

Bohara Bhandari Bung And Associates LLP
Chartered Accountant

#12-10-89/1, Anagha Complex,
2nd Floor, Above Canara Bank, Sath Kacheri Road,
Raichur - 584101

INDEPENDENT AUDITOR'S REPORT

To the Members of Reva Pharmachem Private Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the Standalone financial statements of Reva Pharmachem Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Standalone financial statements, including 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 Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other than the Standalone financial statements and Auditor's Report

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

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



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

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 standalone 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



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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 systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 standalone 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 Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities included in the standalone financial statements.

Materiality

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



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- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Since the Company's turnover as per the last audited financial statements is less than Rs.50 Crores and its borrowing from banks or financial institutions or any Body Corporate at any time during the year is less than Rs.25 Crores, the Company is exempted from getting report of the auditor with respect to existence of internal financial controls with reference to financial statements of the company and its operating effectiveness of such controls vide notification dated 13th June 2017.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The 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.

For Bohara Bhandari Bung And Associates LLP

Chartered Accountants

(Firm's Regn No.008127S/S200013)


CA. Pankaj Kumar Bohara
Partner
Membership No. 215471



Place: Raichur

Date:21.05.2019

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Annexure-"A"

To the Independent Auditors' Report on the IND-AS Standalone financial statements of Reva Medicare Private Limited.

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

The Annexure referred to in our report to the members of Reva Medicare Private Limited ('the Company') for the year ended 31st March 2019. We report that:

- i. In respect of Fixed Assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, having regards to the size of the Company and the nature of its assets Fixed Assets have been physically verified wherever feasible by the management and no material discrepancy with respect to book records was noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information and explanation given to us there are no Inventories lying as at the balance sheet date hence reporting under clause (ii) is not applicable to the Company.
- iii. According to the information and explanation given to us, the Company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. According to the information and explanation given to us, the Company has not granted any loans, or made any investments and nor has provided any guarantees or securities to parties covered section 185 and 186 of the Act. Hence, provisions of clause (iv) of paragraph 3 of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 and 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of clause (v) of paragraph 3 of the Order is not applicable to the company.
- vi. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under section 148 of the Act in respect of the production and processing activities of the Company and are of the opinion that prima-facie cost records and accounts prescribed have been generally maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.



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- vii. In respect of Statutory dues
- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
 - b) According to the information and explanations no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us there are no dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute
- viii. According to the information and explanations given to us by the management, the Company has not borrowed any funds from banks, government and financial institutions and neither has raised any amount by way of issue of debentures. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. Based on the information and explanations given to us by the management of the Company, the Company has not raised any money by way of public offer. The Company has not raised any term loans during the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the IND-AS Standalone financial statements and as per the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, provision of Sec.197 read with schedule V to the Companies Act, 2013 is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the IND-AS Standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares or convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.



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- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Bohara Bhandari Bung and Associates LLP
Chartered Accountants
(Firm Registration Number: 008127S/S200013)


CA Pankaj Kumar Bohara
Partner
Membership Number: 215471



Place: Raichur
Date: 21.05.2019

Reva Pharmachem Private Limited

Part - I : Balance Sheet

(All amounts are in Indian Rupees in thousands unless otherwise stated)

PARTICULARS	Note	As at	
		31.03.2019	31.03.2018
		Audited	Audited
ASSETS			
Non Current Assets			
a) Financial Assets			
i) Investments	2	5.00	5.00
ii) Others	3	681.60	681.60
b) Deferred Tax Assets (Net)	4	10,383.96	11,535.46
		11,070.56	12,222.00
Current Assets			
a) Financial Assets			
i) Investments	5	1,787.97	7,058.73
ii) Trade Receivable	6	6,744.86	11,897.22
iii) Cash and Cash Equivalents	7	462.88	313.56
iv) Other Financial Assets	8	3,051.25	40.16
b) Other Current Assets	9	2,846.99	2,939.48
c) Current Tax Assets	10		54.83
		14,893.95	22,304.00
TOTAL		25,964.51	34,526.00
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	11	3,000.00	3,000.00
b) Other Equity	11	(14,482.82)	(21,776.39)
		(11,482.82)	(18,776.00)
LIABILITIES			
Non-Current Liabilities			
a) Financial Liabilities			
i) Long Term Borrowings	12	31,426.60	38,312.11
Current Liabilities			
a) Financial Liabilities			
i) Trade Payables	13	5,348.32	1,858.92
ii) Other Financial Liabilities	14		4,524.62
b) Other Current Liabilities	15	104.69	7,739.55
c) Provisions	16	559.09	867.21
d) Current Tax Liabilities	17	8.64	
		6,020.73	14,990.00
TOTAL		25,964.51	34,526.00

Note No. 1 to 36 form an Integral part of financial statements
As per our even report attached

for Bohara Bhandari Bung And Associates LLP
Chartered Accountants

(Firm's Regn No.008127S/S-200013)

CA. Pankaj Kumar Bohara
Partner
M.No.215471

Place: Raichur
Date: 21-05-2019

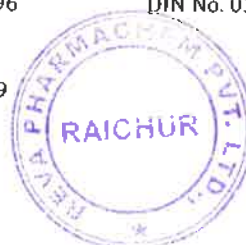


for Reva Pharmachem Private Limited

Gurpreet Singh Sandhu
Director
DIN No. 02685996

Place: Raichur
Date: 21-05-2019

Ramakant Innani
Director
DIN No. 03222748



Reva Pharmachem Private Limited


Part - II - Statement of Profit and Loss

(All amounts are in Indian Rupees in thousands except share data & per share data unless otherwise stated)

Particulars	Note	For the year ended 31.03.2019	For the year ended 31.03.2018
		Audited	Audited
Revenue			
Revenue from Operations	18	47,314.60	68,483.87
Total Revenue from Operations		47,314.60	68,483.87
Other Income	19	2,778.87	2,359.68
Total Revenue		50,093.48	70,843.55
Expenses			
a) Purchases of stock-in-trade	20	29,462.45	39,567.73
b) Changes in inventories of finish goods, Work -in Progress & Stock-in-trade	21	-	3,840.00
c) Employee Benefits Expense	22	743.41	12,128.93
d) Finance Costs	23	3,467.53	3,295.05
e) Depreciation and Amortisation Expense	2	-	255.70
f) Other Expenses	24	6,011.66	9,454.47
Total Expenses		39,685.05	68,541.87
Profit / (Loss) before exceptional items and tax		10,408.43	2,301.68
Profit / (Loss) before tax		10,408.43	2,301.68
Tax Expense			
a) Current Taxes		2,024.55	455.71
b) Taxes pertaining to earlier years		2.66	-
c) Deferred Taxes (Net)		3,112.20	1,380.09
Less: MAT Credit Entitlement		(2,024.55)	(2,275.19)
		3,114.86	(439.40)
Profit / (Loss) for the year		7,293.57	2,741.08
Other Comprehensive Income			
Total Comprehensive Income		7,293.57	2,741.08
Earning per equity share for Rs.10/- face value (Continued Operations)			
Basic		24.31	9.14
Diluted		24.31	9.14
Number of shares used in computing earnings per share (Continued Operations)			
Basic		300,000	300,000
Diluted		300,000	300,000

Note No. 1 to 36 form an Integral part of financial statements
As per our even report attached


for Bohara Bhandari Bung And Associates LLP
Chartered Accountants
(Firm's Regn No.008127S/S-200013)


CA. Pankaj Kumar Bohara
Partner
M.No.215471

Place: Raichur
Date: 21-05-2019



for Reva Pharmachem Private Limited


Gurpreet Singh Sandhu
Director
DIN No. 02685996


Ramakant Innani
Director
DIN No. 03222748

Place: Raichur
Date: 21-05-2019



Reva Pharmachem Private Limited

Cash Flow Statement for the year ended

(All amounts are in Indian Rupees in thousands unless otherwise stated)

Particulars	31-03-2019	31-03-2018
Cash Flows from Operating Activities		
Profit / (Loss) Before Tax	10,408.43	2,301.68
Less: Adjustments for:		
STCG from SBI MF	136.20	216.93
Unrealized Exchange Gain	76.38	-
Interest earned	20.94	-
Balances written back	1,664.33	1,859.29
Fair Value Recognition (Unrealised Exchange Gain)	438.04	448.74
	8,072.55	(223.28)
Add: Adjustments for:		
Depreciation & Amortisation	-	255.70
Interest paid	3,467.53	3,295.05
Exchange (Loss) / Gain	-	(83.75)
Balances written off	-	1,399.44
Operating profit before working capital changes & Other Adjustments	11,540.08	4,643.16
Adjustments for Increase / (Decrease) in Operating Liabilities		
- Trade Payables	5,153.72	(16,575.97)
- Other Current Liabilities & Short Term Provisions	(12,467.60)	4,995.15
Adjustments for (Increase) / Decrease in Operating Receivables		
- Inventories	-	3,840.00
- Trade Receivables	5,228.74	4,459.91
- Other Financial Assets	(3,011.09)	124.73
- Other Current Assets	92.49	(2,637.13)
	6,536.33	(1,150.15)
Less:		
Income Tax paid	1,899.90	194.53
Net Cash flow from Operating activities	4,636.43	(1,344.68)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	420.42
Interest received	20.94	-
Redemption of Mutual Funds	5,845.00	825.00
Net cash used in Investing Activities	5,865.94	1,245.42
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in Long Term Borrowings	(6,885.51)	2,952.35
Interest paid	(3,467.53)	(3,295.05)
Net Cash earned from Financing Activities	(10,353.04)	(342.70)
Net Increase/(decrease) in Cash and Cash Equivalents	149.33	(441.97)
Cash & Cash Equivalents at the Beginning of the year	313.56	755.52
Cash & Cash Equivalents at the End of the year	462.88	313.56

Components of Cash and Cash Equivalents	31-03-2018	31-03-2018
Cash on Hand	2.69	2.37
Foreign Currency in Hand	30.91	150.46
Cash at Banks		
a) In Current Account	429.28	160.73
Total Cash and Cash Equivalents	462.88	313.56

Note:

1. Previous year figures have been reclassified wherever necessary.
2. Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash Flows"

As per our report of even date attached

for Bohara Bhandari Bung And Associates LLP
Chartered Accountants

(Firm's Regn No. 008127S/S-200013)

CA. Pankaj Kumar Bohara
Partner
M.No. 215471

Place: Raichur
Date: 21-05-2019



for Reva Pharmachem Private Limited

Gurpreet Singh Sandhu
Director
DIN No. 02685996

Place: Raichur
Date: 21-05-2019

Ramakant Innani
Director
DIN No. 03222748



NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

Reva Pharmachem Private Limited (the Company) is a Private Limited Company incorporated on 23.11.2009 with its registered office at Raichur. Presently, the Company is engaged in the business of Retail Trading of Drugs and Pharmaceuticals.

1. Basis of Preparation

- i. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.
- ii. The financial statements have been prepared on going concern and accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended March 31, 2019 were approved by the Board of Directors on 21/5/2019.

- iii. The financial statements have been prepared to comply in all material aspects with applicable accounting principal in India and as notified under the Companies Act, 2013 and the other relevant provisions of the Act.
- iv. The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

1.1 Significant Accounting Policies

a) Functional and Presentation currency :

These financial statements are presented in Indian rupees ("INR") which is also the Company's functional currency. All amounts have been reported in Indian Rupees, except for share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

b) Critical accounting Estimates and Judgements:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.1 (g))
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.1 (c))



- Provision for income taxes and related tax contingencies.
- Recognition of deferred taxes (Note 1.1(m))
- Estimation of impairment (Note 1.1(e))
- Estimation of provision and contingent liabilities (Note 1.1(n))

c) Property, Plant and Equipment & Depreciation:

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies act-2013, with exception of those assets whose useful life is ascertain by the management.
- v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.
- vi. The Company, based on technical assessment/management estimate, depreciates all items of property plant and equipment over estimated useful lives which may be different from the useful life prescribed in schedule II to the Companies Act. 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the property, plant and Equipment are likely to be used.
- vii. The property, plant and Equipment's residual values, useful life are reviewed at each financial year and adjusted prospectively, if appropriate. The useful lives and residual values are determined by the management at the time the Property, Plant and Equipment is acquired and reviewed periodically, including at each financial year end. These lives are based on historical experience with similar property, plant and Equipment as well as anticipation of future events.

d) Intangible Assets:

Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use. Intangible assets are amortized over their useful life.

e) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.



f) Inventory:

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

g) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution plans

Contribution towards Provident Fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year.

The Company commenced its business w.e.f 12-02-2016. In respect of long term benefits such as gratuity this would be applicable only subject to completion of minimum of 5 years of continuous service by the employees. As and how this would be applicable the Company would provide for the same.

h) Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease whose lease term is less than 12 months are recognized as an expense in the statement Profit & Loss account.

i) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Sale of products:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.



(ii) Other Income

- i. Interest Income is recognized using the Effective interest rate (EIR) method.
- ii. Dividend income is recognized when right to receive is established.

j) Foreign Currency Transactions/Translations:

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the Transaction.

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized in the Statement of Profit and Loss in the period in which they arise as income or as expense.

k) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

l) Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I) Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).



(a) Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets

(b) Financial Assets Measured at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Asset are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

De-recognition of Financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

Impairment of Financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement



and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial Assets that are debt instruments and are measured at FVTOCI.
- (c) Lease receivables under Ind AS 17.
- (d) Trade receivables or any contractual right to receive cash or another financial asset
- (e) Loan commitments which are not measured at FVTPL
- (f) Financial guarantee contracts which are not measured at FVTPL

(II) Financial Liability

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other Financial Liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

m) Taxes on Income:

Tax expense comprises of current and deferred tax.

- i. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act based on tax rates and laws that



are enacted at the Balance sheet date. The effective rate of the Company for the year is 26% as compared to 25.75% in the previous year. This increase is on account of imposition of additional cess of 1% by the Government w.e.f FY 2018-19.

- ii. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.
- iii. Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss account as current tax. The Company recognizes MAT credit available as an asset to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss account and shown as "MAT Credit Entitlement".

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount 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 are not recognized but are disclosed in the notes.

o) Earning per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

p) Government Grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented in the balance sheet by setting up the grant as deferred income. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

q) Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



r) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purposes of the presentation of cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft as they being considered as integral part of the Company's cash management system.

s) Recent accounting developments

Ind AS 116 – Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 'Leases' (New Revenue Standard), which replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company will adopt the standard, effective from April 1, 2019. The adoption of this standard is not expected to have a material impact on its standalone financial statements.



Reva Pharmachem Private Limited

(All amounts are in Indian Rupees in thousands unless otherwise stated)

2 Non Current Investments

Particulars	31-03-2019	31-03-2018
Investments in Government securities (Unquoted) (At cost)		
Other Investments		
National Savings Certificate (NSC)	5.00	5.00
(Assigned as security to Commercial Taxes Department)		
TOTAL	5.00	5.00

3 Other Non Current Assets

Particulars	31-03-2019	31-03-2018
Security Deposits		
Rental Deposits	681.60	681.60
Total	681.60	681.60

4 Deferred Tax Assets (Net)

Particulars	31-03-2019	31-03-2018
Deferred Tax Liability		
a) On account of Timing Difference of Depreciation	(6.59)	(59.27)
Deferred Tax Asset		
a) On account of unabsorbed Depreciation & Business Losses under IT Act	6,154.65	9,319.54
b) MAT Credit Entitlement	4,235.89	2,275.19
Total	10,383.96	11,535.46

5 Current Investments

Particulars	31-03-2019	31-03-2018
Investments in Mutual Funds - Quoted		
Other Investments		
Investment in SBI Mutual Funds	1,787.97	7,058.73
(Investments measured at fair value through Profit & Loss Account.)		
Total	1,787.97	7,058.73
Aggregate value of Quoted investments	1,787.97	7,058.73
Market Value of Quoted investments	1,787.97	7,058.73

6 Trade receivables (Refer Note No.34)

Particulars	31-03-2019	31-03-2018
(a) Secured, considered good	-	-
(b) Unsecured, considered good (*refer note below)	6,744.86	11,897.22
(c) Doubtful	-	-
TOTAL (a+b+c)	6,744.86	11,897.22

Of the above trade receivables from related parties are given below :

Particulars	31-03-2019	31-03-2018
Unsecured, considered good	311.93	-
TOTAL	311.93	-

7 Cash and Cash Equivalents

Particulars	31-03-2019	31-03-2018
a) Cash on hand	2.69	2.37
b) Foreign currency in hand	30.91	150.46
c) Balance with Banks	429.28	160.73
Total	462.88	313.56

8 Other Financial Assets

Particulars	31-03-2019	31-03-2018
a) MEIS License in hand	3,051.25	-
b) Staff advances	-	40.16
Total	3,051.25	40.16

9 Other Current Assets

Particulars	31-03-2019	31-03-2018
a) Prepaid Expenses	33.11	52.66
b) GST - Unutilised ITC	1,202.82	289.77
c) IGST - Refund Receivable	1,611.07	2,597.05
Total	2,846.99	2,939.48

10 Current Tax Assets

Particulars	31-03-2019	31-03-2018
Income Tax (Net)	-	54.83
Total	-	54.83



Reva Pharmachem Private Limited
(All amounts are in Indian Rupees in thousands unless otherwise stated)

11. STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

Particulars	As At 31.03.2019	As At 31.03.2018
Authorised Equity shares 1000000 (P.Y. 1000000), Rs. 10/- each par value	10,000.00	10,000.00
Issued subscribed & fully paid up Equity shares 300000 (P.Y. 300000), Rs. 10/- each par value	3,000.00	3,000.00
TOTAL	3,000.00	3,000.00

a) Reconciliation of the number of shares.

Particulars	31.03.2019 Nos	31.03.2018 Nos	31.03.2019 Amount	31.03.2018 Amount
Shares outstanding at the beginning of the year	300,000	300,000	3,000.00	3,000.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	300,000	300,000	3,000.00	3,000.00

b) Right Preferences & Restrictions attached to equity shares:

The company has only one class of equity shares having par value of Rs.10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholder, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the balance assets of the company remaining after distribution of all preferential amounts, in proportion to their

c) Shareholders holding more than 5% shares in the Company

Particulars	31.03.2019 Nos	31.03.2018 Nos	31.03.2019 % of Holding	31.03.2018 % of Holding
Akira Pharma Private Limited	99999	99999	33.33	33.33
IDRG. Infrastructure Private Limited	100001	100001	33.34	33.34
Shilpa Medicare Limited	100000	100000	33.33	33.33



Reva Pharmachem Private Limited

(All amounts are in Indian Rupees in thousands unless otherwise stated)

11. STATEMENT OF CHANGES IN EQUITY**B. Other Equity**

Particulars	Reserve and surplus	As at 31.03.2019	As at 31.03.2018
	Retained Earnings		
Balance at the beginning of the reporting period	(21,776.39)	(21,776.39)	(24,517.47)
Total Comprehensive Income for the Year	7,293.57	7,293.57	2,741.08
Balance at the end of the reporting period	(14,482.82)	(14,482.82)	(21,776.39)



Reva Pharmachem Private Limited

(All amounts are in Indian Rupees in thousands unless otherwise stated)

12 Long term borrowings

Particulars	31-03-2019	31-03-2018
Unsecured		
i) Loans from related parties		
Shilpa Medicare Ltd.	10,500.99	18,999.02
ii) Others		
Parabolic Drugs Ltd (Refer Note No.34)	20,925.61	19,313.08
Terms of Payment		
The Loan is repayable on demand and Interest has been charged @ 9% p.a.		
Total	31,426.60	38,312.11

13 Trade Payables (Refer Note No.34 & 35)

Particulars	31-03-2019	31-03-2018
a) Total outstanding dues of micro enterprises and small enterprises		
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Trade Payables	5,235.14	1,794.10
- Trade Payables - Others	113.17	64.83
Total	5,348.32	1,858.92

14 Other Financial Liabilities

Particulars	31-03-2019	31-03-2018
Employee Benefit Liabilities		
	-	4,524.62
Total	-	4,524.62

15 Other Current Liabilities

Particulars	31-03-2019	31-03-2018
Others		
i) Tax Deduction at Source	104.69	120.75
ii) Advance recd. From Customer	-	7,618.80
Total	104.69	7,739.55

16 Provisions

Particulars	31-03-2019	31-03-2018
Provision for expenses		
	559.09	867.21
Total	559.09	867.21

17 Current Tax Liabilities

Particulars	31-03-2019	31-03-2018
Income Tax (Net)		
	8.64	-
Total	8.64	-

18 Revenues

Particulars	31-03-2019	31-03-2018
a) Sales of Drugs		
47,314.60	62,633.08	
b) Commission Income		
-	3,297.19	
i) Support Service		
-	2,553.60	
Total	47,314.60	68,483.87

19 Other Income

Particulars	31-03-2019	31-03-2018
a) STCG from Mutual Fund Redemption		
136.20	216.93	
b) Fair Value measurement of Investments		
438.04	448.74	
c) Exchange Fluctuation		
519.38	1,249.45	
d) Interest Income		
20.94	-	
e) Misc Income		
1,664.33	444.57	
Total	2,778.87	2,359.68

20 Purchases of stock-in-trade

Particulars	31-03-2019	31-03-2018
Purchases of Drugs		
29,462.45	39,567.73	
Total	29,462.45	39,567.73

21 Changes in inventories of finish goods, Work -in Progress & Stock-in-trade

Particulars	31-03-2019	31-03-2018
Opening stock		
a) Finished goods	-	3,840.00
Less: Closing stock		
a) Finished goods	-	-
(Increase) / Decrease in Inventory	-	3,840.00



Reva Pharmachem Private Limited

(All amounts are in Indian Rupees in thousands unless otherwise stated)

22 Employee Benefits Expense

Particulars	31-03-2019	31-03-2018
a) Salaries and Wages	683.94	11,121.07
b) Bonus and Incentives	59.47	932.98
c) Contribution to provident fund and other funds	-	-
d) Workmen and Staff welfare expenses	-	74.88
Total	743.41	12,128.93

23 Finance Cost

Particulars	31-03-2019	31-03-2018
Interest expense		
- Others	3,467.53	3,295.05
Total	3,467.53	3,295.05

24 Other Expenses

Particulars	31-03-2019	31-03-2018
a) Rent	1,560.22	1,446.00
b) Power Charges	92.04	81.16
c) Repairs & Maintenance		
i) Others	96.06	364.13
d) Rates and taxes	22.97	29.09
e) Insurance Charges	36.87	136.06
f) Traveling & Conveyance	114.07	1,290.40
g) Telephone /Mobile/Internet/datacard	163.78	275.25
h) Legal & Professional fees	394.70	325.00
i) Auditor's Remuneration	65.00	104.00
j) Brokerage & Commission	2,935.64	2,779.88
k) Advertisement & Sales Promotion Expenses	-	127.30
l) Clearing & Forwarding Charges	379.90	1,234.12
m) Bank charges	54.27	127.22
n) Miscellaneous expenses	96.15	1,134.85
Total	6,011.66	9,454.47

25 Payments to the auditor

Particulars	31-03-2019	31-03-2018
a) Statutory Audit	45.00	40.00
b) Tax Audit	20.00	20.00
c) Other	29.00	84.00
TOTAL	94.00	144.00

26 Earnings per share (EPS)

Particulars	31-03-2019	31-03-2018
Net profit after tax attributable to equity shares holders for Basic EPS	7,293.57	2,741.08
Weighted Average no of equity shares outstanding during the year for Basic & Diluted EPS	300,000	300,000
Basic & Diluted EPS	24.31	9.14
Nominal Value per share	10	10

27 Earnings in Foreign Currency

Particulars	31-03-2019	31-03-2018
Total Direct Export	44,263.35	62,633.08
Total Product Promotion Services & Commission Rendered	-	379.66
TOTAL	44,263.35	63,012.74

28 Expenditure in Foreign Currency

Particulars	31-03-2019	31-03-2018
Foreign Travelling	-	828.49
Clearing & Forwarding Charge on Export	-	723.65
Brokerage & Commission	2,935.64	2,779.88
TOTAL	2,935.64	4,332.02



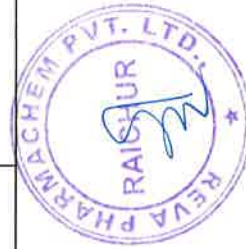
Reva Pharmachem Private Limited

(All amounts are in Indian Rupees in thousands unless otherwise stated)

29 Related party transactions

<u>Name of the Entity</u>	<u>Relationship</u>
Shilpa Medicare Limited	Associate Company
Akira Pharma Private Limited	Entity having common director (KMP)
Reva Medicare Private Limited	Entity having common director (KMP)
Gurpreet Singh Sandhu	Key Management Person

Sl. No.	Name of the person	Relationship	Description of transaction	April 01, 2018 to March 31, 2019 Income/(Expense), Other Transaction	Balance as at March 31, 2019 (Payable) / Receivable	April 01, 2017 to March 31, 2018 Income/(Expense), Other Transaction	Balance as at March 31, 2018 (Payable) / Receivable
I	Shilpa Medicare Limited	Share Holder	Commission Received Interest Paid Loan Support Service Reimbursement of Expenses	(1,668.86) - - (300.00) (8.23)	- - - (10,501.00) (87.00)	1,330.02 (1,626.73) - (300.00)	- - - (18,999.02)
II	Reva Medicare Pvt. Ltd.	Private limited company in which a Director is a Director	Trade Receivable	-	311.93	-	-
III	Gurpreet Singh Sandhu	KMP	Salary and Perquisites	-	-	(8,512.00)	(4,524.62)



Reva Pharmachem Private Limited
(All amounts are in Indian Rupees in thousands unless otherwise stated)

30 Fair value measurement hierarchy:

Particulars	Carrying Amount			Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial Assets							
31-03-2019							
Non-current investments	-	-	5.00	5.00	-	-	-
Current investment	1,787.97	-	-	1,787.97	1,787.97	-	-
Trade receivable	-	-	6,744.86	6,744.86	-	-	-
Cash & bank balance	-	-	462.88	462.88	-	-	-
Other financial assets	-	-	3,732.85	3,732.85	-	-	-
Financial Liability							
Borrowings	1,787.97	-	10,945.60	12,733.57	1,787.97	-	-
Trade payables	-	-	-	-	-	-	-
31-03-2018							
Non-current investments	-	-	5.00	5.00	-	-	-
Current investment	7,058.73	-	-	7,058.73	7,058.73	-	-
Trade receivable	-	-	11,897.22	11,897.22	-	-	-
Cash & bank balance	-	-	313.56	313.56	-	-	-
Other financial assets	-	-	721.76	721.76	-	-	-
Financial Liability							
Borrowings	7,058.73	-	12,937.53	19,996.27	7,058.73	-	-
Trade payables	-	-	-	-	-	-	-
	-	-	38,312.11	38,312.11	-	-	-
	-	-	1,858.92	1,858.92	-	-	-
	-	-	40,171.03	40,171.03	-	-	-

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs 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 maximize 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.

Valuation technique used to determine fair value:

1. The use of quoted market prices or dealer quotes for similar instruments.
2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
3. The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

1. Financial Risk Management

The Company's activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The Company focuses on minimizing potential adverse effect on its financial performance.

(A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets /liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).



(f) Foreign Currency Risk

The Company operates internationally and a major portion of the business is transacted in USD & EURO currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency.

Particulars	31-03-2019		31-03-2018	
	USD	EURO	USD	YEN
Financial Assets				
Trade receivables	93,000	-	182,910	-
Cash and cash equivalents	-	11.60	2,313	-
Financial Liabilities				
Trade payables	-	-	-	-
Other current financial liabilities	93,000	11.60	89,873	-
			95,350	-

Sensitivity analysis

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges.

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
USD - Sensitivity				
Increase by 1% Gain	64.33	62.02	-	-
Decrease by 1% (loss)	(64.33)	(62.02)	-	-
EURO - Sensitivity				
Increase by 1% Gain	0.01	-	-	-
Decrease by 1% (loss)	(0.01)	-	-	-
YEN - Sensitivity				
Increase by 1% Gain	-	-	-	-
Decrease by 1% (loss)	-	-	-	-

(g) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/ income and to manage the interest rate risk, the Company manages its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period is average weighted balance of the respective reporting period.

According to the Company, interest rate risk exposure is only for floating rate borrowings. Since we don't have floating rate borrowing and hence this disclosure is not applicable for the year ended March 31, 2019 and March 31, 2018 respectively.

(h) Price Risk

The company's exposure to securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk arising from investments in securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Sensitivity analysis

Sensitivity analysis of 1% change in price of security as on reporting date

Particulars	Impact on profit & loss		Impact on other component of equity	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Current Investments				
Investment in mutual fund (1% change in price)	17.88	70.59	-	-
TOTAL	17.88	70.59	-	-

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored and transaction with such customer are covered under letter of credit. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable. One customer is accounted for more than 10% of the trade receivable as of March 31, 2019 and Two customer are accounted for more than 10% of the trade receivable as of March 31, 2018. Since the Company is dealing with both the customer from past several years, hence there is no concurrent risk in dealing with said customers.



(C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for paying liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived. In addition, the Company maintains the following line of credit facility.

Maturity profile of loans and derivative financial liabilities as on March 31, 2019

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Long term borrowings	-	-	31,426.60	-
Trade and other payable	-	5,348.32	-	-
TOTAL	-	5,348.32	31,426.60	-

Maturity profile of loans and derivative financial liabilities as on March 31, 2018

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Long term borrowings	-	-	38,312.11	-
Trade and other payable	-	1,858.92	-	-
TOTAL	-	1,858.92	38,312.11	-

31 Capital Management

The Company's objectives when managing capital are to

- i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- ii) Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet)

Particulars	31-03-2019	31-03-2018
Net Debt	30,963.71	37,998.55
Total Equity	(11,482.82)	(18,776.00)
Debt Equity Ratio	(2.70)	(2.02)

32 Income Tax

Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

Particulars	31-03-2019	31-03-2018
i) Amount recognised in statement of profit & loss account		
Current tax	2,024.55	455.71
Taxes pertaining to earlier years	2.66	-
MAT credit entitlement	(2,024.55)	(2,275.19)
Deferred tax expenses (Income) - relating to origination and reversal of temporary differences	3,112.20	1,380.09
Taxes expenses for the year	3,114.86	(439.40)
ii) Reconciliation of effective tax rate		
Profit/(Loss) before tax	10,408.43	2,301.68
Enacted tax rate in India (27.82%) (FY: 28.84%)	2,895.62	663.80
Expenses permanently disallowed under income tax	-	73.74
Effect of change in FMV of investments pertaining to earlier years	(52.69)	-
Adjustment of MAT Credit for earlier years provided in CY	-	(1,836.61)
Effect of change in Tax rates on unused tax losses	269.26	665.68
Tax reversal due to excess provision in earlier years	2.66	-
Others	-	(6.02)
	3,114.86	(439.40)
	-	(10.00)
Effective tax rate	29.93%	-0.00%



Movement of Deferred tax Assets / Liability

Particulars	As at 31-03-2018	Charge/ (Credit) to Profit & Loss account	Through OCI	As at 31-03-2019
Deferred Tax Liability (Net) in relation to:				
Property, plant and equipment, and intangible assets	59	(53)		7
Investments to be recognised at Fair Value through profit & loss				
Deferred Tax Liability (Net)	59	(53)		7
Deferred Tax Asset (Net) in relation to:				
Losses as per IT Act	9,320	3,165		6,155
MAT Credit Entitlement	2,275	(1,961)		4,236
Deferred Tax Asset (Net)	11,595	1,204		10,391
Net Deferred Tax (Liability) / Asset	11,535	1,151		10,384

33 In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

34 Balances of Trade Receivables / Trade payables / Long Term Borrowings and Deposits are subject to Balance Confirmation.

35 The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end together with interest paid / payable under this act cannot be ascertained.

36 Previous Year Figures have been regrouped / reclassified wherever necessary to confirm current year classification.

As per our even report attached

for Bohara Bhandari Rung And Associates LLP

Chartered Accountants

(Firm's Regn No. 008127S/S-200013)



CA Pankaj Kumar Bohara

Partner

M.No.215471

Place: Raichur

Date: 21-05-2019

for Reva Pharmachem Private Limited

Gurpreet Singh Sandhu
Director
DIN No. 02685996

Ramkant Innani
Director
DIN No. 03222748



Place: Raichur

Date: 21-05-2019