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, 2020 were approved by the Board of Directors on 06/06/2020.

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

Company as a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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.

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) 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.

l) 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 25.168% as compared to 26% in the previous year. This decrease is on account of opting special tax rates applicable u/s 115BAA w.e.f FY 2019-20.

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”.

m) 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.

n) 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.

o) 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.

p) 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.

q) Recent accounting pronouncements:

Recent Indian Accounting Standards (Ind AS) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Reva Medicare Private Limited
Part - I - Balance Sheet
(All amounts are in Indian Rupees in thousands unless otherwise stated)

Particulars	Note	As at	
		31.03.2020	31.03.2019
		Audited	Audited
ASSETS			
Non-Current Assets			
a) Property,Plant & Equipment	2	558.13	568.10
b) Intangible Asset Under Development		100.00	-
c) Other Non Current Assets	3	5.00	5.00
		663.13	**573.10**
Current Assets			
a) Financial Assets			
i) Current Investments	4	-	8,617.41
ii) Cash and Cash equivalents	5	2,846.26	792.67
iii) Trade Receivables	6	25,232.60	8,191.80
iv) Other Financial Assets	7	4,775.88	1,535.83
b) Other Current Assets	8	815.38	215.87
c) Current Tax Assets (Net)	9	520.21	1,568.05
		34,190.33	**20,921.63**
TOTAL		**34,853.46**	**21,494.73**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	10	100.00	100.00
b) Other Equity	11	29,747.49	14,692.10
		29,847.49	**14,792.10**
LIABILITIES			
Non-Current Liabilities			
a) Deferred Tax (Net)	12	12.24	(31.64)
Current Liabilities			
a) Financial Liabilities			
i) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises			
- total outstanding dues of creditors other than micro enterprises and small enterprises	13	2,862.74	4,484.09
ii) Other Financial Liabilities	14	1,157.88	1,101.31
b) Other Current Liabilities	15	892.18	1,061.39
c) Provisions	16	80.93	87.48
		4,993.73	**6,734.27**
TOTAL		**34,853.46**	**21,494.73**

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

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

for Reva Medicare Private Limited

CA. Pankaj Kumar Bohara
Partner
M.No.215471

Place: Raichur
Date: 06.06.2020

Gurpreet Singh Sandhu
Director
DIN No. 02685996

Ramakant Innani
Director
DIN No. 03222748

Place: Raichur
Date: 06.06.2020

Reva Medicare Private Limited

Part - II - Statement of Profit and Loss
(All amounts in Indian Rupees in thousands except share data & per share data unless otherwise stated)

Particulars	Note	For the year ended 31.03.2020	For the year ended 31.03.2019
		Audited	**Audited**
Revenue			
Revenue from Operations	17	64,924.39	28,822.31
Total Revenue from Operations		64,924.39	28,822.31
Other Income	18	495.74	513.79
Total Revenue		**65,420.13**	**29,336.10**
Expenses			
a) Purchases of stock-in-trade	19	22,691.14	5,692.28
b) Employee Benefits Expense	20	16,818.83	16,306.03
c) Depreciation and Amortisation Expense	2	137.35	90.53
d) Other Expenses	21	5,583.21	3,433.62
Total Expenses		**45,230.53**	**25,522.46**
Profit / (Loss) before exceptional items and tax		**20,189.60**	**3,813.64**
Profit / (Loss) before tax		**20,189.60**	**3,813.64**
Tax expense			
1. Current Income tax		5,096.62	922.03
2. Taxes pertaining to earlier years		(6.29)	-
3. Deferred tax (Net)		43.88	(47.87)
Profit / (Loss) for the year		**15,055.39**	**2,939.48**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income		**15,055.39**	**2,939.48**
Earning per equity share for Rs.10/- face value (Continued Operations)			
Basic		1,505.54	293.95
Diluted		1,505.54	293.95
Number of shares used in computing earnings per share (Continued Operations)			
Basic		10,000	10,000
Diluted		10,000	10,000

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

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

for **Reva Medicare Private Limited**

CA. Pankaj Kumar Bohara
Partner
M.No.215471

Place: Raichur
Date: 06.06.2020

Gurpreet Singh Sandhu
Director
DIN No. 02685996

Ramakant Innani
Director
DIN No. 03222748

Place: Raichur
Date: 06.06.2020

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

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Retained Earnings	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the reporting period	**100.00**	**14,692.10**	**14,692.10**	**11,752.62**
Changes during the period	-	-	-	-
Restated balance at the beginning of the reporting period	**100.00**	**14,692.10**	**14,692.10**	**11,752.62**
Changes during the period	-	-	-	-
Total Comprehensive Income for the Year	-	15,055.39	15,055.39	2,939.48
Balance at the end of the reporting period	**100.00**	**29,747.49**	**29,747.49**	**14,692.10**

Notes:
1. Retained Earnings: This reserve represents the cumulative profits of the company. This Reserve can be utilised in accordance with the provision of the Companies Act,2013.

Reva Medicare Private Limited

Cash Flow Statement for the year ended March 31, 2020
(All amounts are in Indian Rupees in thousands unless otherwise stated)

Particulars	31.03.2020	31.03.2019
Cash Flows from Operating Activities		
Profits Before Tax (PBT)	20,189.60	3,813.64
Less: Adjustments		
Fair value measurement of Investments	82.59	283.24
Interest received	224.84	-
Unrealized Gain on reinstatement	65.24	2.26
Gain on sale of Mutual Funds	80.85	82.95
	19,736.08	3,445.19
Add: Adjustments		
Depreciation & Amortisation	137.35	90.53
Unrealized Exchange gain on reinstatement	55.29	-
Operating profit before working capital changes &	**19,928.72**	**3,535.72**
Adjustments for Increase / (Decrease) in Operating Liabilities		
- Trade Payables	(1,676.63)	(2,513.89)
- Other Current Liabilities	(112.64)	(7,091.93)
- Short Term Provisions	(6.55)	-
Adjustments for (Increase) / Decrease in Operating Receivables		
- Trade Receivables	(16,978.04)	12,001.75
- Other Current Assets & financial Assets	(3,839.55)	(361.88)
	(2,684.69)	5,569.77
Less: Income Taxes (Net)	(4,042.51)	(1,988.76)
Net Cash flow from Operating activities	**(6,727.20)**	**3,581.01**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Incl CWIP)	(227.38)	(223.35)
Mutual Fund (Net)	8,780.85	(4,500.00)
Interest received	224.83	-
Net cash used in Investing Activities	**8,778.30**	**(4,723.35)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Long Term Borrowings	-	-
Increase in Short Term Borrowings	-	-
Dividend and Corporate Dividend tax paid	-	-
Increase in Share Capital	-	-
Increase in Securities Premium Account	-	-
Interest paid	-	-
Net Cash earned from Finaning Activities	**-**	**-**
Net Increase/(decrease)in Cash and Cash Equivelants	**2,051.10**	**(1,142.34)**
Effect of exchange differences on cash and cash equivalents held in foreign currency	2.49	2.26
Cash & Cash Equivelants at the Beginning of the year	792.67	1,932.75
Cash & Cash Equivelants at the end of the year	**2,846.26**	**792.67**

Components of Cash and Cash Equivalents	**31.03.2020**	**31.03.2019**
Cash in Hand	79.54	88.98
Cash at Banks	2,766.72	703.69
Total Cash and Cash Equivalents	**2,846.26**	**792.67**

Note:
1.Previous year figures have been reclassed whereever necessary.
2. Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash flows" as prescribed under Companies (Accounting Standard) Rules, 2015.

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

for **Reva Medicare Private Limited**

CA. Pankaj Kumar Bohara
Partner
M.No.215471

Place: Raichur
Date: 06.06.2020

Gurpreet Singh Sandhu
Director
DIN No. 02685996

Ramakant Innani
Director
DIN No. 03222748

Place: Raichur
Date: 06.06.2020

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, 2020 were approved by the Board of Directors on 06/06/2020.

   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

Company as a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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.

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) 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.

l) 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 25.168% as compared to 26% in the previous year. This decrease is on account of opting special tax rates applicable u/s 115BAA w.e.f FY 2019-20.

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".

m) 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.

n) 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.

o) 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.

p) 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.

q) Recent accounting pronouncements:

Recent Indian Accounting Standards (Ind AS) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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

2 Property, Plant and Equipment

Particulars	Useful Life (Yrs)	Gross Block				Depreciation				Net block	
		As at 01.04.2019	Additions	Disposals	As at 31.03.2020	As at 01.04.2019	Depreciation for the period	Deductions/ Other adjustments	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
Tangible Assets											
i) Owned											
a) Computer	3	228.75	70.76	-	299.51	52.72	76.25	-	128.97	170.54	176.03
b) Furniture	10	87.75	-	-	87.75	7.68	8.34	-	16.02	71.73	80.07
c) Office Equipment	5	90.92	56.62	-	147.54	7.81	20.88	-	28.69	118.85	83.11
d) Vehicle	8	268.56	-	-	268.56	39.67	31.88	-	71.55	197.01	228.89
Total		**675.98**	**127.38**	**-**	**803.36**	**107.88**	**137.35**	**-**	**245.23**	**558.13**	**568.10**
Previous year		452.62	223.36	-	675.98	17.35	90.53	-	107.88	568.10	435.27

Particulars	Useful Life (Yrs)	Gross Block				Depreciation				Net block	
		As at 01.04.2018	Additions	Disposals	As at 31.03.2019	As at 01.04.2018	Depreciation for the period	Deductions/ Other adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Tangible Assets											
i) Owned											
a) Computer	3	139.98	88.77	-	228.75	8.32	44.40	-	52.72	176.03	131.66
b) Furniture	10	34.20	53.55	-	87.75	0.79	6.89	-	7.68	80.07	33.41
c) Office Equipment	5	9.88	81.04	-	90.92	0.46	7.35	-	7.81	83.11	9.42
d) Vehicle	8	268.56	-	-	268.56	7.78	31.89	-	39.67	228.89	260.78
Total		**452.62**	**223.36**	**-**	**675.98**	**17.35**	**90.53**	**-**	**107.88**	**568.10**	**435.27**
Previous year		-	452.62	-	452.62	-	17.35	-	17.35	435.27	-

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

3 Other Non Current Assets

Particulars	31.03.2020	31.03.2019
Security Deposit with CTD Karnataka	5.00	5.00
TOTAL	**5.00**	**5.00**

4 Current Investments

Particulars	31.03.2020	31.03.2019
Investments in Mutual Funds (Quoted)		
Investment in SBI Mutual Funds	-	8,617.41
(Investments measured at fair value through Profit & Loss Account)		
TOTAL	**-**	**8,617.41**
Aggregate value of Quoted investments	**-**	**8,617.41**
Aggregate value of Unquoted investments	**-**	**-**
Market Value of Quoted investments	**-**	**8,617.41**
Market Value of Unquoted investments	**-**	**-**

5 Cash and Cash Equivalents

Particulars	31.03.2020	31.03.2019
Cash on hand	79.54	88.98
Balance with banks in current account	2,766.72	703.69
TOTAL	**2,846.26**	**792.67**

6 Trade Receivables (Refer Note No. 33)

Particulars	31.03.2020	31.03.2019
(a) Secured, considered good	-	-
Less:-Written Off	-	-
Total (a)	-	-
(b) Unsecured, considered good (*refer note below)	25,232.60	8,191.80
Total (b)	25,232.60	8,191.80
(c) Doubtful	-	-
Less:-Written Off	-	-
Total (c)	-	-
TOTAL (a+b+c)	**25,232.60**	**8,191.80**

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

Particulars	31.03.2020	31.03.2019
Unsecured, considered good	24,045.27	6,730.34
TOTAL	**24,045.27**	**6,730.34**

7 Other Financial Assets

Particulars	31.03.2020	31.03.2019
Commission accrued but not due	4,775.88	1,535.83
TOTAL	**4,775.88**	**1,535.83**

8 Other Current Assets

Particulars	31.03.2020	31.03.2019
a) Goods and Service Tax - Unutilised ITC	726.89	-
b) IGST Refund receivable	48.54	138.90
c) Advance given to Employees	36.91	61.50
d) Prepaid expenses	3.04	15.47
TOTAL	**815.38**	**215.87**

9 Current Tax Assets

Particulars	31.03.2020	31.03.2019
Income Tax (Net)	520.21	1,568.05
TOTAL	**520.21**	**1,568.05**

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

10 Equity Share Capital

Particulars	As at	
	31.03.2020	31.03.2019
Authorised		
Equity shares		
100000 (P.Y. 100000), Rs. 10/- each par value	1,000.00	1,000.00
Issued subscribed & fully paid up		
Equity shares		
10000 (P.Y. 10000), Rs. 10/- each par value	100.00	100.00
TOTAL	**100.00**	**100.00**

a) Reconciliation of the number of shares.

Particulars	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	No.	No.	Amount	Amount
Shares outstanding at the beginning of the year	10000	10000	100.00	100.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**10,000**	**10,000**	**100.00**	**100.00**

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 shareholding.

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

Particulars	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	No.	No.	% of Holding	% of Holding
1) Shilpa Medicare Ltd	5001	5001	50.01%	50.01%
2) Akira Pharma Pvt Ltd	4999	4999	49.99%	49.99%

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

11 Other Equity

Particulars	31.03.2020	31.03.2019
Retained Earnings		
a) Opening Balance	14,692.10	11,752.62
b) Profits for the year	15,055.39	2,939.48
TOTAL	**29,747.49**	**14,692.10**

12 Deferred Tax Liability

Particulars	31.03.2020	31.03.2019
On account of depreciation		
Deferred Tax Liability / (Assets)	12.24	(31.64)
TOTAL	**12.24**	**(31.64)**

13 Trade payables (Refer Note No 33 & 34)

Particulars	31.03.2020	31.03.2019
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,862.74	4,484.09
Total outstanding dues of creditors to micro enterprises and small enterprises	-	-
TOTAL	**2,862.74**	**4,484.09**

Of the above trade payable to related parties are given below :

Particulars	31.03.2020	31.03.2019
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.00	340.93
TOTAL	**29.00**	**340.93**

Note:
The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

14 Other Financial Liabilities

TOTAL	31.03.2020	31.03.2019
a) Salary Payable	1,127.88	1,031.80
b) Travelling Expenses/Other Expenses Payable to employees	30.00	69.51
Total	**1,157.88**	**1,101.31**

15 Other Current Liabilities

Particulars	31.03.2020	31.03.2019
a) Goods and Service Tax (Net) Payable	-	415.69
b) Tax deduction at Source	892.18	645.70
TOTAL	**892.18**	**1,061.39**

16 Provisions

Particulars	31.03.2020	31.03.2019
Provision for expenses	80.93	87.48
Total	**80.93**	**87.48**

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

17 Revenue from Operations

Particulars	31.03.2020	31.03.2019
a) Sale of Drugs	24,028.25	6,110.34
b) Commission	41,615.14	21,929.22
c) Sales & Support Service	(719.00)	782.75
TOTAL	**64,924.39**	**28,822.31**

18 Other Income

Particulars	31.03.2020	31.03.2019
a) Capital Gain Mutual Fund	80.85	82.95
b) Fair Value measurement of Investment	82.59	283.24
c) Exchange Fluctuation Gain (Net)	102.03	147.60
d) Interest on Fixed Deposit	224.84	-
e) Other Income	5.43	-
TOTAL	**495.74**	**513.79**

19 Purchases of stock-in-trade

Particulars	31.03.2020	31.03.2019
Purchase of Drugs	22,691.14	5,692.28
TOTAL	**22,691.14**	**5,692.28**

20 Employee Benefits Expense

Particulars	31.03.2020	31.03.2019
a) Salaries	15,446.84	14,995.13
b) Bonus	1,277.73	1,232.26
c) Staff welfare expenses	94.26	78.64
TOTAL	**16,818.83**	**16,306.03**

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

21 Other Expenses

Particulars	31.03.2020	31.03.2019
a) Auditor's Remuneration (Refer Note No.22)	55.00	45.00
b) Bank Charges	40.48	61.93
c) Brokerage & Commission	-	139.10
d) Business Promotion Expenses	178.74	189.79
e) Clearing & Forwading Charges on Export	247.70	122.81
f) Printing & Stationary	65.32	118.03
g) Professional Charges	2,140.10	154.00
h) Rates & Taxes	9.10	4.06
i) Repairs & Maintenance	263.02	233.37
j) Office Maintenance	180.16	220.49
k) Rent	108.56	90.91
l) Travelling Expenses	1,904.68	1,749.63
m) Telephone/Internet Charges	138.07	92.05
n) Website Maintenance Charges	70.31	44.45
o) Other Expenses	181.97	168.00
TOTAL	**5,583.21**	**3,433.62**

22 Payments to Statutory Auditor

Particulars	31.03.2020	31.03.2019
a) Statutory Audit	35.00	25.00
b) Tax Audit	15.00	15.00
c) Others	5.00	5.00
TOTAL	**55.00**	**45.00**

23 Earnings per share (EPS)

Particulars	31.03.2020	31.03.2019
Net profit after tax attributable to equity shares holders for Basic EPS	15,055.39	2,939.48
Weighted Average No. of equity shares outstanding during the year for Basic & Diluted EPS	10,000	10,000
Basic & Diluted EPS	1,505.54	293.95
Nominal Value per share	10	10

24 Earnings in Foreign Currency

Particulars	31.03.2020	31.03.2019
Total Direct Export Sale	24,028.25	6,110.34
Total Product Promotion Services & Commission Rendered	495.66	649.25
TOTAL	**24,523.91**	**6,759.59**

25 Expenditure in Foreign Currency

Particulars	31.03.2020	31.03.2019
Import Purchase	2,350.34	2,232.97
Foreign Travelling	498.38	911.83
Professional Charges & Consultancy Charges	1,922.34	-
Brokerage & Commission	-	70.67
TOTAL	**4,771.06**	**3,215.47**

Reva Medicare Private Limited

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

26 Related Party Transactions

Name of the Entity	**Relationship**
Shilpa Medicare Limited	Holding Company
Akira Pharma Private Limited	Common KMP
Reva Pharmachem Private Limited	Common KMP
Gurpreet Singh Sandhu	Key Management Personnel

Sl. No.	Name of the person	Relationship	Description of transaction	April 01, 2019 to March 31, 2020 Income/(Expense), Other Transaction	Balance as at March 31, 2020 (Payable) / Receivable	April 01, 2018 to March 31, 2019 Income/(Expense), Other Transaction	Balance as at March 31, 2019 (Payable) / Receivable
I	**Shilpa Medicare Limited**	Share Holder	Commission Received	40,668.44	-	18,815.74	-
			Trade Receivable	-	24,045.27	-	6,730.34
			Support Service	(100.00)	-	(100.00)	-
			Trade Payable	-	(29.00)	-	(29.00)
			Commission accrued but not received	-	4,775.88	-	-
II	**Reva Pharmachem Pvt. Ltd.**	Private limited company which is having common director.	Expenses incurred by related party on behalf of Reva Medicare	(15.78)	-	-	-
			Expenses incurred on behalf of related party by Reva Medicare	844.29	-	-	-
			Trade Payable	-	-	-	(311.93)
III	**Gurpreet Singh Sandhu**	Key Management Personnel	Salary and Perquisites	(8,512.00)	(496.58)	(8,512.00)	(492.13)

Reva Medicare Private Limited

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

27 **Fair value measurment hierarchy**

Particulars	Carrying Amount as at 31.03.2020				Carrying Amount as at 31.03.2019			
	FVTPL	FVTOCI	Amoritised Cost	Total	FVTPL	FVTOCI	Amoritised Cost	Total
Financial Assets								
Current Investment	-	-	-	-	8,617.41	-	-	8,617.41
Cash and Cash Equivalent	-	-	2,846.26	2,846.26	-	-	792.67	792.67
Trade Receivable	-	-	25,232.60	25,232.60	-	-	8,191.80	8,191.80
Other Financial Assets	-	-	4,775.88	4,775.88	-	-	1,535.83	1,535.83
	-	-	32,854.74	32,854.74	8,617.41	-	10,520.30	19,137.71
Financial Liability.								
Trade payables	-	-	2,862.74	2,862.74	-	-	4,484.09	4,484.09
Other Financial Liabilities	-	-	1,157.88	1,157.88	-	-	1,101.31	1,101.31
	-	-	4,020.62	4,020.62	-	-	5,585.40	5,585.40

Particulars	Carrying Amount as at 31.03.2020				Carrying Amount as at 31.03.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Current investment	-	-	-	-	8,617.41	-	-	8,617.41

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 level3. 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

28 **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's 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 fianacial 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).

Reva Medicare Private Limited

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

(i) 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	As at 31.03.2020			As at 31.03.2019		
	USD	EURO	JPY	USD	EURO	JPY
Financial Assets						
Trade receivables	15,750	-	-	-	-	-
Cash and cash equivalents	25	577	13,833	13	666	13,833
Financial liabilities						
Trade payables	(13,875)	-	-	-	-	-
	1,900	577	13,833	13	666	13,833

Sensitivity analysis

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

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
USD -Sensitivity				
Increase by 1% Gain	1.43	0.01	-	-
Decrease by 1% (Loss)	(1.43)	(0.01)	-	-
Euro -Sensitivity				
Increase by 1% Gain	0.48	0.52	-	-
Decrease by 1% (Loss)	(0.48)	(0.52)	-	-
JPY -Sensitivity				
Increase by 1% Gain	0.10	0.09	-	-
Decrease by 1% (Loss)	(0.10)	(0.09)	-	-

(ii) 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. Company does not have any floating rate borrowings and hence there is no interest rate risk.

(iii) Price Risk

The company's exposure to securities price risk arises from investments held by the company and classified in the balancesheet 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.

Reva Medicare Private Limited

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

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Current Investments Investment in mutual fund (1% change in price)	-	86.17	-	-
TOTAL	-	86.17	-	-

(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 is 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 worthness of the customer on a continuous basis to whom the credit has been granted.

(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 making 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 requirment. Accordingly no liquidity risk is perceived. In addition, the company maintains the following line of credit facility.

Maturity profile of financial liabilities as on 31.03.2020

Particilars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Trade and other payable	-	2,862.74	-	-
TOTAL	-	2,862.74	-	-

Maturity profile of financial liabilities as on 31.03.2019

Particilars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Trade and other payable	-	4,484.09	-	-
TOTAL	-	4,484.09	-	-

29 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, and
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)

Particlars	31.03.2020	31.03.2019
Net Debt **	-	-
Total Equity	29,847.49	14,792.10
Debt Equity Ratio	-	-

** Company doesn't have borrowings and hence debt equity ratio not provided in the above table.

Reva Medicare Private Limited

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

30 Income Tax

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

Particulars	**31.03.2020**	**31.03.2019**
i) Amount recoginised in statement of profit & loss account		
Current tax	5,096.62	922.03
Taxes pertaining to earlier years	(6.29)	-
Deferred tax Expenses/(Income) - relating to origination and reversal of temporary differences	43.88	(47.87)
Taxes expenses for the year	**5,134.21**	**874.16**
ii) Reconcilation of effective tax rate		
Profit before tax	**20,189.60**	**3,813.64**
Enacted tax rate in India	25.17%	26.00%
Tax at Statutory Rate	5,081.32	991.55
Effect of Timing Differences on Deprin	2.69	(6.78)
Exempt income and other deductions	(41.13)	(95.21)
Effect of timing differences - Others	43.88	(47.87)
STCG on redemption of MF's Taxed 15.60%	53.74	32.47
Taxes pertaining to earlier years	(6.29)	-
Taxes expenses for the year	**5,134.21**	**874.16**
	-	**-**
Effective tax rate	25.43%	22.92%

Movement of Deferred Tax Assets / Liability

Particulars	**As at 31.03.2019**	**Charge (Credit) to Profit & Loss**	**Through OCI**	**As at 31.03.2020**
Deffered Tax Liability (Net) in relation to;				
Property, plant and equipment, and intangible assets	16.23	(3.99)	-	**12.24**
Deffered Tax Liability (Net)	**16.23**	**(3.99)**	**-**	**12.24**
Deffered Tax Asset (Net)	47.87	(47.87)	-	-
Deffered Tax Asset (Net)	**47.87**	**(47.87)**	**-**	**-**
Net Deffered Tax (Liability) / Asset	**(31.64)**	**43.88**	**-**	**12.24**

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

- - -

31 Segment Information

The Company is mainly engage in the business of trading of pharmaceutical product and providing service related to pharmaceutical product .

(a) Information about Products and Services:

Product/ Service	For the year ended 31.03.2020	For the year ended 31.03.2019
Trading of Pharmaceutical products	24,028.25	6,110.34
Commission	41,615.14	21,929.22
Sales & Support Service	(719.00)	782.75
TOTAL	**64,924.39**	**28,822.31**

(b) Information about geographical areas

i) Revenues	For the year ended 31.03.2020	For the year ended 31.03.2019
(A) Within India	40,400.48	22,062.72
(B) Outside India		
(i) Asia	24,523.91	6,695.84
(ii) Europe	-	63.75
TOTAL	**64,924.39**	**28,822.31**

ii) Non-current Assets	For the year ended 31.03.2020	For the year ended 31.03.2019
(A) Within India	663.12	604.74
(B) Outside India	-	-
TOTAL	**663.12**	**604.74**

(c)Information about major customer

Revenue from transactions with a single customer exceeds to 10 percent or more of entity's revenues in case of 2 customer for the FY 2019-20 and 2 customer for the FY 2018-19.

Reva Medicare Private Limited

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

32 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.

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

34 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.

35 Figures of the previous year have been regrouped/rearranged wherever necessary.

36 Two companies have a director in common doesn't result into related party unless the director is KMP and able to affect the policies of both companies in their mutual dealings

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: 06.06.2020

for **Reva Medicare Private Limited**

Gurpreet Singh Sandhu
Director
DIN No. 02685996

Ramakant Innani
Director
DIN No. 03222748

Place: Raichur
Date: 06.06.2020