	-	300.00	-	-	-	-	-	-	-
Security Deposit repaid	**-**	**-**	**300.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Tresara Health Private Limited	-	-	300.00	-	-	-	-	-	-	-
Issue of Optionally Fully convertible Debentures	**-**	**-**	**-**	**-**	**-**	**-**	**1,580.00**	**-**	**-**	**-**
Tresara Health Private Limited	-	-	-	-	-	-	1,580.00	-	-	-

34 Related party transactions (Contd…)

C. Balance as at year end:

Name of the related party	Ultimate Holding Company		Holding Company		Subsidiary Company		Fellow Subsidiary Company		Enterprises in which Key Management personnel exercise significant influence	
	As at March 31, 2021 INR	As at March 31, 2020 INR	As at March 31, 2021 INR	As at March 31, 2020 INR	As at March 31, 2021 INR	As at March 31, 2020 INR	As at March 31, 2021 INR	As at March 31, 2020 INR	As at March 31, 2021 INR	As at March 31, 2020 INR
Trade payable	**-**	**195.79**	**8.40**	**-**	**-**	**-**	**1,204.61**	**3.25**	**1.98**	**3.69**
Vitalic Health Private Limited	-	195.79	-	-	-	-	75.22	-	-	-
Dadha Pharma Private Limited	-	-	-	-	-	-	-	3.25	1.98	3.69
Reliance Retail Limited	-	-	-	-	-	-	1,126.30	-	-	-
Reliance Jio Infocomm Limited	-	-	-	-	-	-	2.51	-	-	-
Tresara Health Private Limited	-	-	8.40	-	-	-	-	-	-	-
Jio Haptik Technologies Limited	-	-	-	-	-	-	0.58	-	-	-
								-	-	-
Trade receivable	**-**	**-**	**-**	**-**	**-**	**-**	**3,292.50**	**-**	**-**	**-**
Tresara Health Private Limited	-	-	-	-	-	-	-	-	-	-
Vitalic Health Private Limited	-	-	-	-	-	-	-	-	-	-
Reliance Retail Limited	-	-	-	-	-	-	3,292.50	-	-	-
Borrowings	**-**	**-**	**-**	**-**	**-**	**-**	**3,928.33**	**-**	**-**	**-**
Vitalic Health Private Limited	-	-	-	-	-	-	2,338.33	-	-	-
Reliance Retail Ventures Limited	-	-	-	-	-	-	1,590.00	-	-	-
Optionally Fully convertible Debentures	**-**	**-**	**1,580.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Tresara Health Private Limited	-	-	1,580.00	-	-	-	-	-	-	-
Other Financial Assets - Current	**-**	**23.76**	**106.23**	**218.08**	**-**	**-**	**6.08**	**-**	**-**	**-**
Vitalic Health Private Limited		23.76	-	-	-	-	6.08	-	-	-
Tresara Health Private Limited	-	-	106.23	218.08	-	-	-	-	-	-
Corporate Guarantee Provided	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**213.96**	**-**	**-**
MedRx Technologies LLP (Previously known as 'MedRx Distributors LLP')	-	-	-	-	-	-	-	213.96	-	-

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

35 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 as commission agents for procuring on-line orders for supply of pharmaceutical and other products and to maintain the payment gateway for accepting payments on behalf of one or more principals who would be supplying the products to the customers against the orders so procured and hence, there is only one reportable business segment in terms of Ind AS 108, Operating Segments.
The Chief operational decision maker (Board of Directors) monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

(b) Segment revenue

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

(c) Segment assets

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

36 Note on Impact of COVID-19

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

The Company operates as an e-commerce marketplace for pharmaceutical products. The business model collaborates pharmacy and technology, which has gained more relevance in the Covid-19 scenario.

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

In assessing the recoverability of various assets including investments, property, plant and equipment, intangible assets, receivables and its obligations, the Company has considered internal and external information up to the date of approval of financial statements including liquidity and solvency position for the Company for the ensuing twelve months and economic forecasts relevant to the Company. The Company based on current indicators of future economic conditions and factors mentioned above, expects to recover the carrying amount of its assets and meet its obligations and concluded that no material adjustments are required in their financial statements.
The impact of the global health pandemic may be different from that estimated, as at the date of approval of the financial statements, consequent to the highly uncertain economic environment and the Company will continue to closely monitor any material changes to the future economic conditions and to carry out a definitive reassessment of the impact as circumstances evolve.

37 Earnings per share

		March 31, 2021	March 31, 2020
a)	**Basic and dilutive loss per share**		
	Profit /(Loss) after tax (A)	104.76	(16,406.50)
	Number of equity shares of INR 10 each at the end of the year	18,584,788	18,085,172
	Weighted average number of equity shares of INR 10 each outstanding during the year (B)	18,530,660	15,557,184
	Basic earnings/(loss) per share - (in INR) (A/B)	0.57	(105.46)
b)	**Diluted**		
	Profit /(Loss) after tax (A)	104.76	(16,406.50)
	Weighted average number of equity shares of INR 10 each outstanding during the year (B)	18,530,660	15,557,184
	Weighted average number of Equity shares (arising out of Optionally fully convertible Debentures) of INR 10 each outstanding during the year (C)	13,159,452	-
	Dilutive EPS (A/B)	0.33	(105.46)

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

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

For and on behalf of Board of Directors
Netmeds Marketplace Limited

M Pradeep Dadha
Director
DIN: 00087519

Advait Suhas Pandit
Director
DIN: 02972886

Place: Chennai
Date: April 26, 2021