

Independent Auditors' Report

To the Members of Liva Nutritions Limited

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Liva Nutritions Limited ("the Company"), which comprises of the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), and the Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our opinion, there are no reportable Key Audit Matters for the standalone financial statements of the Company.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements;
 - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For, Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Sd/-

Harish B Patel

Partner

Membership number: 014427

UDIN: 20014427AAAAZK9206

Place: Ahmedabad

Date: 01.06.2020

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31stMarch 2020, we report that:

- (i)** As on the reporting date, there is no fixed assets in the Company hence reporting under this clause is not applicable.
- (ii)** As on the reporting date the company does not have any inventory hence reporting under this clause is not applicable.
- (iii)** The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, and therefore, the provisions of clauses (iii)(a) & (iii)(b) of the Order are not applicable to the Company.
- (iv)** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v)** The Company has not accepted any deposits from the public.
- (vi)** The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act hence reporting under this clause is not applicable.
- (vii)** (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

(b) Reporting under this clause not applicable as the Company does not have any statutory dues which have not been paid on account of any dispute.

- (viii)** In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, banks, Government or debenture holder during the year.

- (ix)** The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x)** According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi)** During the reporting period, the Company has not paid / provided for any managerial remuneration hence reporting under this clause is not applicable.
- (xii)** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii)** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv)** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv)** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi)** The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Sd/-

Harish B Patel

Partner

Membership number: 014427

UDIN: 20014427AAAAZK9206

Place: Ahmedabad

Date: 01.06.2020

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Liva Nutritions Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm's registration number: 102511W/W100298

Sd/-

Harish B Patel

Partner

Membership number: 014427

UDIN: 20014427AAAAZK9206

Place: Ahmedabad

Date: 01.06.2020

Liva Nutritions Limited
Balance Sheet as at March 31, 2020

Particulars	Note No.	₹ in Lakh	
		As at March 31	
		2020	2019
ASSETS:			
Non-current assets:			
Investments	3	234	234
Current assets:			
Financial Assets:			
Cash and cash equivalents	4	3	26
		3	26
		237	260
EQUITY AND LIABILITIES:			
Equity:			
Equity share capital	5	5	5
Other equity	6	(49)	(23)
		(44)	(18)
Liabilities:			
Current liabilities:			
Financial liabilities:			
Borrowings	7	275	275
Trade payables:			
Due to Micro, Small and Medium Enterprises	8	-	-
Due to other than Micro, Small and Medium Enterprises	9	-	-
Other financial liabilities	9	5	3
Other current liabilities	10	1	-
		281	278
		237	260
Significant accounting policies			
Notes to the financial statements			

1 to 20

For and on behalf of the Board

As per our report of even date

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Sd/-

Harish B. Patel

Partner

Membership Number: 014427

Place: Ahmedabad

Date: June 1, 2020

Sd/-

Dr. Sharvil P. Patel

Director

Sd/-

Tarun G. Arora

Director

Liva Nutritions Limited
Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note No.	₹ in Lakh	
		Year ended March 31	Period ended March 31
		2020	2019
REVENUE:			
Revenue from Operation	11	-	(17)
Total Income		-	(17)
EXPENSES:			
Finance costs	12	26	3
Other Expense	13	-	3
Total Expenses		26	6
Loss before tax		(26)	(23)
Less: Tax expense:			
Current tax		-	-
Deferred tax	14	-	-
		-	-
Loss for the year		(26)	(23)
Total Comprehensive Loss for the year [net of Tax]		(26)	(23)
Basic & diluted earnings [Loss] per equity share [EPS] [in ₹]	15	(52.00)	(166.24)
Significant Accounting Policies	2		
Notes to the Financial Statements	1 to 20		
As per our report of even date		For and on behalf of the Board	
For Dhirubhai Shah & Co LLP			
Chartered Accountants			
Firm Registration Number: 102511W/W100298			
Sd/-	Sd/-	Sd/-	
Harish B. Patel	Dr. Sharvil P. Patel	Tarun G. Arora	
Partner	Director	Director	
Membership Number: 014427			
Place: Ahmedabad			
Date: June 1, 2020			

Liva Nutritions Limited
Cash flow Statement for the year ended March 31, 2020

Particulars	₹ in Lakh	
	Year ended March 31	Period ended March 31
	2020	2019
A Cash flows from operating activities		
Loss before tax	(26)	(23)
Adjustments for :		
Interest expense	26	3
Changes in operating assets and liabilities;		
Increase in other financial liabilities	1	3
Net cash generated from/ [used in] operating activities	1	(17)
B Cash flows from investing activities:		
Purchase of Investments in a subsidiary	-	(234)
Net cash generated from/ [used in] investing activities	-	(234)
C Cash flows from financing activities:		
Proceeds from issued of equity share capital	-	5
Proceeds from borrowings	-	275
Interest paid	(24)	(3)
Net cash [used in]/ generated from financing activities	(24)	277
Net (decrease)/ increase in cash and cash equivalents	(23)	26
Cash and cash equivalents at the beginning of the year	26	-
Cash and cash equivalents at the end of the year	3	26

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 Previous year's figures have been regrouped wherever necessary.
- 4 Cash and cash equivalents comprise of:

₹ in Lakh

Particulars	As at March 31	
	2020	2019
	Balances with Banks	3
Total	3	26

As per our report of even date

For and on behalf of the Board

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Sd/-

Harish B. Patel

Partner

Membership Number: 014427

Place: Ahmedabad

Date: June 1, 2020

Sd/-

Dr. Sharvil P. Patel

Director

Sd/-

Tarun G. Arora

Director

Liva Nutritions Limited
Statement of Change in Equity for the year ended March 31, 2020

a Equity Share Capital:		
	No. of Shares	₹ in Lakh
Equity Shares of ₹ 10/- each, Issued, Subscribed and Fully Paid-up:		
As at March 31, 2018	-	-
Add: Shares issued during the year	50,000	5
As at March 31, 2019	50,000	5
As at March 31, 2020	50,000	5
b Other Equity:		
		₹ in Lakh
Particulars	Retained Earnings	Total
As at March 31, 2018	-	-
Less: Loss for the period	(23)	(23)
As at March 31, 2019	(23)	(23)
Less: Loss for the year	(26)	(26)
As at March 31, 2020	(49)	(49)
<p><i>As per our report of even date</i> <i>For and on behalf of the Board</i></p> <p>For Dhirubhai Shah & Co LLP</p> <p>Chartered Accountants</p> <p>Firm Registration Number: 102511W/W100298</p>		
<p>Sd/- Harish B. Patel Partner Membership Number: 014427 Place: Ahmedabad Date: June 1, 2020</p>	<p>Sd/- Dr. Sharvil P. Patel Director</p>	<p>Sd/- Tarun G. Arora Director</p>

Liva Nutritions Limited

Note: 1 - Company overview

Liva Nutritions Limited ["the Company"] was incorporated on December 21, 2018 and operates as an integrated consumer Company with business encompassing the entire value chain in the development, production, marketing and distribution of health and wellness products. The registered office of the company is located at Zybus Corporate Park, Scheme No. 63, Survey No. 536 Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad 382 481. These financial statements were authorised for issue in accordance with a resolution passed by Board of the Directors at its meeting held on June 1, 2020.

Note: 2 - 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 preparation:

A The financial statements are in compliance with the Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting 'Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

B The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- ii Defined benefit plans

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 statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical estimates and judgments

A Income Taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] credit in future.

3 Revenue Recognition:

A The Company has applied Ind AS 115 - Revenue from Contracts with Customers. The following is the significant accounting policy related to revenue recognition under Ind AS 115.

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 Service Income:

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

B Goods and Service Tax [GST] is not received by the Company on its own account. Rather, it is tax collected on value added to the goods by the Company on behalf of the government. Accordingly, it is excluded from revenue.

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

a Interest Income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

b Dividend:

Dividend income is recognised when the Company's right to receive the payment is established.

c Other Income:

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

4 Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss, OCI or directly in equity.

B Deferred Tax:

- a Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b Deferred tax liabilities are recognised for all taxable temporary differences.
- c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.
- f Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

5 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.

6 Provisions, Contingent Liabilities and Contingent Assets:

A Provisions are 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 but are disclosed separately in financial statements.

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

7 Dividends :

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

8 Financial Instruments:

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

A Financial assets:**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, i.e., the date that the Company settle to purchase or sell the asset.

b Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in five categories:

i Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income .

The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

v Investments in fellow subsidiaries :

Investments in fellow subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the differences between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

c Derecognition:

A financial asset is primarily derecognised when:

- i The rights to receive cash flows from the asset have expired, or
- ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

d Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model 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 amortised cost
- b Trade receivables or any contractual right to receive cash or another financial asset
- c Financial assets that are debt instruments and are measured as at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c provided above. The application of simplified approach require the company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B Financial liabilities:

a Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b Subsequent measurement:

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

d Embedded derivatives:

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

C Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

D Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

9 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a Level 1—Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

10 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.

B Recent Accounting Pronouncements:

The Ministry of Corporate Affairs notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable effective from April 1, 2020.

Note: 3 - Investment		₹ in Lakh	
		As at March 31	
		2020	2019
Investment in Equity Instruments [Valued at Cost] (*)		234	234
Total [Aggregate book value of investments]		234	234
[*] Company had made investments in Zydus Nutritions Limited having 23,29,933 shares of ₹ 10 each			
Note: 4 - Cash and cash equivalents		₹ in Lakh	
		As at March 31	
		2020	2019
Balances with Banks		3	26
		3	26
Note: 5 - Equity share capital		₹ in Lakh	
		As at March 31	
		2020	2019
Authorised:			
1,00,000 [as at March 31, 2019: 100,000] Equity shares of ₹ 10 each	₹ in Lakh	10	10
		10	10
Issued, Subscribed and fully paid-up:			
50,000 [as at March 31, 2019: 50,000] Equity shares of ₹ 10 each	₹ in Lakh	5	5
		5	5
A The reconciliation in number of Equity shares is as under:			
Number of shares at the beginning of the year		50,000	-
Add: Shares issued during the year		-	50,000
Number of shares at the end of the year		50,000	50,000
B The Company has only one class of equity shares having a par value of ₹ 10 each 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 and all liabilities.			
C Details of Shareholder holding more than 5% of total equity shares of the Company			
Zydus Wellness Limited and its nominees			
Number of Shares		50,000	50,000
% to total share holding		100.00%	100.00%
D. Number of Shares held by Holding Company			
Zydus Wellness Limited		50,000	50,000
Note: 6 - Other equity		₹ in Lakh	
		As at March 31	
		2020	2019
Retained Earnings:			
Balance as per last Balance Sheet		(23)	-
Add: Loss for the year		(26)	(23)
		(49)	(23)
Note: 7 - Borrowings		₹ in Lakh	
		As at March 31	
		2020	2019
Loans repayable on Demand:			
Working Capital Loans from Subsidiary Company of Ultimate Holding Company [Unsecured] [*]		275	275
		275	275
[*] 1. The Company has borrowed unsecured interest bearing loans from Zydus Healthcare Limited of ₹ 275 Lakh . The servicing of repayment of the loans will be made as per terms of loan agreement.			

Note: 8 - Trade Payables:		
	₹ in Lakh	
	As at March 31	
	2020	2019
Due to Micro, Small and Medium Enterprises [*]	-	-
Due to other than Micro, Small and Medium Enterprises [₹ 30,000 as at March 31, 2020 [Nil as at March 31, 2019]]	-	-
[*] Disclosure in respect of Micro, Small and Medium Enterprises:		
A. Principal amount remaining unpaid to any supplier as at year end	-	-
B. Interest due thereon	-	-
C. Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
D. Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
E. Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
F. Amount of further interest remaining due and payable in succeeding years.	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		
Note: 9 - Other financial liabilities		
	₹ in Lakh	
	As at March 31	
	2020	2019
[Unsecured, Considered Good unless otherwise stated]		
Interest accrued but not due on borrowings	5	3
	5	3
Note: 10 - Other current liabilities		
	₹ in Lakh	
	As at March 31	
	2020	2019
[Unsecured, Considered Good unless otherwise stated]		
Payable to Statutory Authorities	1	-
	1	-

Note: 11 - Revenue from Operation		
	₹ in Lakh	
	Year ended March 31	Period ended March 31
	2020	2019
Other Operating Revenues:		
Share of Profit from a Partnership Firm	-	(17)
	-	(17)
Note: 12 - Finance cost		
	₹ in Lakh	
	Year ended March 31	Period ended March 31
	2020	2019
Interest expense on working capital loans	26	3
	26	3
Note: 13 - Other expenses		
	₹ in Lakh	
	Year ended March 31	Period ended March 31
	2020	2019
Legal and professional fees [*]	-	3
	-	3
[*] Payment to the Statutory Auditors [excluding Taxes]:		
As Auditor [₹ 30,000 as at March 31, 2020 [Nil as at March 31, 2019]]	-	-
	-	-
Note: 14 - Deferred tax		
Considering principle of prudence, deferred tax assets are not recognized in absence of convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.		
Note: 15 - Calculation of earnings [Loss] per equity share [EPS]		
	Year ended March 31	Period ended March 31
	2020	2019
The numerators and denominators used to calculate the basic and diluted EPS are as follows:		
A Loss attributable to Shareholders	₹- in Lakh (26)	(23)
B Basic and weighted average number of Equity shares outstanding during the year	Numbers 50,000	13,836
C Nominal value of equity share	₹ 10	10
D Basic & Diluted EPS	₹ (52.00)	(166.24)
Note: 16 - Segment Information		
Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as per Ind AS-108 "Operating Segments" issued by the Institute of Chartered Accountants of India, no separate disclosure on segment information is given in these financial statements.		

Note: 17 - Related Party Transactions

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

a Ultimate Holding Company: Cadila Healthcare Limited

b Holding Company : Zydus Wellness Limited

c Subsidiaries Companies:

Liva Investment Limited
Zydus Wellness Products Limited (formerly known as Zydus Nutritions Limited) * [Refer Note 17(h)]
Zydus Wellness International DMCC

d Fellow Subsidiaries/ Concerns:

Zydus Novelitech Inc., USA	Nesher Pharmaceuticals (USA) LLC, USA
Violio Healthcare Limited	Zydus Healthcare SA Pty Limited, South Africa
German Remedies Pharmaceuticals Private Limited (formerly known as Acme Pharmaceuticals Private Limited)	Simayla Pharmaceuticals Pty Limited, South Africa
Zydus Technologies Limited **	Script Management Services Pty Limited, South Africa
Zydus Healthcare Limited	Etna Biotech SRL, Italy
Dialforhealth India Limited **	Zydus France SAS, France
Dialforhealth Unity Limited	Laboratories Combix S.L., Spain
Dialforhealth Greencross Limited	Zydus Nikkho Farmaceutica Ltda. ,Brazil
Liva Pharmaceuticals Limited **	Zydus Pharmaceuticals Mexico SA de CV, Mexico
Alidac Pharmaceuticals Limited **	Zydus Pharmaceuticals Mexico Services Company SA De C.V., Mexico
Zydus Foundation	Zydus Worldwide DMCC, Dubai
Windlas Healthcare Private Limited ***	Zydus Discovery DMCC, Dubai
Zydus International Private Limited, Ireland	Alidac Pharmaceuticals (Myanmar) Limited, Myanmar
Zydus Netherlands B. V., the Netherlands	Sentyln Therapeutics Inc., USA
Zydus Lanka (Private) Limited, Sri Lanka	ZyVet Animal Health Inc., USA
Zydus Healthcare Philippines Inc., Philippines	Zydus Animal Health and Investments Limited [Formerly known as Violio Pharmaceuticals and Investments Limited]
Zydus Pharmaceuticals USA Inc., USA	Viona Pharmaceuticals Inc., USA
Zydus Healthcare USA LLC, USA	US Pharma Windlas LLC, USA
Windlas, Inc., USA	
Zydus Pharmaceuticals Limited [Formerly known as Alidac Healthcare Limited]	
Hercon Pharmaceutical USA LLC, USA	

(**) Merged with Cadila Healthcare Limited w.e.f. April 1, 2019.
(***) Ceased to be the subsidiary of holding Company w.e.f April 30, 2020.

e Directors

Dr. Sharvil P. Patel	Director
Mr. Savyasachi S. Sengupta	Director
Mr. Tarun G. Arora	Director
Ms. Bhavna S. Doshi	Director

(*):- M/s. Zydus Wellness - Sikkim, a partnership firm, was converted into a company, namely Zydus Nutritions Limited (ZNL), with effect from February 28, 2019, pursuant to which, it became a subsidiary of the company. Pursuant to the Scheme of Amalgamation between two subsidiaries of the company i.e. ZNL and Heinz India Private Limited (HIPL) which was sanctioned by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated May 10, 2019 and effective date being May 24, 2019, HIPL has been merged with ZNL w.e.f. the appointed date of March 1, 2019.

B Transactions with Related Parties:

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

Nature of Transactions	Value of the Transactions	
	Year ended March 31	Period ended March 31
	2020	2019
Interest expense		
Zydus Healthcare Limited	26	3
Borrowings		
Zydus Healthcare Limited	-	275
Investment by		
Zydus Wellness Limited	-	5
Reimbursement of Expenses		
Zydus Wellness Limited [₹ 31,830 as at March 31, 2020 [Nil as at March 31, 2019]]	0	-
Outstanding payables		
Zydus Healthcare Limited	280	278

₹ in lakh

Note: 18 - Financial instruments**(i) Fair values hierarchy:**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Fair value of instruments measured at amortised cost:

Financial assets and liabilities measured at amortised cost for which fair values are disclosed.

Financial Assets: The carrying amounts of trade receivables and other financial assets [other than derivatives], cash and cash equivalents are considered to be the approximately equal to the fair values.

Financial Liabilities: Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

Note: 19 - Financial risk management**(i) Financial instruments by category:**

₹ in lakh

Particulars	As at March 31, 2020				As at March 31, 2019			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial assets								
Investments	-	-	234	234	-	-	234	234
Cash and Cash equivalents	-	-	3	3	-	-	26	26
	-	-	237	237	-	-	260	260
Financial liabilities								
Borrowings	-	-	275	275	-	-	275	275
Other financial liabilities	-	-	5	5	-	-	3	3
	-	-	280	280	-	-	278	278

(ii) Risk Management:

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company risk management is managed in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

A Liquidity risk:

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company account the liquidity of the market in which the entity operates. In addition, the Company liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities :

The tables below analyse the Company financial liabilities into relevant maturity Companying's based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in lakh

Particulars	As at March 31, 2020					Total
	Carrying value	< 1 year	1-2 years	2-3 years	> 3 years	
Non-derivatives financial liabilities						
Borrowings (including interest)	280	280	-	-	-	280
	280	280	-	-	-	280

₹ in lakh

Particulars	As at March 31, 2019					Total
	Carrying value	< 1 year	1-2 years	2-3 years	> 3 years	
Non-derivatives financial liabilities						
Borrowings (including interest)	278	278	-	-	-	278
	278	278	-	-	-	278

b Interest rate risk:**Liabilities: [*]**

The Company policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits are at fixed interest rates.

Below is the sensitivity of profit or loss and equity changes in interest rates:

₹ in lakh

Particulars	Movement in Rate	As at March 31	
		2020	2019
Interest rates	+0.50%	(1)	(1)
Interest rates	(0.50%)	1	1

* Holding all other variables constant

Note: 20

Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

Signatures to Significant Accounting Policies and Notes 1 to 20 to the Financial Statements

As per our report of even date

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

For and on behalf of the Board

Sd/-

Harish B. Patel

Partner

Membership Number: 014427

Place: Ahmedabad

Date: June 1, 2020

Sd/-

Dr. Sharvil P. Patel

Director

Sd/-

Tarun G. Arora

Director