

Standalone Financial Statements and Independent Auditors' Report

**Akna Medical Private Limited**

31 March 2020

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# Walker ChandioK &Co LLP

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## Independent Auditor's Report

### To the Members of Akna Medical Private Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Akna Medical Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ('Act') in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2020, and its loss and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

4. We draw attention to note 30 to the accompanying standalone financial statements, which describes the facts that the Company has not complied with the provisions of Section 96, 129 and 137 of the Act with respect to conducting its Annual General Meeting ('AGM'), laying of its standalone financial statements in such AGM, and submission of financial statements with the Registrar of Companies for the year ended 31 March 2020. The Company is in the process of making good the aforementioned defaults and intends to subsequently file necessary application(s) with the relevant appropriate authorities for compounding of such non-compliances with the Act. The management is of the view that the impact of such non-compliances including compounding as provided under the Act, would not be material to the accompanying standalone financial statements. Our opinion is not modified in respect of this matter.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

## Information other than the Standalone Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.

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

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

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

## Responsibilities of Management for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. 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 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.
10. As part of an audit in accordance with Standards on Auditing, 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, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to financial statements 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; and
  - 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.
11. 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.

## Other Matter

12. The standalone financial statements of the Company for the period ended 31 March 19 were audited by the predecessor auditor, Manoj Sangal & Co. Chartered Accountants, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 30 September 2019.

## Report on Other Legal and Regulatory Requirements

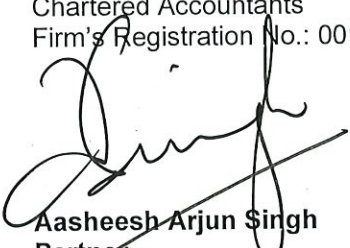
13. Based on our audit, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, reporting under Section 197(16) is not applicable.
14. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
  - 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;



# Walker Chandiok & Co LLP

- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) in our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 143(3)(i) for reporting on the adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of the Company, are not applicable; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2020;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 21210122AAAAAP2502

Bengaluru  
15 February 2021



## Annexure I to the Independent Auditor's Report of even date to the members of Akna Medical Private Limited, on the standalone financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification. In our opinion, the frequency of verification of the fixed assets is also not reasonable having regard to the size of the Company and nature of its assets.
  - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The inventory has not been physically verified by the management during the year, due to the COVID-19 pandemic outbreak and subsequent lockdown in India, and we are, therefore unable to comment on the discrepancies which could have arisen between physical inventory and book records. In our opinion, the frequency of verification of the inventory is also not reasonable having regard to the size of the Company and nature of its assets.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:



## Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	6,975	FY 2019-20	15-Aug-19	Not paid
Employees State Insurance Act, 1948	ESI	29,374	FY 2019-20	Various dates	Not paid

- (b) There are no dues in respect of income-tax, Goods and service tax, duty of customs, and duty of excise that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loan or borrowings payable to government and did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standard. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has made private placement of Compulsorily Convertible Preference shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised, though surplus funds which were not required for immediate utilisation have been deposited in bank account. During the year, the Company did not make preferential allotment/ private placement of fully/partly convertible debentures.

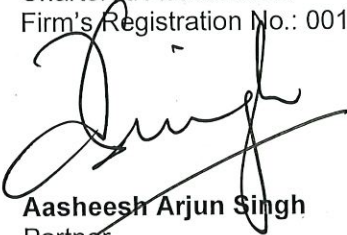




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- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 21210122AAAAAP2502

Bengaluru  
15 February 2021



**Akna Medical Private Limited**  
**Standalone Balance Sheet as at 31 March 2020**  
(All amounts in ₹ unless otherwise stated)

1

	Note	As at 31 March 2020	As at 31 March 2019
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	20,836,180	10,000,000
Reserves and surplus	4	507,220,400	(1,314,632)
		<u>528,056,580</u>	<u>8,685,368</u>
<b>Non-current liabilities</b>			
Long-term provisions	5	280,313	-
Deferred tax liabilities, net	6	-	1,288
		<u>280,313</u>	<u>1,288</u>
<b>Current liabilities</b>			
Short-term borrowings	7	37,246,961	8,005,000
Trade payables	8		
Total outstanding dues of micro, small and medium enterprises		1,563,980	-
Total outstanding dues of creditors other than micro, small and medium enterprises		101,100,327	9,229,016
Other current liabilities	9	14,604,569	3,993,562
Short-term provisions	10	651	-
		<u>154,516,488</u>	<u>21,227,578</u>
<b>Total</b>		<u><u>682,853,381</u></u>	<u><u>29,914,234</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11a	2,878,306	54,319
Intangible assets	11b	100,738	-
Intangible assets under development	12	3,000,000	-
Non-current investments	13	40,898,548	-
Long-term loans and advances	14	2,772,250	1,119,445
		<u>49,649,842</u>	<u>1,173,764</u>
<b>Current assets</b>			
Inventories	15	46,645,533	1,043,056
Trade receivables	16	107,836,666	13,609,260
Cash and cash equivalents	17	472,057,456	654,880
Short-term loans and advances	14	6,663,884	13,433,274
		<u>633,203,539</u>	<u>28,740,470</u>
<b>Total</b>		<u><u>682,853,381</u></u>	<u><u>29,914,234</u></u>

Summary of significant accounting policies and other explanatory information 2-32

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date.

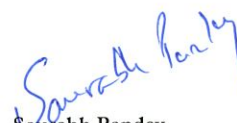

For Walker ChandioK & Co LLP  
Chartered Accountants  
Firm's Registration Number.: 001076N/N500013

  
Aasheesh Arjun Singh  
Partner  
Membership No.: 2010122

Bengaluru  
15 February 2021



For and on behalf of the Board of Directors of  
Akna Medical Private Limited

   
Saurabh Pandey                      Mahadevan Narayanamoni  
Director                                      Director  
DIN: 07281690                      DIN: 07128788

Bengaluru  
15 February 2021

Bengaluru  
15 February 2021



Akna Medical Private Limited  
 Standalone Statement of Profit and Loss for the year ended 31 March 2020  
 (All amounts in ₹ unless otherwise stated)

2

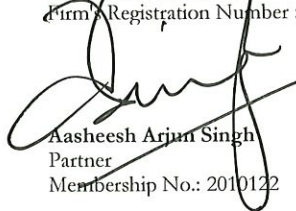
	Note	Year ended 31 March 2020	For the period 8 May 2018 to 31 March 2019
<b>Revenue</b>			
Revenue from operations	18	239,218,359	13,416,009
Other income	19	636	323,149
<b>Total revenue</b>		<b>239,218,995</b>	<b>13,739,158</b>
<b>Expenses</b>			
Purchase of stock-in-trade	20	264,329,976	13,648,631
Change in inventories of stock-in-trade	21	(45,602,477)	(1,043,056)
Employee benefits expense	22	9,700,314	393,646
Depreciation and amortisation expenses	23	886,807	13,912
Finance costs	24	1,177,611	206,636
Other expenses	25	42,792,966	1,832,733
<b>Total expenses</b>		<b>273,285,197</b>	<b>15,052,502</b>
<b>Loss before tax</b>		<b>(34,066,202)</b>	<b>(1,313,344)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax (credit)/charge		(1,288)	1,288
<b>Loss for the year/period</b>		<b>(34,064,914)</b>	<b>(1,314,632)</b>
<b>Loss per equity share</b>			
Equity share of nominal value of ₹ 10 each			
- Basic		(30.77)	(12.31)

Summary of significant accounting policies and other explanatory information 2-32

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date.

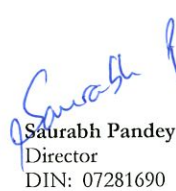
For Walker ChandioK & Co LLP  
 Chartered Accountants  
 Firm Registration Number : 001076N/N500013


  
 Aasheesh Arjun Singh  
 Partner  
 Membership No.: 2010122

Bengaluru  
 15 February 2021



For and on behalf of the Board of Directors of  
 Akna Medical Private Limited

  
 Saurabh Pandey  
 Director  
 DIN: 07281690

  
 Mahadevan Narayanamoni  
 Director  
 DIN: 07128788

Bengaluru  
 15 February 2021

Bengaluru  
 15 February 2021



	Year ended 31 March 2020	For the period 8 May 2018 to 31 March 2019
<b>A. Cash flow from operating activities</b>		
Net loss before tax	(34,066,202)	(1,313,344)
Adjustments for:		
Finance cost	1,177,611	206,636
Advance tax written off	96,695	-
Depreciation and amortisation expense	886,807	13,912
Provision for doubtful trade receivables	1,559,694	-
Interest Income	(636)	(323,149)
<b>Operating loss before working capital changes</b>	<b>(30,346,031)</b>	<b>(1,415,945)</b>
<b>Movement in working capital:</b>		
Change in inventories	(45,602,477)	(1,043,056)
Change in trade receivable	(95,787,100)	(13,609,260)
Change in short term loan and advances	769,390	(13,433,274)
Change in long term loan and advances	(1,727,000)	(1,022,750)
Change in trade payables	93,435,290	9,229,016
Change in other current liabilities	9,603,512	3,807,590
Change in provisions	280,964	-
<b>Cash used in operating activities</b>	<b>(69,373,452)</b>	<b>(17,487,679)</b>
Direct taxes paid, net	(22,500)	(96,695)
<b>Net cash used in operating activities (A)</b>	<b>(69,395,952)</b>	<b>(17,584,374)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and intangibles assets under development	(6,077,462)	(68,231)
<b>Net cash used in investing activities (B)</b>	<b>(6,077,462)</b>	<b>(68,231)</b>
<b>C. Cash flow from financing activities</b>		
Issue of equity and compulsarily convertible preference shares	519,998,026	10,000,000
Share issue expenses	(3,244,846)	-
Proceeds of short-term borrowings, net	31,026,360	8,005,000
Finance costs	(904,186)	(20,664)
Interest income	636	323,149
<b>Net cash generated from financing activities (C)</b>	<b>546,875,989</b>	<b>18,307,485</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>471,402,576</b>	<b>654,880</b>
Cash and cash equivalents at the beginning of the period	654,880	-
<b>Cash and cash equivalents at the end of the period</b>	<b>472,057,456</b>	<b>654,880</b>
<b>Cash and cash equivalents comprise</b>		
Balance with bank in current account	471,969,146	218,952
Cash on hand	88,310	16,503
Balance with bank in fixed deposit having original maturity of less than 3 months	-	419,425
	<b>472,057,456</b>	<b>654,880</b>

As per our report of even date.

For Walker ChandioK & Co LLP  
Chartered Accountants  
Firm's Registration Number : 001076N/N500013

  
Ashwesh Arjun Singh  
Partner  
Membership No.: 2018122

Bengaluru  
15 February 2021



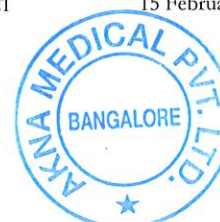
For and on behalf of the Board of Directors of  
Akna Medical Private Limited

  
Saurabh Pandey  
Director  
DIN: 07281690

  
Mahadevan Narayanamoni  
Director  
DIN: 07128788

Bengaluru  
15 February 2021

Bengaluru  
15 February 2021



## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ unless otherwise stated)

**1 Background**

Akna Medical private Limited ("the Company") was incorporated on 8 May 2018 with the Registrar of Companies, Delhi. The Company is engaged in the business of wholesale trading of Medical supplies, they deal in pharmaceuticals, surgicals, consumables, vaccines and implants and are partnered with the leading manufacturers in India. Its registered Office is Situated at C-6A/2 IInd Floor, Ardee City, Sector 52A, Gurgaon Haryana 122001.

**2 Summary of significant accounting policies****(a) Basis of preparation of the standalone financial statements**

The standalone financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these standalone financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rule, 2014 (as amended). The standalone financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the standalone financial statements are consistent over the period.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instruction in respect of Accounting Standard (AS) notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

**Operational outlook**

The Company has incurred losses before tax amounting to ₹ 34,066,202 (31 March 2019: loss ₹ 1,313,344) and has an accumulated deficit of ₹ 35,379,546 (31 March 2019: ₹ 1,314,632). Further, the Company has negative cash flow from operating activities amounting to ₹ 69,395,952 during current year. However, the standalone financial statements have been prepared on the assumption that the Company will continue as a going concern based on positive working capital as on 31 March 2020 amounting to ₹ 478,687,051 and management projections establishing profitable operations in the near future. Therefore, these conditions indicate that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the Company will be able to realize its assets and discharge its liabilities as recorded in these standalone financial statements in the normal course of business.

**(b) Use of estimates**

The preparation of standalone financial statements in conformity with generally accepted accounting principles which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of liabilities at the date of the standalone financial statements and the results of the operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these standalone financial statements include the estimates of the economic useful lives of the property, plant and equipment, employee benefits and income taxes.

**(c) 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. The following specific recognition criteria must also be met before revenue is recognised:

**Sale of Goods**

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sale of goods are recorded net of trade discounts, rebates, sales tax, value added tax and goods and services tax.

**Interest**

Interest Income is recognized on a time proportion basis taking in to account the amount outstanding and the applicable interest rate.



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## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)

(All amounts in ₹ unless otherwise stated)

## 2 Summary of significant accounting policies (Cont'd)

## (d) Property, plant and equipment

**Tangible assets**

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognized.

**Intangible assets and Intangible assets under development**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment, if any. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated Statement of Profit and Loss for the period during which the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. During the period of development, the asset is tested for impairment annually.

## (e) Depreciation and amortisation

Depreciation on tangible assets is provided in accordance with the rates as specified in Schedule II of The Companies Act 2013, using the Written Down Value Method ("WDV") on written down values of the assets. Depreciation is charged on a proportionate basis for all the assets purchased and sold during the year. The rates are:

Asset description	Rate of depreciation
Computers and software	63.16%
Furniture and fixtures	25.89%
Office equipments	45.07%

Intangible assets are amortized using the Written Down Value Method ("WDV") basis over the estimated useful economic life. The depreciation and amortization period and the amortization method are reviewed at least at each financial year end.

## (f) Foreign currency transactions and translations

**Initial recognition**

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

**Conversion**

Monetary items outstanding at the Balance Sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising there from are recognized in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.



**2 Summary of significant accounting policies (Cont'd)****(g) Impairment of assets**

The Company assesses at each Balance Sheet date whether there is any indication that an cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(h) Employee benefits****Defined contribution plans**

The Company contributes to the statutory provident fund of the Regional Provident Fund Commissioner, in accordance with Employees Provident Funds and Miscellaneous Provision Act, 1952 in India. These plans are defined contribution plans and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

**Gratuity**

Gratuity is a post employment benefit and is a defined benefit plan for employees in India. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised actuarial gains or losses and past service costs. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan. Independent actuaries using the Projected Unit Credit Method calculate the defined benefit obligation annually.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Profit and Loss in the year in which such gains or losses arises.

**Other short-term benefits**

Expense in respect of other short-term benefits including performance bonus is recognised on the basis of amount paid or payable for the period during which the employees render services.

**(i) Leases****Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**(j) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



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(All amounts in ₹ unless otherwise stated)

## 2 Summary of significant accounting policies (Cont'd)

### (k) Taxes on income

#### Current tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

#### Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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 and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefits in form of adjustments to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated to it will flow to the Company

### (l) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### (m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

### (n) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

### (o) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fee and duties.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline, other than temporary, in the value of such investments.





(All amounts in ₹ unless otherwise stated)

2 Summary of significant accounting policies (Cont'd)

(p) Borrowing cost

Borrowings costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets for the period up to the completion of their acquisition or construction. All other borrowing cost as incurred are charged to the Statement of Profit and Loss.

(q) Inventories

Inventories are valued at lower of costs or net realisable value.

Traded goods

Traded goods are valued at lower of cost and estimated net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Inventory values are determined on a First In First Out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)  
(All amounts in ₹ unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
<b>3 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	2,500,000	25,000,000	1,500,000	15,000,000
Compulsorily Convertible Preference shares (CCPS) of ₹ 10 each	1,000,000	10,000,000	-	-
	<b>3,500,000</b>	<b>35,000,000</b>	<b>1,500,000</b>	<b>15,000,000</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10 each	1,315,979	13,159,790	1,000,000	10,000,000
Compulsorily Convertible Preference shares (CCPS) of ₹ 10 each	767,639	7,676,390	-	-
	<b>2,083,618</b>	<b>20,836,180</b>	<b>1,000,000</b>	<b>10,000,000</b>

a) Reconciliation of shares outstanding at the beginning and at the end of the year / period

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
<b>Equity shares of ₹ 10 each</b>				
Balance at the beginning of the period	1,000,000	10,000,000	-	-
Add : issued during the year	206,317	2,063,170	1,000,000	10,000,000
Add : CCPS converted during the year	109,662	1,096,620	-	-
<b>Balance at the end of the year / period</b>	<b>1,315,979</b>	<b>13,159,790</b>	<b>1,000,000</b>	<b>10,000,000</b>
<b>Compulsorily Convertible Preference shares (CCPS) of ₹ 10 each</b>				
Balance at the beginning of the period	-	-	-	-
Add : issued during the year	877,301	8,773,010	-	-
Less: converted during the year	(109,662)	(1,096,620)	-	-
<b>Balance at the end of the year / period</b>	<b>767,639</b>	<b>7,676,390</b>	<b>-</b>	<b>-</b>

b) Rights, preferences and restrictions attached to a share

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Rights, preferences and restrictions attached to compulsorily convertible preference shares Series A (CCPS-A)

Each holder of the CCPS-A is entitled to one vote per share in respect of investor reserved matter mentioned in Articles of Association of the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of CCPS will be entitled to receive remaining assets of the Company in preference to Equity Share holder. The distribution will be in proportion to the number of preference shares held by the shareholders. Any Series A CCPS, if not converted earlier, shall automatically convert into Equity Shares, upon the earlier of: (i) 1 (One) day prior to the expiry of 20 (Twenty) years from the date of issuance of the Series A CCPS; and (ii) 1 (One) day prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority. Upon conversion 1 (One) Series A CCPS shall convert into 1 (One) Equity Share.

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

	As at 31 March 2020		As at 31 March 2019	
	Number	% of shareholding	Number	% of shareholding
<b>Equity shares of ₹ 10 each</b>				
Mahadevan Narayanamoni	412,503	31%	450,100	45%
Saurabh Pandey	504,170	38%	500,000	50%
Puneet Jain	-	0%	49,900	5%
Mayank Kapoor	120,631	9%	-	0%
Varun Vohra	107,844	8%	-	0%
<b>Compulsorily Convertible Preference shares of ₹ 10 each</b>				
Light Stone Fund SA	767,639	100%	-	-



(All amounts in ₹ unless otherwise stated)

**e) Aggregate number of bonus shares issued, shares bought back and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

The Company has neither issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2020. The Company has issued following shares for consideration other than cash:

(i) During the year, the Company has acquired 3,270,540 equity shares of Allumer Medical Private Limited and in consideration the Company has issued 120,631 equity shares having a face value of ₹10 at a premium of ₹279.3. The fair value of the shares were determined by an independent valuer appointed by the Board of Directors.

**f) Increase of authorised share capital**

During the current year, the Authorized Share Capital of the Company increased from ₹ 15,000,000 (Rupee one crore fifty lakhs only) divided into 1,500,000 (fifteen lakh ) Equity Shares of ₹ 10 (Rupee ten only) each to ₹ 25,000,000 (Rupees two crore fifty lakhs only) divided into 2,500,000 ( twenty five Lakh) Equity Shares of ₹ 10 (Rupee ten only) each.

**(g) Conversion of Compulsorily Convertible Preference shares (CCPS)**

During the year, the Company has converted Compulsorily Convertible Preference shares (CCPS) having a face value of ₹ 10 each into Equity shares of ₹ 10 each at 1:1 conversion ratio. Consequent to above, the Company has issued 109,662 Equity shares on such conversion of CCPS.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)  
(All amounts in ₹ unless otherwise stated)

4 Reserves and surplus

	As at 31 March 2020	As at 31 March 2019
<b>Deficit in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(1,314,632)	-
Add: Loss for the year	(34,064,914)	(1,314,632)
<b>Balance at the end of the year</b>	<b>(35,379,546)</b>	<b>(1,314,632)</b>
<b>Securities premium</b>		
Balance at the beginning of the year	-	-
Add: Additions during the year	545,844,792	-
Less: share issue expenses	(3,244,846)	-
<b>Balance at the end of the year</b>	<b>542,599,946</b>	<b>-</b>
	<b>507,220,400</b>	<b>(1,314,632)</b>

5 Long-term provisions

	As at 31 March 2020	As at 31 March 2019
Provision for gratuity (Refer note 27)	280,313	-
	<b>280,313</b>	<b>-</b>

6 Deferred tax liabilities

	As at 31 March 2020	As at 31 March 2019
Deferred tax liability arising on account of:		
Depreciation	-	1,288
	<b>-</b>	<b>1,288</b>

No deferred tax assets is recognised as at 31 March 2020 in accordance with Accounting Standard (AS) 22 - Accounting for Taxes on Income, as there is no reasonable certainty based on past records of the Company and future projections, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

7 Short-term borrowings

	As at 31 March 2020	As at 31 March 2019
<i>(Unsecured)</i>		
Bank overdraft	8,412,307	-
Borrowing from related parties (Refer note 28)	20,144,610	8,005,000
Working capital loan - bills discounting	8,690,044	-
	<b>37,246,961</b>	<b>8,005,000</b>

(i) Bank overdraft is a working capital facility availed from Kotak Mahindra Bank, at a maximum tenure of 12 months and carry an interest rate of 9.5%.

(ii) Borrowings from related parties are repayable on demand and carry an interest rate of 10.5% p.a. During the year, the Company has issued 78,439 equity shares for ₹10 and 7237 equity shares for ₹ 138.18 to its directors (31 March 2019: 900,000 equity shares of ₹ 10 each) in lieu of loan taken from directors.

(iii) Bills discounting are repayable within 90 days of issue.



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## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)

(All amounts in ₹ unless otherwise stated)

## 8 Trade payables

	As at 31 March 2020	As at 31 March 2019
Due to micro, small and medium enterprises (Refer note (a) below)	1,563,980	-
Dues to others (Refer note 28)	101,100,327	9,229,016
	<u>102,664,307</u>	<u>9,229,016</u>

a) The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) based on information received and available with the Company. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; as at the end of the year		
(i) Principal amount	1,563,980	-
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

## 9 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Dues to employees	2,772,427	83,554
Advance from others	-	3,000,000
Duties and taxes payable	2,555,711	61,914
Accrued interest	459,397	185,972
Accrued expenses (Refer note 28)	8,082,964	662,122
Creditors for capital goods	734,070	-
	<u>14,604,569</u>	<u>3,993,562</u>

## 10 Short-term provisions

	As at 31 March 2020	As at 31 March 2019
Provision for gratuity (Refer note 27)	651	-
	<u>651</u>	<u>-</u>



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)  
(All amounts in ₹ unless otherwise stated)

## 11 (a) Property, plant and equipment

Particulars	Computers	Office equipment	Furniture and fixtures	Total
Gross block as on 8 May 2018	-	-	-	-
Additions during the period	42,299	25,932	-	68,231
Balance as at 31 March 2019	42,299	25,932	-	68,231
Additions during the year	1,078,372	2,311,677	288,983	3,679,032
Balance as at 31 March 2020	1,120,671	2,337,609	288,983	3,747,263
Accumulated depreciation as on 8 May 2018	-	-	-	-
Depreciation charge for the period	12,916	996	-	13,912
Balance as at 31 March 2019	12,916	996	-	13,912
Depreciation charge for the year	251,422	575,699	27,924	855,045
Balance as at 31 March 2020	264,338	576,695	27,924	868,957
Net block				
Balance as at 31 March 2019	29,383	24,936	-	54,319
Balance as at 31 March 2020	856,333	1,760,914	261,059	2,878,306

## b) Intangible assets

Particulars	Software	Total
Gross block as on 8 May 2018	-	-
Additions during the period	-	-
Balance as at 31 March 2019	-	-
Additions during the year	132,500	132,500
Balance as at 31 March 2020	132,500	132,500
Accumulated amortisation as on 8 May 2018	-	-
Amortisation charge for the period	-	-
Balance as at 31 March 2019	-	-
Amortisation charge for the year	31,762	31,762
Balance as at 31 March 2020	31,762	31,762
Net block		
Balance as at 31 March 2019	-	-
Balance as at 31 March 2020	100,738	100,738

## 12 Intangible assets under development

	As at 31 March 2020	As at 31 March 2019
Software under development	3,000,000	-
	3,000,000	-

This represents cost towards development of the Company's inhouse software called OMS Software for Inventory Management including tracking of inventory and stock report.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)  
(All amounts in ₹ unless otherwise stated)

## 13 Non-current investments

	As at 31 March 2020	As at 31 March 2019
<b>Investment in equity instruments (non trade, unquoted, valued at cost)</b>		
Investment in associate		
- 3,870,540 Equity shares (31 March 2019: Nil) of ₹ 10 each, fully paid up	40,898,548	-
	<u>40,898,548</u>	<u>-</u>

During the year, the Company acquired 39.01% equity stake in Allumer Medical Private Limited ("AMPL") by issue of its equity shares [refer note 3(e)(i)] and conversion of loan given to AMPL [refer note 14(i)]. Subsequent to the Balance Sheet date, pursuant to further investment, AMPL has become the Subsidiary of the Company.

## 14 Loans and advances

	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, considered good)				
Security deposits	2,749,750	-	1,022,750	-
Advance income tax	22,500	-	96,695	-
Goods and service tax receivable	-	4,259,999	-	142,448
Advance to suppliers	-	2,403,885	-	1,710,322
Loan to others (refer note (i) below)	-	-	-	11,580,504
	<u>2,772,250</u>	<u>6,663,884</u>	<u>1,119,445</u>	<u>13,433,274</u>

(i) During the year, the aforesaid loan has been settled partially by issue of shares by the borrower and the balance by repayment in cash.

## 15 Inventories

	As at 31 March 2020	As at 31 March 2019
Stock-in-trade	46,645,533	1,043,056
	<u>46,645,533</u>	<u>1,043,056</u>

(i) The Company had written down certain inventories to net realisable value on account of measurement at the lower of cost and net realisable value amounting by ₹ 2,673,936 (31 March 2019: ₹ Nil) and recognised as an expense under the head 'changes in inventories of stock-in-trade'.

## 16 Trade receivables

	As at 31 March 2020	As at 31 March 2019
<b>(Unsecured)</b>		
Outstanding for a period exceeding six months from the due date		
Considered good	2,727,417	-
Considered doubtful	1,559,694	-
Other debts		
Considered good	105,109,249	13,609,260
Considered doubtful	-	-
	<u>109,396,360</u>	<u>13,609,260</u>
Less: Allowance for doubtful receivables	(1,559,694)	-
	<u>107,836,666</u>	<u>13,609,260</u>

## 17 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balance with bank in current account	471,969,146	218,952
Cash on hand	88,310	16,503
Balance with bank in fixed deposit having original maturity of less than 3 months	-	419,425
	<u>472,057,456</u>	<u>654,880</u>



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)  
(All amounts in ₹ unless otherwise stated)

## 18 Revenue from operations

	Year ended 31 March 2020	For the period 8 May 2018 to 31 March 2019
Revenue from trading of goods (Refer Note 28)	239,218,359	13,416,009
	<u>239,218,359</u>	<u>13,416,009</u>
<b>19 Other income</b>		
Interest income	636	323,149
	<u>636</u>	<u>323,149</u>
<b>20 Purchase of stock-in-trade</b>		
Trading goods (Refer Note 28)	264,329,976	13,648,631
	<u>264,329,976</u>	<u>13,648,631</u>
<b>21 Change in inventories of stock-in-trade</b>		
Opening Stock of trading goods	1,043,056	-
Closing Stock of trading goods	46,645,533	1,043,056
	<u>(45,602,477)</u>	<u>(1,043,056)</u>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	8,909,408	370,282
Contribution to provident and other funds	167,628	-
Gratuity expenses (Refer note 27)	280,964	-
Staff welfare expenses	342,314	23,364
	<u>9,700,314</u>	<u>393,646</u>
<b>23 Depreciation and amortisation expenses</b>		
Depreciation of tangible assets (Refer note 11(a))	855,045	13,912
Amortisation of intangible assets (Refer note 11(b))	31,762	-
	<u>886,807</u>	<u>13,912</u>
<b>24 Finance costs</b>		
Interest expenses (Refer Note 28)	1,177,611	206,636
	<u>1,177,611</u>	<u>206,636</u>



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## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)

(All amounts in ₹ except otherwise stated)

## 25 Other expenses

	Year ended 31 March 2020	For the period 8 May 2018 to 31 March 2019
Rent (Refer note 26 and 28)	4,107,400	604,000
Consultancy charges (Refer Note 28)	20,381,176	-
Travelling and conveyance	2,150,605	454,649
Legal and professional (including auditors' remuneration) *	1,340,086	216,540
Branch establishment expenses ^	2,115,140	-
Transportation charges	3,916,630	35,120
Brokerage and commission	1,216,539	135,000
Rebate and discount	3,188,686	9,329
Repairs and maintenance - others	480,056	-
Telephone and communication	437,825	58,723
Office maintenance	425,245	1,714
Rates and taxes	216,014	304,951
Electricity charges	460,687	-
Bank charges	425,095	6,540
Provision for doubtful debts	1,559,694	-
Miscellaneous	372,088	6,167
	<b>42,792,966</b>	<b>1,832,733</b>
* Auditors' remuneration (excluding applicable taxes and out of pocket expenses)		
- Statutory audit	1,000,000	30,000
- Tax audit	50,000	-
- Others	-	24,000
	<b>1,050,000</b>	<b>54,000</b>
^ The Company incurred branch establishment expenses of ₹ 2,115,140 in the current year, which consist of following expenses -		
Rent	908,100	-
Repairs	109,680	-
Legal and professional	370,078	-
Consultancy charges	436,195	-
Miscellaneous	291,087	-
	<b>2,115,140</b>	<b>-</b>

## 26 Leases

## Operating leases

The Company has entered into leasing arrangements in respect of its office and warehouse premises. The leases is for a period of two-three years, which can be extended for such future periods as mutually agreed at the option of the lessee.

	Year ended 31 March 2020	For the period 8 May 2018 to 31 March 2019
Lease expenses recognised in the Statement of Profit and Loss	4,107,400	604,000
<b>Total</b>	<b>4,107,400</b>	<b>604,000</b>

## 27 Employee benefits

## a) Defined benefit plan

The Company has provided gratuity liability (defined benefit plan) as per actuarial valuation carried out by an independent actuary on the Balance Sheet date, from current year onwards. The assumptions used in the valuation are as under:

	Year ended 31 March 2020	For the period 8 May 2018 to 31 March 2019
Discount rate (%)	6.59%	-
Salary escalation rate (%)	8.00%	-
Attrition rate (%)	10.00%	-
Retirement age (years)	58	-
Life expectancy/ mortality rate *	Indian Assured Lives Mortality (2006-08) Ultimate	-

\* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2006-08 Ultimate). These assumptions translate into an average life expectancy in years at retirement age.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)  
(All amounts in ₹ except otherwise stated)

## 27 Employee benefits (Cont'd)

## b) Defined contribution plan

The Company makes contribution to statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952. These are defined contribution plans as per AS 15. Contribution made during the year ended 31 March 2020 is ₹ 167,628 (31 March 2019: ₹ Nil).

## 28 Related party disclosures

i. Name of the party		Nature of relationship
<b>a. Parties where control exists</b>		
Allumer Medical Private Limited	(w.e.f. 30.01.2020)	Associate Company
Lightstone Fund S.A.	(w.e.f. 30.03.2020)	Preference Shareholder having significant influence over the Company
<b>b. Key management personnel</b>		
Saurabh Pandey		Director
Mahadevan Narayanamoni		Director
Puneet Jain	(resigned effective 02.01.2019)	Director
Mayank Kapoor	(w.e.f. 30.01.2020)	Key Managerial Person
Varun Vohra	(w.e.f. 15.11.2019)	Key Managerial Person
Shaunak Joshi	(w.e.f. 31.05.2019)	Key Managerial Person
Recha Tiwari	(w.e.f. 08.05.2018)	Relative of Saurabh Pandey
Deepak Kapoor	(w.e.f. 30.01.2020)	Relative of Mayank Kapoor
Mansi Kapoor	(w.e.f. 30.01.2020)	Relative of Mayank Kapoor

## ii. Transactions with related parties are summarised below

Nature of transaction	Year ended 31 March 2020	For the period 8 May 2018 to 31 March 2019
<b>Sales of goods</b>		
Allumer Medical Private Limited (from 31.01.2020)	109,234	-
<b>Purchase of goods</b>		
Allumer Medical Private Limited (from 31.01.2020)	684,555	-
<b>Consultancy charges</b>		
Saurabh Pandey	1,620,000	-
Recha Tiwari	1,980,000	-
Mayank Kapoor	1,750,000	-
Deepak Kapoor	1,000,000	-
Mansi Kapoor	850,000	-
Varun Vohra	1,872,222	-
Shaunak Joshi	4,099,000	-
<b>Interest expense</b>		
Saurabh Pandey	85,175	57,211
Mahadevan Narayanamoni	-	111,206
Puneet Jain	-	38,219
<b>Rent</b>		
Saurabh Pandey	60,000	-
<b>Equity contribution</b>		
Saurabh Pandey	305,000	5,000,000
Mahadevan Narayanamoni	1,479,390	4,500,000
Mayank Kapoor	34,898,548	-
LGT Light Stone Fund	489,998,033	-
<b>Loan taken</b>		
Saurabh Pandey	9,684,000	5,805,000
Mahadevan Narayanamoni	9,000,000	9,250,000
Mayank Kapoor (from 31.01.2020)	1,400,000	-
Varun Vohra	5,000,000	-
Puneet Jain	-	2,500,000
Allumer Medical Private Limited (from 31.01.2020)	4,550,000	-



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)  
(All amounts in ₹ except otherwise stated)

## 28 Related Party disclosures (Cont'd)

Nature of transaction	As at 31 March 2020	For the period 8 May 2018 to 31 March 2019
<b>Loan repaid / converted</b>		
Saurabh Pandey	2,565,000	5,050,000
Mahadevan Narayanamoni	1,479,390	4,500,000
Mayank Kapoor (from 31.01.2020)	4,104,000	-
Varun Vohra	5,000,000	-
Allumer Medical Private Limited (from 31.01.2020)	6,400,000	-
<b>iii. Balances at the end of the year</b>	<b>As at 31 March 2020</b>	<b>For the period 8 May 2018 to 31 March 2019</b>
<b>Balance payable</b>		
Allumer Medical Private Limited	2,367,542	-
Saurabh Pandey	1,643,213	466,045
Recha Tiwari	1,782,000	-
Mayank Kapoor	1,732,160	-
Deepak Kapoor	900,000	-
Mansi Kapoor	765,000	-
Varun Vohra	1,507,836	-
Shaunak Joshi	4,176,364	-
<b>Short-term borrowing</b>		
Saurabh Pandey	7,874,000	755,000
Mahadevan Narayanamoni	12,270,610	4,750,000
<b>Interest on loan</b>		
Saurabh Pandey	132,383	57,211
Mahadevan Narayanamoni	111,206	111,206

29 The outbreak of 'Covid-19' has severely impacted the businesses and economic activities around the world including India. Governments, both Central and State, have imposed lockdown and other emergency restrictions which has led to the disruption of regular business operations. The Company has considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these standalone financial statements. The management has also considered the nature of operations of the Company, primarily being in the essentials sector, for the purpose of this assessment and accordingly, till date the business of the Company has not been impacted majorly due to COVID-19. The Company has also used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amounts of investments and other assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business and believes that it has sufficient funds to operate for the next twelve months.



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## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (Cont'd)

(All amounts in ₹ unless otherwise stated)

30 The Company has not conducted its Annual General Meeting ('AGM'), lay before the shareholders, the standalone financial statements for the year ended 31 March 2020 and not submitted the standalone financial statements with the Registrar of Companies within the stipulated time and accordingly could not ensure prescribed compliance under the provisions of Section 96, 129 and 137 of the Companies Act, 2013. The Company now proposes to immediately hold the Annual General Meeting and lay the audited standalone financial statements before the shareholders. The Company is in the process of making good the aforementioned defaults and shall subsequently file necessary application(s) with the relevant appropriate authorities for compounding of such non-compliances with the Act. The management is of the view that the impact of such non-compliances including compounding as provided under the Act, would not be material to the standalone financial statements.

## 31 Comparative information

The Previous year amounts have been regrouped/reclassified wherever necessary, to conform to the presentation in the current year.

## 32 Additional disclosures

Additional information as required under Schedule III to the Act to the extent either "nil" or "not applicable" has not been furnished.

For Walker ChandioK &amp; Co LLP

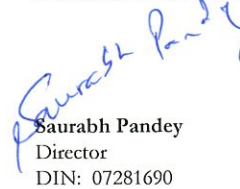
Chartered Accountants

Firm's Registration Number.: 001076N/N500013



Aashesh Arjun Singh  
Partner  
Membership No.: 2010122

Bengaluru  
15 February 2021

For and on behalf of the Board of Directors of  
Akna Medical Private Limited

Saurabh Pandey  
Director  
DIN: 07281690

Bengaluru  
15 February 2021



Mahadevan Narayanamoni  
Director  
DIN: 07128788

Bengaluru  
15 February 2021

