Zydus Wellness International DMCC
Dubai Multi Commodities Centre
Dubai, U.A.E.

Auditor's Report & Financial Statements
For the year ended 31st March, 2021

Zydus Wellness International DMCC
Dubai Multi Commodities Centre, Dubai, U.A.E.

Auditor's Report & Financial Statements
For the year ended 31st March, 2021

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INDEPENDENT AUDITOR'S REPORT

Ref No.- Zenith / NC - 2021/ 17199

The Shareholder,
Zydus Wellness International DMCC,
Dubai Multi Commodities Centre, Dubai, U.A.E.

Report on the audit of Financial Statements

Opinion
We have audited the accompanying financial statements of **Zydus Wellness International DMCC**, which comprise the Statement of Financial Position as at **31st March, 2021,** and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Changes in Equity for the year then ended **31st March, 2021,** including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of **Zydus Wellness International DMCC,** as of **31st March, 2021,** and of its financial performance and its cash flows for the year then ended **31st March, 2021,** in accordance with Indian Accounting Standards (IND AS).

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indian Accounting Standards (IND AS) and in compliance with the company's Memorandum and Articles of Association and the rules and regulations of the DMCC Entity Regulation No. 1/3 issued in 2003, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

(Continued on page 2)

Tel : 04 -3885518, Fax: 04-3885519, P.O.Box: 242194, Nasir Ahamed Lootah Bldg: Flat # 308, Umm Hurair First Bur Dubai - U.A.E. E-mail: nitendra@zenithcca.com, zenithca@eim.ae, Website: www.zenithcca.com

(Continued from page 1)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- In our opinion, to the best of information and according to the explanation given to us the company has, in all material respect, an adequate internal financial control system over financial reporiting and such internal financial control over financial reporting were operating effectively as at March 31, 2020.

Report on other legal and regulatory requirements

- We have obtained all the information and explanation we considered necessary for our audit.
- The financial statements comply, in all material respect with the applicable rules and regulations of the DMCC Entity Regulation No. 1/3 issued in 2003, and the Articles of Association of the Company.
- The company has maintained proper books of accounts.
- Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Company has contravened during the financial year ended **31st March, 2021** any of the rules and regulations of the DMCC Entity Regulation No. 1/3 issued in 2003, or the Articles of Association of the Company which would have a material effect on the Company's activities or on its financial position for the year.

For Husain Al Hashmi
Auditing of Accounts
Dubai, United Arab Emirates.
20th April, 2021

حسين الهاشمي لمراجعة الحسابات
Zenith™
P.O.Box: 242194
Dubai - U.A.E.
HUSAIN ALHASHMI AUDITING OF ACCOUNTS

Tel : 04 -3885518, Fax: 04-3885519, P.O.Box: 242194, Nasir Ahamed Lootah Bldg: Flat # 308, Umm Hurair First
Bur Dubai - U.A.E. E-mail: nitendra@zenithcca.com, zenithca@eim.ae, Website: www.zenithcca.com

ZYDUS WELLNESS INTERNATIONAL DMCC
Balance Sheet as at March 31, 2021

Particulars	Note No.	CURRENCY USD As at Mar 31, 2021	CURRENCY USD As at Mar 31, 2020
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3 [A]	1,156	1,303
Current Assets:			
Inventories			
Financial Assets:			
Trade Receivables	4	757,919	495,969
Cash and Cash Equivalents	5	340,215	242,884
Other Current Assets	6	157,906	19,454
		1,256,039	**758,306**
Total		**1,257,195**	**759,609**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	7	68,075	68,075
Other Equity	8	537,972	268,690
		606,047	**336,765**
Non-Current Liabilities:			
Provisions	9	**49,525**	**-**
Current Liabilities:			
Financial Liabilities:			
Trade Payables	10	423,906	207,715
Other Financial Liabilities	11	60,149	205,639
Other Current Liabilities	12	106,822	9,491
Provisions	13	10,747	-
Current Tax Liabilities [Net]			
		601,624	**422,845**
Total		**1,257,195**	**759,609**
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 21		

As per our report of even date
For, Hussain Al Hashmi Auditing of Accounts
Chartered Accountants
Firm Registration Number: 569

Partner
Place : U.A.E.
Dated : 20th April 2021

For and on behalf of the Board

Ketankumar Bhut
Director

Abhijeet Sahu
Director

ZYDUS WELLNESS INTERNATIONAL DMCC

Statement of Profit and Loss for the period ended March 31, 2021

Particulars	Note No.	CURRENCY USD Period/ Year ended Mar 31, 2021	CURRENCY USD Period/ Year ended Mar 31, 2020
Revenue from Operations	14	5,379,359	1,416,484
Other Income			
Total Income		5,379,359	1,416,484
EXPENSES:			
Cost of Materials Consumed	15	211,387	12,430
Purchases of Stock-in-Trade	16	3,077,457	842,090
Employee Benefits Expense	17	430,855	114,210
Finance Costs	18	21,713	32,425
Depreciation, Amortisation and Impairment expense	19	147	120
Other Expenses	20	1,368,519	146,519
Total Expenses		**5,110,078**	**1,147,794**
Profit before Exceptional items and Tax		**269,282**	**268,690**
Less : Exceptional Items			
Total			
Profit before Tax			
Less: Tax Expense:			
Profit for the year		**269,282**	**268,690**
OTHER COMPREHENSIVE INCOME [OCI]:			
Items that will not be reclassified to profit or loss:			
Re-measurement losses on post employment defined benefit plans			
Other Comprehensive Income for the year [Net of tax]		-	-
Total Comprehensive Income for the year [Net of Tax]		**269,282**	**268,690**
Basic & Diluted Earning per Equity Share [EPS] [in USD)	21	**1,077**	**1,075**
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 21		

As per our report of even date

For, Hussain Al Hashmi Auditing of Accounts

Chartered Accountants

Firm Registration Number: 569

Partner

Place : U.A.E.

Dated : 20th April 2021

For and on behalf of the Board

Ketankumar Bhut
Director

Abhijeet Sahu
Director

حسين الهاشمي لمراجعة الحسابات Zenith P.O.Box: 242194 Dubai - U.A.E. HUSAIN ALHASHMI AUDITING OF ACCOUNTS

زيدوس ويلنس إنترناشيونال م.د.م.س P.O.Box: 113536 DUBAI - U.A.E. ZYDUS WELLNESS INTERNATIONAL DMCC

ZYDUS WELLNESS INTERNATIONAL DMCC

Cash Flow Statement for the period ended March 31, 2021

Particulars	USD Year Ended March 31 2021		2020
A Cash flows from operating activities:			
Profit before tax		**269,282**	**268,690**
Adjustments for:			
Depreciation, Amortisation and Impairment expense	147		120
Interest income			
Interest expenses	3,344		2,274
Provisions for employee benefits	60,272	**63,763**	**2,394**
Total Profit		**333,045**	**271,084**
Operating profit before working capital changes			
Adjustments for:			
Increase in trade receivables	(261,950)		(495,969)
Increase in Current Asset	(8)		
Increase in other assets	(138,452)		(19,454)
Increase in trade payables	216,198		207,715
Increase in other liabilities	134,116		32,855
Total		**(50,096)**	**(274,852)**
Cash used in operations		**282,949**	**(3,768)**
Net cash from operating activities		**282,949**	**(3,768)**
B Cash flows from investing activities:			
Purchase of property, plant and equipment	-		(1,423)
Net cash used in investing activities		-	**(1,423)**
C Cash flows from financing activities:			
Proceeds from Issue of Share Capital	-		68,075
Proceeds from current borrowings			182,274
Repayment of current borrowings	(182,274)		
Interest paid	(3,344)		(2,274)
Net cash used in financing activities		**(185,618)**	**248,075**
Net Increase in cash and cash equivalents		**97,331**	**242,884**
Cash and cash equivalents at the beginning of the year		**242,884**	
Cash and cash equivalents at the end of the year		**340,215**	

Notes to the Cash Flow Statement

1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
2 All figures in brackets are outflows.
3 Cash and cash equivalents comprise of:

	As at Mar 31 2021	As at Mar 31 2020
a Cash on Hand		-
b Balances with Banks	340,215	242,884
	340,215	242,884

4 Change in Liability arising from financing activities:

	Borrowings Non-Current	Borrowings Current [Note-11]	Total
As at March 31, 2020	-	182,274	182,274
Cash flow		(182,274)	(182,274)
As at March 31, 2021	-	-	-

As per our report of even date
For, Hussain Al Hashmi Auditing of Accounts
Chartered Accountants
Firm Registration Number: 569

Partner
Place : U.A.E.
Dated : 20th April 2021

For and on behalf of the Board

Ketankumar Bhut
Director

Abhijeet Sahu
Director

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ZYDUS WELLNESS INTERNATIONAL DMCC

Statement of Change in Equity for the period ended 31st March 2021

	As at Mar 31, 2021 No. of Shares	USD As at Mar 31, 2021 No. of Shares
a Equity Share Capital:		
Equity Shares of AED 1000/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2019	-	-
Issued during the year	250	68,075
As at Mar 31, 2020	250	68,075
Issued during the year	-	-
As at Mar 31, 2021	250	68,075

b Other Equity:	USD Reserves and Surplus Retained Earnings	USD Total
As at March 31, 2019	-	-
Add: Profit for the year	268,690	268,690
As at Mar 31, 2020	268,690	268,690
Add: Profit for the year	269,282	269,282
As at Mar 31, 2021	**537,972**	**537,972**

As per our report of even date
For, Hussain Al Hashmi Auditing of Accounts
Chartered Accountants
Firm Registration Number: 569

Partner
Place : U.A.E.
Dated : 20th April 2021

For and on behalf of the Board

Ketankumar Bhut
Director

Abhijeet Sahu
Director

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ZYDUS WELLNESS INTERNATIONAL DMCC

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ZYDUS WELLNESS INTERNATIONAL DMCC Notes to the Financial Statements		
Note: 3 : (A) Property, Plant & Equipment		
[A] Property, Plant and Equipment:		
	Plant & Equipment	**Total**
Gross Block:		
As at March 31, 2019	-	-
Additions	1,423	1,423
As at March 31, 2020	1,423	1,423
Additions	-	-
As at March 31, 2021	1,423	1,423
Depreciation and Impairment:		
As at March 31, 2019	-	-
Depreciation for the year	120	120
As at March 31, 2020	120	120
Depreciation for the year	147	147
As at March 31, 2021	267	267
Net Block:		-
As at March 31, 2019	-	-
As at March 31, 2020	1,303	1,303
As at March 31, 2021	1,156	1,156

ZYDUS WELLNESS INTERNATIONAL DMCC

Notes to the Financial Statements

	USD As at Mar 31, 2021	USD As at Mar 31, 2020
Note: 4-Trade Receivables:		
Unsecured - Considered good	757,919	495,969
Total	**757,919**	**495,969**
Note: 5-Cash and Cash Equivalents:		
Balances with Banks	340,215	242,884
Total	**340,215**	**242,884**
Note: 6-Other Current Assets:		
Balances with Statutory Authorities	144,525	9,029
Prepaid Expense	5,212	10,424
Others	8,169	
Total	**157,906**	**19,454**
Note: 7-Equity Share Capital:		
Authorised:		
250 Equity Shares Equity Shares of 1000 AED /- each	68,075	68,075
	68,075	**68,075**
Issued, Subscribed and Paid-up:		
250 Equity Shares Equity Shares of 1000 AED /- each	68,075	68,075
Total	**68,075**	**68,075**
A The reconciliation in number of shares is as under:		
Number of shares at the beginning of the year	250	-
Add: Issued during the year	-	250
Number of shares at the end of the year	**250**	**250**
B The Company has only one class of equity shares having a par value of AED 1000 /- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
Note: 8-Other Equity:		
Retained Earnings:		
Balance as per last Balance Sheet	268,690	-
Add: Profit for the year	269,282	268,690
	537,972	**268,690**
Less: Items of other Comprehensive income recognised directly in Retained Earnings:	-	-
Balance as at the end of the year	537,972	268,690
Total	**537,972**	**268,690**
Note: 9-Provisions:		
Provision for Employee Benefits	49,525	-
Total	**49,525**	-
Note: 10-Trade Payables		
Trade Payable	423,906	207,715
Total	**423,906**	**207,715**
Note: 11-Other Financial Liabilities:		
Current borrowing	-	180,000
Interest accrued but not due on borrowing	-	2,274
Accrued Expenses	60,149	23,365
Total	**60,149**	**205,639**
The above amount includes:		
Zydus Wellness Limited		
The Loan is bearing interest of 6 month USD libor plus Spread. The tenure of the loan shall be 1 year from the disbursement date, which can be further renewed on yearly basis; howerver the total tenure of the loan shall not exceed 5 years from the date of first disbursement.		
Total	**60,149**	**205,639**
Note: 12-Other Current Liabilities:		
Payable to Statutory Authorities	106,822	9,491
Total	**106,822**	**9,491**
Note: 13-Provisions:		
Provision for Employee Benefits- Current	10,747	-
Total	**10,747**	-

Note: -Contingent Liabilities & Commitments (to the extent not provided for)		
Contingent Liabilities & Commitments (to the extent not provided for)	-	-

ZYDUS WELLNESS INTERNATIONAL DMCC		
Notes to the Financial Statements		
	Year ended Mar 31, 2021	Year ended Mar 31, 2020
Note: 14-Revenue from Operations:		
Sale of Products	5,379,359	1,416,484
Total	**5,379,359**	**1,416,484**
Note: 15-Cost of Materials Consumed:		
Purchases	211,387	12,430
Total	**211,387**	**12,430**
Note: 16-Purchases of Stock-in-Trade:		
Purchases of Stock-in-Trade	3,077,457	842,090
Total	**3,077,457**	**842,090**
Note: 17-Employee Benefits Expense:		
Salaries and wages	393,803	114,210
Contribution to provident and other funds	36,099	-
Staff welfare expenses	953	-
Total	**430,855**	**114,210**
Note: 18-Finance Cost:		
Interest expense [*]	3,344	2,274
Net Loss on foreign currency transactions and translation	(4,308)	26,490
Bank commission & charges	22,676	3,662
Total	**21,713**	**32,425**
[*] The break up of interest expense into major heads is given below:		
On term loans	3,344	2,274
On working capital loans		
Others	-	-
Total	**3,344**	**2,274**
Note: 19-Depreciation		
Depreciation, Amortisation and Impairment expenses:		
Depreciation	147	120
Total	**147**	**120**
Note: 20-Other Expenses:		
Analytical Expenses	16,181	2,253
Rent	1,287	-
Insurance	7,310	9,809
Rates and Taxes [excluding taxes on income]	8,790	15,355
Traveling Expenses	98	15,009
Legal and Professional Fees	9,588	18,536
Freight and forwarding on sales	-	38,679
Other marketing expenses	1,283,448	38,484
Miscellaneous Expenses	41,817	8,395
Total	**1,368,519**	**146,519**

Note: 21-Calculation of Earnings per Equity Share [EPS]:			
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
A Profit attributable to Shareholders	USD	269,282	268,690
B Basic and weighted average number of Equity shares outstanding	Numbers	250	250
C Nominal value of equity share	AED	1,000	1,000
D Basic & Diluted EPS	USD	1,077	1,075

Note: 22-Segment Information:

The Chief Operating Decision Maker [CODM] reviews the Group as a single "Consumer" segment. The Group operates in one segment only, namely "Consumer Products."

Note: 23-Related Party Transactions:

A Name of the Related Parties and Nature of the Related Party Relationship:

a Holding Company : **Zydus Wellness Limited**

b Fellow Subsidiaries :

Zydus Healthcare Limited
German Remedies Pharmaceuticals Private Limited
Zydus Wellness Products Limited
Liva Nutritions Limited
Liva Investment Limited
Zydus Animal Health and Investments Limited
Dialforhealth Unity Limited
Dialforhealth Greencross Limited
Violio Healthcare Limited
Zydus Pharmaceuticals Limited
Biochem Pharmaceutical Private Limited
Zydus Strategic Investments Limited
Zydus VTEC Limited
Zydus Foundation
M/s. Recon Pharmaceuticals and Investments, a Partnership Firm
Alidac Healthcare (Myanmar) Limited [Myanmar]
Zydus Healthcare Philippines Inc. [Philippines]
Zydus Lanka (Private) Limited [Sri Lanka]
Windlas Healthcare Private Limited
Zydus Worldwide DMCC [Dubai]
Zydus Discovery DMCC [Dubai]
Zydus International Private Limited [Ireland]
Zydus Netherlands B.V. [the Netherlands]
Zydus Pharmaceuticals (USA) Inc. [USA]
Nesher Pharmaceuticals (USA) LLC [USA]
ZyVet Animal Health Inc. [USA]
Zydus Healthcare (USA) LLC [USA]
Sentynl Therapeutics Inc. [USA]
Zydus Noveltech Inc. [USA]
Hercon Pharmaceuticals LLC [USA]
Viona Pharmaceuticals Inc. [USA]
Zydus Therapeutics Inc. [USA]
Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Simayla Pharmaceuticals (Pty) Ltd [South Africa]
Script Management Services (Pty) Ltd [South Africa]
Zydus France, SAS [France]
Laboratorios Combix S.L. [Spain]
Etna Biotech S.R.L. [Italy]
Zydus Nikkho Farmaceutica Ltda. [Brazil]
Zydus Pharmaceuticals Mexico SA De CV [Mexico]
Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Windlas Inc [USA]

c Directors :

Ketankumar Bhut
Abhijeet Sahu
Pradeep Agnihotri
Aditya Nawab

B Transactions with Related Parties:

The following transactions were carried out with the related parties in the ordinary course of business :

a Details relating to parties referred to in Note **21-[a, b & c]**

Nature of Transactions	USD As at Mar 31, 2021	USD As at Mar 31, 2020
Purchases:		
Goods:		
ZYDUS WELLNESS LTD	174,537	116,075
ZYDUS WELLNESS PRODUCTS LTD	288,007	257,726
Services:		
ZYDUS WELLNESS PRODUCTS LTD	277,937	76,072
ZYDUS WELLNESS LTD	42,962	
Sales:		
Goods:		
ZYDUS HEALTHCARE SA (PTY) LTD	83,882	313,897
Finance: - Share Capital Subscription		
ZYDUS WELLNESS LTD	-	68,075
Finance:		
Inter Corporate Loans given/Received		
ZYDUS WELLNESS LTD	-	180,000
Finance:		
Inter Corporate Loans (repaid)		-
ZYDUS WELLNESS LTD	(180,000)	
Interest Received / (Paid):		
ZYDUS WELLNESS LTD	(3,344)	(2,274)
Outstanding:		
Payable: (Loan Outstanding)		
ZYDUS WELLNESS LTD	-	180,000
Payable: (Interest Outstanding)		
ZYDUS WELLNESS LTD	-	2,274
Payable: (Other)		
ZYDUS WELLNESS LTD	70,350	-
ZYDUS WELLNESS PRODUCTS LTD	213,267	175,191
Receivable:		
ZYDUS HEALTHCARE SA (PTY) LTD	-	229,809
ZYDUS WELLNESS LTD	-	12,715

ZYDUS WELLNESS INTERNATIONAL DMCC

I-Company overview:

Description of Business:

Zydus Wellness International DMCC is formed as a company with Limited Liability and under the provisions of law no. (4) Of 2001 in respect of establishing Dubai Multi Commodities Center [DMCC], Dubai (U.A.E.) vide Registration no. DMCC-170723 , with Limited Liability. The company is licensed to perform activities such as - Food Supplements Trading, Confectionery & Chocolate Trading, Para-Pharmaceutical Products Trading, Dairy Products Trading, and Ghee & Vegetable Oil Trading as per the licenses granted by DMCC vide License No. DMCC – 701956

II-Significant Accounting Policies:

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

1 Basis of Accounting:

A The financial statements of the Company are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with Indian Accounting Standards [Ind AS]

B The financial statements have been prepared on historical cost basis

2 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities,the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

a Property Plant & Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life.

Management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

3 Property Plant & Equipment

a Property Plant & Equipment are stated at historical cost less accumulated depreciation.

b Cost of each asset is depreciated over the estimated useful lives on straight line method, based on useful lives as below:

Assets	Useful life
Office Equipment	5 Years

c Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

d Tangible fixed assets are depreciated over the estimated useful life which is periodically reviewed to ensure that the method and the period of depreciation are consistent with the expected pattern of economic benefit

e Repairs and renewals are recognised in profit or loss when the expenditure incurred.

4 Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.

The specific recognition criteria described below must also be met before revenue is recognised.

a Sale of Goods:

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein.

Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer.

The goods are often sold with volume discounts/ pricing incentives and customers have a right to return damaged or expired products.

Revenue from sales is based on the price in the sales contracts, net of discounts. When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price [excluding estimates of variable consideration] that is allocated to that performance obligation.

Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims.

No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

b Other Income:

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

5 Foreign Currency [Currency other than company's functional currency] Transactions:

Foreign currency transactions are recorded in USD at rate of exchange prevailing on the date of transactions. Foreign currency balances of monetary assets and liabilities are translated to USD at the rate of exchange prevailing at the date of the reporting date. Gains or losses on exchange are recognised in statement of profit and loss.

6 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 the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised in the financial statements.

b If the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects , when appropriate, the risks specific to the liability

7 Borrowing Cost:

a Borrowing costs consists of Interest and other borrowing cost that are incurred in connection with the borrowing of the funds. Other borrwing costs include ancilliary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences, if any, to the extent as an adjustment to the borrowing costs.

b Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use.

8 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand 'deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

9 Going Concern:

The Financial Statements have been prepared on a going concern basis. The management made a review of the going concern assessment and considered the same. The 'management believes that, on the date of report, establishment has sufficient financial resources to meet the committed financial liabilities and therefore the financial statements for the current reporting period are prepared on a going concern basis.

10 Covid 19 Impact:

The World Health Organisation [WHO] declared Covid-19 to be a global pandemic in March 2020. Majority of the countries across the globe were into lockdown situation all throughout April 2020 and major part of May 2020, impacting business operations across various sectors with severe restrictions on movement of people and goods.

The Company has implemented several initiatives across its manufacturing and other business locations including allowing work from homes, social distancing at work places and proper sanitization of work places etc. for ensuring safety of its employees and continuity of its business operations with minimal disruption. The Company operates in manufacturing and selling of pharmaceutical products, which are classified as essential commodities and hence its operations continued to be run with fewer challenges on people movement and supply chain.

As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Company believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

11 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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		March 31, 2021			March 31, 2020		
		Medical Leave	Leave Wages	Gratuity	Medical Leave	Leave Wages	Gratuity
B	**Change in the present value of the defined benefit obligation:**						
	Opening defined benefit obligation		-	-	-	-	-
	Transfer in/ (out) Obligation		-	-	-	-	-
	Current service cost		**26,018**	**36,098**	-	-	-
	Interest cost		-	-	-	-	-
	Actuarial [gains] / losses on obligation		-	-	-	-	-
	Benefits paid		-	**(726)**	-	-	-
	Translation Difference		-	-			
	Closing defined benefit obligation		**26,018**	**35,372**	-	-	-
C	**Change in the fair value of plan assets:**						
	Opening fair value of plan assets	-	-	-	-	-	-
	Transfer in/ (out) Obligation	-	-	-	-	-	-
	Interest Income	-	-	-	-	-	-
	Return on planned assets	-	-	-	-	-	-
	Contributions by employer	-	-	-	-	-	-
	Benefits paid	-	-	-	-	-	-
	Actuarial (losses) / gain on plan assets				-	-	-
	Closing fair value of plan assets	-	-	-	-	-	-
	Total actuarial [losses] / gains to be recognised	-	-	-	-	-	-
D	**Actual return on plan assets:**						
	Expected return on plan assets	-	-	-	-	-	-
	Actual return on plan assets	-	-	-	-	-	-
E	**Amount recognised in the balance sheet:**						
	Liabilities / [Assets] at the end of the year	-	**26,018**	**35,372**	-	-	-
	Fair value of plan assets at the end of the year	-	-	-	-	-	-
	Liabilities / [Assets] recognised in the Balance Sheet	-	**26,018**	**35,372**	-	-	-
F	**Expenses / [Incomes] recognised in the Statement of Profit and Loss:**						
	Current service cost	-	**26,018**	**36,098**	-	-	-
	Interest cost on benefit obligation	-	-	-	-	-	-
	Expected return on plan assets	-	-	-	-	-	-
	Net actuarial [gains] / losses in the year	-	-	-	-	-	-
	Net expenses / [benefits]	-	**26,018**	**36,098**	-	-	-
	Net actuarial (gains)/ losses in the year	-	-	-	-	-	-
	Amounts recognized in OCI	-	-	-	-	-	-
G	**Movement in net liabilities recognised in Balance Sheet:**						
	Opening net liabilities	-	-	-	-	-	-
	Transfer in/ (out) Obligation	-	-	-	-	-	-
	Expenses as above [P & L Charge]	-	**26,018**	**36,098**	-	-	-
	Amount recognised in OCI	-	-	-	-	-	-
	Contribution to plan assets	-	-	-	-	-	-
	Benefits Paid	-	-	**(726)**	-	-	-
	Liabilities / [Assets] recognised in the Balance Sheet	-	**26,018**	**35,372**	-	-	-

H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:

Particulars	March 31, 2021	March 31, 2020
Discount rate [*]	6.50%	Not Applicable
Annual increase in salary cost [#]	9% p.a. thereafter	

[*]The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations.

[#] The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

I The categories of plan assets as a % of total plan assets are:

Insurance plan	0%	100%	100%

J Amount recognised in current and previous years:

	As at March 31			
	Gratuity		Leaves	
	2021	2020	2021	2020
Gratuity:				
Defined benefit obligation	35,372		26,018	-
Fair value of Plan Assets	-		-	-
Deficit / [Surplus] in the plan	35,372		26,018	-
Actuarial Loss / [Gain] on Plan Obligation	-		-	-
Actuarial Loss / [Gain] on Plan Assets	-		-	-

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2020-21

The average duration of future service of defined benefit plan obligation at the end of the year is 25.17.

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as is as shown below:

A Medical Leave:

	As At			
	March 31, 2021		March 31, 2020	
Assumption	Discount rate			
Sensitivity Level - Discount Rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	-	-	-	-
Assumption	Annual increase in salary cost			
Sensitivity Level- Salary Growth	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	-	-	-	-

B Leave Wages:

	As At			
	March 31, 2021		March 31, 2020	
Assumption	Discount rate			
Sensitivity Level - Discount Rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(1,879)	(300)	-	-
Assumption	Annual increase in salary cost			
Sensitivity Level- Salary Growth	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(324)	(1,866)	-	-

C Gratuity:

	As At			
	March 31, 2021		March 31, 2020	
Assumption	Discount rate			
Sensitivity Level - Discount Rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(1,216)	1,318	-	-
Assumption	Annual increase in salary cost			
Sensitivity Level- Salary Growth	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	1,280	(1,195)	-	-

The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31	
	2021	2020
Within the next 12 months [next annual reporting period]	39,466	-
Between 2 and 5 years	114,133	-
Between 5 and 10 years	45,573	-
Total expected payments	199,172	-