LODHA
& CO
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of MODICARE LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MODICARE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2022, and its profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on work we have performed, we conclude that there is a material misstatement of this other information therein, we are required to communicate the matter to those charged with the governance. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position/ state of affairs, financial performance (profit including other comprehensive income), 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 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 statements 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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

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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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 paragraphs 3 and 4 of the Order, to the extent applicable.

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 including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

i. The Company has disclosed the impact of the pending litigations on its financial position in its financial statements. Refer Note No. 34 to the Financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

iv.

(a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

LODHA & CO
New Delhi
Chartered Accountants

(b) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.

v. The Company has not declared or paid dividend during the year, accordingly the provisions of section 123 of the Companies Act, 2013 are not applicable.

h) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/ provided any managerial remuneration during the year ended March 31, 2022 and thus no comment has been offered under Section 197 (16) read with Schedule V of the Companies Act, 2013.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E

(Gaurav Lodha)
Partner
(Membership No. 507462)
Place: New Delhi
Date: September 7, 2022
UDIN: 22507462ASMXKG2442

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MODICARE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As per the physical verification program, Property, Plant and Equipment (except moulds lying with third parties which have been verified on the basis of confirmations received from some of the third parties) were physically verified during the year by the Management according to the phased program designed to cover all the items over a period of three years (accordingly during the year, certain items have been physically verified) which, in our opinion, provides for physical verification at reasonable intervals. Based on information and records provided, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year and hence reporting under clause 3(i)(d) of the Order is not applicable.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) As per the physical verification program, the inventories of the Company (except stock maintained at distribution point) have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the coverage and procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or Financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

LODHA & CO New Delhi Chartered Accountants

(iii) The Company has made investments in one company during the year and has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a) The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) (a) of the Order are not applicable.

(b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances on the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

(iv) According to the information and explanations and representations provided by management and based upon the audit procedures performed, we are of the opinion that the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made, guarantees and securities provided, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year from public within the provision of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable). We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii)

(a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they become payable.

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(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below.

Name of the Statue	Nature of the dues	Period (Financial Year) to which Amount Relates	Amount (Rupees in Lakhs)	Forum where disputes are pending
Orissa Entry Tax Act	Entry Tax Demand	2005-06 to 2010-11	48.19	Orissa High Court-Cuttack
UP Trade Tax Act	Sales Tax Demand	2003-04	1.20	Allahabad High Court
Maharashtra Value Added Tax,2002	Sales Tax Demand	2005-06 & 2006-07	20.89	Maharashtra Sales Tax Tribunal
Kerala Value Added Tax, 2003	Sales Tax Demand	2006-07	1.00	Commercial Tax Officer Kerala
Kerala Value Added Tax, 2003	Value added tax	2009-10	2.20	Deputy Commissioner of Appeal Kerala
Kerala Value Added Tax, 2003	Vat Surcharge	2011-12 to 2014-15	46.96	Kerala VAT Appellate Tribunal
Maharashtra Value Added Tax	VAT	2012-13	104.40	Deputy Commissioner of Sales Tax, Mumbai
Kerala Value Added Tax,2003	VAT	2013-14 & 2016-17	9.27	Assistant Commissioner of Sales Tax, Kerala
Haryana Value Added Tax,2003	Sales Tax Demand	2017-18	15.61	Excise & Taxation Officer Assessing Authority (Faridabad)
Income Tax Act, 1961	Income Tax	2013-14 to 2018-19	31,734.39	The Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) that has not been recorded in the books of account.

(ix) (a) The Company has not taken any loans or borrowings from banks, financial institutions, government or any government authority and hence reporting under Clause 3(ix)(a),(b),(c) and (d) of the Order is not applicable to the Company.

(b) On an overall examination of the financial statements of the Company and based on the representations of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiary. The Company did not have any associate or joint venture during the year.

(c) The Company has not raised loans during the year on the pledge of securities held in its Subsidiary. The Company did not have any associate or joint venture during the year.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable.

(c) The provisions related to Whistle blower policy are not applicable to the Company

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards. (Read with Note No. 35 of financial statements).

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.

(xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable. The Group does not have any CIC as part of the group and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

LODHA & CO. New Delhi CHARTERED ACCOUNTANTS

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

(xx) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act (read with Note No. 49 of the financial statements).

(xxi) The Company is not required to prepare Consolidated financial statements hence reporting under this clause is not required.

For **LODHA & CO.**
Chartered Accountants
Firm Registration No. 301051E

LODHA & CO. New Delhi Chartered Accountants

(Gaurav Lodha)
Partner
(Membership No. 507462)
Place: New Delhi
Date: September 7, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MODICARE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **MODICARE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 respective 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.

Auditor's 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 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 ICAI. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence 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

LODHA & CO. * Delhi * Chartered Accountants 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, we report that 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 March 31, 2022, 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 issued by the ICAI.

For LODHA & CO.
Chartered Accountants
(Firm's Registration No 301051E)

(Gaurav Lodha)
Partner
(Membership No. 507462)
Place: New Delhi
Date: September 7, 2022

MODICARE LIMITED
Balance Sheet as at March 31, 2022

(₹ in lakhs)

		Particulars	Note No.	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
		ASSETS				
(I)		**Non-current assets**				
	(a)	Property, plant & equipment	3A	1,364.34	[illegible]	[illegible]
	(b)	Right to use assets	3B	[illegible]	5,615.35	2,005.07
	(c)	Capital work in progress	4A	[illegible]	[illegible]	175.61
	(d)	Intangible assets	3C	29.18	51.37	[illegible]
	(e)	Intangible assets under development	3D		44.49	
	(f)	Financial assets				
		i Investments	4A	8,701.75	11.76	11.75
		ii Loans	5	17.21	[illegible]	34.50
		iii Other financial assets	6	19,083.63	19,381.04	[illegible]
	(g)	Deferred tax assets (net)	7	525.61	[illegible]	413.37
	(h)	Other non current assets	8	6,338.79	1,467.82	1,345.40
				43,118.61	27,990.34	5,104.55
(II)		**Current assets**				
	(a)	Inventories	9	[illegible]	8,518.21	5,707.19
	(b)	Financial assets				
		(i) Investments	4B	8,541.52	15,400.83	20,619.96
		(ii) Trade receivables	10	138.59	15.05	265.38
		(iii) Cash and cash equivalents	11	2,426.56	987.04	[illegible]
		(iv) Other bank balances	12	48.29	-	2,420.43
		(v) Loans	13	3.02	1.73	1.64
		(vi) Other financial assets	14	9.27	-	70.20
	(c)	Current tax assets (net)	15	1,059.07	853.09	617.74
	(d)	Other current assets	16	[illegible]	4,719.10	1,756.78
				24,804.92	30,511.54	31,895.39
		Total Assets		67,923.53	58,501.68	36,999.94
		EQUITY AND LIABILITIES				
(I)		**Equity**				
	(a)	Equity share capital	17A	488.30	488.30	488.30
	(b)	Other equity	17B	[illegible]	25,807.74	10,595.78
				33,941.92	26,296.04	11,084.08
		Liabilities				
(II)		**Non-current liabilities**				
	(a)	Financial liabilities				
		(i) Borrowings	18A		4.55	14.56
		(ii) Lease liabilities	19A	[illegible]	[illegible]	[illegible]
		(iii) Other financial liabilities	20	[illegible]	[illegible]	2,077.14
	(b)	Provisions	21A	525.47	533.60	526.95
				9,744.87	[illegible]	4,318.68
(III)		**Current liabilities**				
	(a)	Financial liabilities				
		(i) Borrowings	18B	4.55	[illegible]	[illegible]
		(ii) Lease liabilities	19B	811.78	[illegible]	[illegible]
		(iii) Trade payables	22			
		- Total outstanding dues of micro and small enterprises		[illegible]	[illegible]	[illegible]
		- Total outstanding dues of creditors other than micro and small enterprises		[illegible]	[illegible]	[illegible]
		(iv) Other financial liabilities	23	[illegible]	[illegible]	[illegible]
	(b)	Other current liabilities	24	2,431.90	3,084.59	3,270.28
	(c)	Provisions	21B	172.86	97.66	[illegible]
				24,236.74	23,532.91	21,597.18
		Total Equity and Liabilities		67,923.53	58,501.68	36,999.94

The accompanying significant accounting policies and notes form an integral part of these financial statements.

As per our report of even date

For Lodha & Co.,
Chartered Accountants
Firm Registration No. 301051E

Gaurav Lodha
(Partner)
Membership No. 507462

Place: New Delhi
Date: [illegible] 2022

For and on behalf of the Board of Directors

Dr. Bina Modi
Director
(DIN 00048606)

Samir Modi
Managing Director
(DIN 00029554)

Rahul Shanker
CEO

Surendra Kumar
GM Finance

Shilpa Sharma
Company Secretary
(ACS No. [illegible])

MODICARE LIMITED

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
	Income :			
I	Revenue from operations	25	1,52,778.93	1,53,787.65
II	Other income	26	1,586.80	1,724.03
III	**Total Income(I+II)**		**1,54,365.73**	**1,55,511.68**
IV	**Expenses:**			
	Purchases of stock in trade	27	64,426.74	61,577.08
	Changes in inventories of stock-in-trade	28	349.30	(2,611.08)
	Employee benefits expenses	29	5,656.89	4,560.66
	Finance costs	30	663.39	423.81
	Depreciation and amortisation expenses	31	1,326.61	909.74
	Other expenses	32	71,389.33	70,246.00
	Total Expenses (IV)		**1,43,812.26**	**1,35,106.21**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		10,553.47	20,405.47
VI	Exceptional items		-	-
VII	**Profit/(loss) before tax (V-VI)**		10,553.47	20,405.47
VIII	**Tax expense:**			
	(1) Current tax		2,865.03	5,228.44
	(2) Income tax for earlier years		10.03	(148.36)
	(3) Deferred tax charge / (credit)		(110.44)	84.86
IX	**Profit/(loss) after tax (VII - VIII)**		**7,788.85**	**15,240.53**
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Actuarial gain/(loss) on defined benefit plan		(191.05)	(38.18)
	(b) Fair value gain on equity/preference investment			-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		48.08	9.61
	B (i) Items that will be reclassified to profit or loss			-
	(ii) Income tax relating to items that will be reclassified to profit or loss			-
	Total other comprehensive income (X)		**(142.97)**	**(28.57)**
XI	**Total comprehensive income for the year (IX+X)**		**7,645.88**	**15,211.96**
XII	**Earnings per share:**			
	- Basic	33	39.88	78.03
	- Diluted		39.88	78.03

The accompanying significant accounting policies and notes form an integral part of these financial statements

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No 301051E

Gaurav Lodha
(Partner)
Membership No. 507462

Place: New Delhi
Date: 07-SEP-2022

For and on behalf of the Board of Directors

Dr. Bina Modi
Director
(DIN 00048606)

Samir Modi
Managing Director
(DIN 00029554)

Rahul Shanker
C.F.O

Surendra Kumar
GM-Finance

Shikha Sharma
Company Secretary
(ACS No 34221)

MODICARE LIMITED

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

(₹ in lakhs)

Particulars	Balance as on April 1,2020	Changes during the year	Balance as at March 31, 2021	Changes during the year	Balance as at March 31, 2022
Equity shares	499.30	-	499.30		499.30

B. Other Equity

(₹ in lakhs)

Particulars	Reserve and Surplus					Total
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Re-measurement (loss)/gain of the net defined benefit plans	Income tax relating to item that will not be classified to Profit and Loss	
As at April 1, 2020		-	10,684.99	(119.22)	30.01	10,595.78
Profit/(loss) for the year			15,240.53	-		15,240.53
Other Comprehensive Income		-	-	(38.18)	9.61	(28.57)
As at March 31, 2021	-	-	25,925.52	(157.40)	39.62	25,807.74
Profit/(loss) for the year		-	7,788.85		-	7,788.85
Transfer from Retained Earnings to Capital Redemption Reserve (Refer Note No. 18B)	-	250.00	(250.00)		-	
Other Comprehensive Income		-	-	(191.05)	48.08	(142.97)
As at March 31, 2022	-	250.00	33,464.37	(348.45)	87.70	33,453.62

As per our report of even date attached

Lodha & Co.
Chartered Accountants
Firm Registration No 301051E

Gaurav Lodha
(Partner)
Membership No. 507462

Place: New Delhi
Date: 07-SEP-2022

For and on behalf of the Board of Directors

Dr. Bina Modi
Chairman
(DIN 00048606)

Samir Modi
Managing Director
(DIN 00029554)

Rahul Shanker
CEO

Surendra Kumar
GM-Finance

Sakshi Saggar
Company Secretary
(ACS No. 28422)

MODI LABS LIMITED

Statement of Cash Flows for the year ended March 31, 2022

(₹ in lakhs)

PARTICULARS	For the year ended March 31, 2022		For the year ended March 31, 2021	
I CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		[illegible]		[illegible]
Adjustment for				
Depreciation & amortization	[illegible]		809.74	
(Profit)/Loss on sale of property plant & equipment (Net)	[illegible]		(0.20)	
Profit on sale of current investments	(942.06)		(754.79)	
Provisions written back	-		(4.50)	
Finance expenses	[illegible]		42.81	
Fair value gain/(loss) on mutual fund investments	[illegible]		[illegible]	
Interest income	[illegible]		(965.71)	
Property, plant & equipment and intangible assets under development written off	[illegible]		0.16	
Liabilities no longer required written back	[illegible]		[illegible]	
Provision for doubtful advances and Advances written off		[illegible]	5.22	[illegible]
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		8,358.56		18,755.34
Adjustment for				
(Increase)/Decrease in trade receivables	[illegible]		[illegible]	
(Increase)/Decrease in inventories	[illegible]		[illegible]	
(Increase)/Decrease in financial and non financial assets	[illegible]		(21,841.39)	
Increase/(Decrease) in financial and non financial liabilities	[illegible]	[illegible]	[illegible]	(20,750.38)
CASH GENERATED FROM OPERATIONS		[illegible]		(2,034.04)
Income tax (paid)/received		[illegible]		(5,235.92)
NET CASH FLOW FROM OPERATING ACTIVITIES		3,773.07		(7,269.96)
II CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property plant & equipment & other intangible assets	[illegible]		(256.79)	
Capital work in progress	[illegible]		44.52	
Intangible assets under development	44.41		(44.49)	
Fixed deposits with original maturity of more than 3 months but remaining within 12 months	(64.70)			
(Purchase)/sale of current investment (Net)	7,868.07		5,524.09	
(Purchase)/sale of non current investment (Net)	(8,250.00)			
Sale of property, plant & equipment	16.41		5.61	
Interest received	635.70		965.78	
NET CASH USED IN INVESTING ACTIVITIES		(750.50)		6,102.96
III CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	[illegible]		[illegible]	
Payment of lease obligations	[illegible]		[illegible]	
Repayment of Short term borrowings	(250.00)		-	
Repayment of Long term borrowings	[illegible]		(14.50)	
NET CASH FLOW FROM FINANCING ACTIVITIES		(1,569.00)		(705.97)
Net increase/(decrease) in cash and cash equivalents (I+II+III)		[illegible]		(1,502.97)
Cash & cash equivalents at the beginning		983.04		2,486.01
Cash & cash equivalents at the end (Refer Note No. 13)		2,426.96		983.04

Reconciliation of liabilities arising from financing activities

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Long term borrowings	Short term borrowings	Long term borrowings	Short term borrowings
Opening balance	14.56	250.00	14.56	264.59
Cash flows				
Repayment	[illegible]	(250.00)		(14.59)
Closing balance	4.55	-	14.56	250.00

(1) Previous year's figures have been regrouped wherever considered necessary.

As per our report of even date

For Lodha & Co
Chartered Accountants
Firm Registration No 301051E

Shyamal Todi
Partner
Membership No. [illegible]

Place: New Delhi
Date: [illegible]

For and on behalf of the Board of Directors

Dr. Bina Modi
Director
DIN [illegible]

Samir Modi
Managing Director
DIN [illegible]

Rahul Shanker
CEO

[illegible]
GM Finance

[illegible]
Company Secretary
[illegible]

1.1 Corporate and General Information

Modicare Limited ("Company") is a public limited company having its registered office at 5, Community Centre, New Friends Colony, New Delhi- 110025. The Company is primarily engaged in the business of marketing of household products in the category of Wellness, cosmetics, aura care, personal care, home care etc. through a network of distributors widely spread in the whole of India market. The Company has a large distribution network of centres spread all over India through which the products are sold/made available to its distributors. The Company buys its products from vendors/manufactures who trade/ manufacture these products under strict quality / specifications / guidelines provided by the Company.

The financial statements of the Company were approved and adopted by the Board of Directors in their meeting held on September 7, 2022.

1.2 Statement of Compliance and Basis of preparation of financial statements

(i) Statement of compliance:

These are the Company's first Financial Statements for the year ended March 31, 2022 that have been complying in all material aspects in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant provisions of the Companies Act, 2013.

The Company has prepared financial statements for all the period up to March 31, 2021 in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read with Companies (Accounts) Rule 2014 and relevant provisions of the Companies Act, 2013.

(ii) Basis of preparation

These financial statements have been prepared in accordance with Ind AS 101, "First Time Adoption of IND AS", as these are the Company's first Ind AS compliant financial statements for the year ended March 31, 2022.

The preparation of these Financial Statements resulted in changes to the Company's accounting policies as compared to most recent annual financial statements prepared under Previous GAAP. All accounting policies and applicable Ind AS have been applied consistently and retrospectively to all periods presented, including the previous financial year presented and the Ind AS opening balance sheet as at April 1, 2020 (Transition Date). The resulting difference between the carrying amounts under Ind AS and Previous GAAP as on the Transition Date has been recognized directly in equity through retained earnings. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2020 and March 31, 2021 and on the net profit for the year ended March 31, 2021 is disclosed in Note no. 56 to these Financial statements.

(iii) Basis of Measurement

The Financial Statements have been prepared on accrual basis under the historical cost convention except for the following which have been measured at fair value:

• Financial Assets and Liabilities except certain Investments carried at amortised cost

• Defined benefit plans- plan assets

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The methods used to measure fair values are discussed in Note no. 46 to these financial statements.

The financial statements are presented in Indian Rupees (₹ IN), which is the Company's functional and presentation currency and all values are rounded off to the nearest lakhs (INR 00,000), except where otherwise indicated.

(iv) Use of Estimates and Assumptions

Management of the company makes estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statement and the reported amount of income and expenses and disclosure of contingent liability during the reporting period. Difference between the actual and the estimates are recognised in the period in which the results are known/ materialised and in any future periods affected.

(v) Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets/liabilities.
The operating cycle is the time between the acquisition of the assets for processing and their realization in cash and cash equivalents.

1.3 Significant Accounting Policies:

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the Financial statements.

I. Property, Plant and Equipment:

Initial recognition and measurement

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to continue with the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost.
An item of property, plant and equipment's is recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.
Items of property, plant and equipments are measured at original cost less accumulated depreciation/amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.
When parts of an item of property, plant and equipment's have different useful lives, they are recognized separately.
The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

Depreciation

Depreciation on Property plant & equipment is provided on Written Down Value Method (WDV) over useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. Individual low cost items (acquired for less than Rs. 5000/-) are fully depreciated in the year of acquisition.

Leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the related assets.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Capital work in progress

Property plant & equipment under construction, advance paid towards acquisition of Property, plant and equipment and cost of asset not ready for intended use before the year end, are disclosed as capital work in progress.

II Intangible assets:

Initial recognition and measurement

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to continue with the carrying value for all intangible assets as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost.
Intangible assets are recognised when it is probable that future economic benefit that are attributable to the asset will flow to company and cost can be measured reliably.
Intangible asset with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
Software: Cost of software are capitalized and amortized on a straight line basis over its useful life i.e. five years.

De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use of the asset. Any gain or loss arising from de-recognition of an intangible asset, measured as the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss when the asset is derecognized.

III Inventories

Inventories are valued as follows:

Traded goods: Lower of cost and net realizable value. Cost of inventory comprises of costs of purchase, which includes duties and taxes (Other than those subsequently recoverable from Tax Authorities), and other costs of bringing the inventories to their present location & condition. Cost is calculated on weighted average price method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to make the sale. A provision for inventory obsolescence is assessed on a periodic basis.

IV Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand, cheques in hand, bank balances, demand deposits with banks which are short-term (where the original maturity is 3 months or less) and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

V Employees Benefits:

a) Short term Employee Benefits

All employees' benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

b) Post-Employment Benefits

Defined Contribution Plan

Contributions to the employees' provident fund, national pension scheme and employee's state insurance are recognized as defined contribution plan and charged as expenses in the year in which the employees render the services.

Defined Benefit Plan

The Provident Fund (Funded), Leave Encashment and Gratuity are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

• Service costs comprising current service costs, gains and losses on curtailments and non-routine settlements

• Net interest income or expense

c) Other Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

The Company's leave benefits constitute other long term employee benefits. Other Long term employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered the services. The Company provides for the liability at year end on account of Sick Leave including compensated absence as per the actuarial valuation as per the Projected Unit Credit Actuarial Method.

Actuarial gain and losses are recognized in statement of profit and loss in subsequent periods. The Liability in respect of the employee's benefits is being segregated into current and non - current on the basis of Actuarial Certificates.

d) Termination benefits.

Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

(i) When the entity can no longer withdraw the offer of those benefits; and

(ii) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

VI Foreign currency transactions:

(a) Functional and presentation Currency

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

(b) Transaction and Balance

Currency transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognised 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 transactions.

VII Revenue Recognition:

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5 step approach:

(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes taxes and duties collected on behalf of the government.

Sale of products:-

• Revenue from the sale of goods and services is recognized when the significant risks and rewards of ownership or effective control of promised goods and services have been transferred to the buyer on satisfaction of performance obligations and no significant uncertainty exists regarding the amount of consideration that will be derived.

• Revenue is measured based on transactions price (excluding any taxes or duties collected on behalf of government which are levied on sales) arrived at by determining fair value of consideration received or receivable after adjusting returns, sales incentive, discounts / rebates etc in exchange of goods and services.

Export incentives and other benefits are recognised in the year of export.

• Revenue from other activities is recognized based on the nature of activity, when consideration can be reasonably measured. Certain claims like those relating to railways, insurance, electricity, customs, and excise are accounted for on acceptance/when there is a reasonable certainties.

Sale of services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Dividend income:

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income:

For all financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

Non-monetary exchanges

Revenue from barter transactions is recognised at fair value of goods sold/ services rendered by reference to non barter transactions that have a reliably measurable fair value and do not involve the same counterparty as in the barter transaction.

VIII Provisions and Contingencies

(a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. Provisions are reviewed at each reporting period and are adjusted to reflect the current best estimate.

(b) Contingencies

A disclosure for contingent liability is made when there is possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements.

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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

IX. Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition, construction/exploration/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116 – 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying Increase time by Rs 1.41 Cr (Decrease due to Cov 1.39 Cr and Decrease du

All other borrowing costs are charged to revenue as and when incurred.

X. Exceptional Items:

On Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly disclosed in the notes accompanying to the financial statements.

XI Earnings Per Share:

Basic Earnings Per Share is computed by dividing the net profit or loss after tax for the year (without taking impact of OCI) attributable to the equity shareholders' by weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted Earnings Per Share is computed using the adjusted net profit or loss after tax for the year (without taking impact of OCI) attributable to the equity shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

XII Income Taxes:

Income tax comprises of current tax and deferred tax. Income tax expenses is recognized in the statement of Profit and loss except for the cases when items are recognised in the other comprehensive income/other equity, in which case the income tax is also recognised in the other comprehensive income/other equity.

Current Tax is the amount of tax payable on the taxable income for the current year as per the provisions of Income Tax Act, 1961. Current tax asset and liabilities are offset when company has a legally enforceable right to set off the recognized amount and are also intended to be settled on net basis.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the statement of profit and loss, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the corresponding deferred tax is also recognized directly in equity.

XIII) Segment reporting

The Company's operating businesses are organized and managed according to the nature of products manufactured and services provided, with segment representing a strategic business unit that offers different products and as reviewed by the chief operating decision maker of the Company. The company's business falls within one reportable business segment viz Trading of goods and allied business activities.

XIV) Financial instruments:

Initial measurement

Financial instrument are recognised as soon as the company become a party to the contractual provision of the instruments. All financial assets and financial liabilities are measured at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial instrument (other than financial measured at fair value through profit or loss) are added or deducted from the value of the financial instrument, as appropriate, on initial recognition.

Financial instruments stated as financial assets or financial liabilities are generally not offset, and they are only offset when a legal right to set off exist at that and settlement on a net basis is intended.

Subsequent measurement

A. Financial Assets:

Subsequent measurement of financial assets depends on their classification as follows:-

(a) Financial Assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within business model whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of the asset give rise on specified dates to cash flow that are solely payment of principal and interest on the principal amount outstanding.

These assets are measured at amortised cost by applying the Effective Interest Rate (E I R) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the statement of profit or loss.

(b) Financial Assets carried at Fair Value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset the contractual term of the asset give rise on specified dates to cash flow that are solely payment of principal and interest on the principal amount outstanding.

These assets are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the EIR method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss.

For equity instrument, the company make irrevocable election to present in other comprehensive income subsequent change in fair value. The company makes such election on an instrument- by- instrument basis. If the company decides to classify an equity instrument at fair value through other comprehensive income, then all the fair value changes in the instrument excluding dividends are recognized in OCI and are never reclassified to statement of profit and loss, even on sale of the instrument.

(c) Financial Assets carried at Fair Value through Profit and loss

A financial asset which is not classified in any of the above category is subsequently measured at fair value through profit and loss.

(d) Investment in Subsidiaries & Associates:

Investments in Subsidiaries and Associates are carried at cost except where impairment loss recognised. The cost comprises of price paid to acquire investment and directly attributable cost.

B. Financial Liabilities and equity instruments.

Debts and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

These assets are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

a) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

b) Compound Financial Instruments:

The component parts of compound Financial Instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

At the date of issue, the fair value of liability component is estimated using the prevailing market interest rate for similar non-convertible instrument. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

c) Financial liabilities

Financial liabilities include current and non-current borrowings, trade and other payables and other eligible current and non-current liabilities.

All Financial liabilities (except derivative instrument) are subsequently measured at amortised cost using the Effective interest method

C Derecognition of Financial Instruments

A financial asset is primarily derecognised when the contractual right to the cash flow from the financial asset expires and it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions where by it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

D. Impairment

(a) Financial Assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(b) Non-Financial Assets

Goodwill

Goodwill arising on an acquisition of business is carried at cost as established at the date of acquisition of business less accumulated impairment losses

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill might be impaired, relying on number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or group of CGU's that is expected to benefit from the synergies of the business combination. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of CGU pro-rata on the basis of the carrying amount of each assets in the CGU. An impairment loss on goodwill is recognized in the statement of profit and loss and is not reversed in the subsequent period.

Property, plant and equipment and Intangible asset

The carrying amounts of the Company's assets are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognized

Post impairment, depreciation/amortisation is provided on the revised carrying value of the impaired assets over its remaining useful life

XV) Leases:

The Company as a lessee

The company's lease assets primarily consist of leases for office, buildings, warehouse and stores. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options only when it is reasonably certain that they will be exercised

The Company recognizes a right-of-use asset on a lease by lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company recognises a lease liability at the present value of the remaining lease payments, discounted using the lessee's implicit rate of interest.
The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.
In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.
Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment to exercise an extension option or a termination option.
Lease liability and ROU asset have been separately presented in the Balance Sheet.
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.
For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Company as a lessor
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.
For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Transition
From the date of transition, the Company has adopted Ind AS 116 - Leases and applied to all lease contracts existing on the date of transition using the **"Modified Retrospective Approach"** with Right of Use Asset recognised at an amount equal to the adjusted lease liability.

XVI) Government Grant :
Grants are recognized when there is a reasonable assurance that the company has complied with the conditions attached to them and it is reasonably certain that the ultimate realisation and utilization will be made.

• Government grants related to capital nature shall be recognized in the statement of profit and loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

• A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized in statement of profit or loss of the period in which it becomes receivable.

XVII) Statement of cash flows:
Statement of cash flow is prepared segregating the cash flows into operating, investing and financing activities.
Cash flow from Operating activity is reported using indirect method after adjustment of the net profit for the effects of -
i) changes during the period in Operating receivables and payables transactions of a non-cash nature,
ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gain or losses; and
iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in statement of cash flows exclude items which are not available for general use as on the date of Balance Sheet.

1.4 Critical Accounting Estimates, assumptions and judgements
In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement. Uncertainty about these assumptions and estimates could result in outcome that require a material adjustment to assets or liabilities affected in future periods.

a) Property, plant and equipment

Property, Plant and equipment represent at proportion of the asset base of the company. The useful lives and residual value of the company's asset are determined by the management at the time the asset is acquired and reviewed at each reporting date.

b) Leases
Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

c) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

e) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables and advances are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

f) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

g) Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

h) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

i) Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

2A. Property, plant & equipment

(₹ In lakhs)

Particulars	Computers	Furniture & Fixtures	Office Equipments	Motor Car & Scooter	Moulds	Furniture & Fixture (Leasehold Improvement)	Total
Gross Carrying Value (Cost/Deemed Cost)							
As at April 1, 2020	47.83	62.04	143.76	39.53	19.92	449.67	762.75
Additions	53.63	181.84	181.54	8.97	19.32	349.60	794.90
Disposals	0.97	2.50	1.96	2.04	-		7.47
As at March 31, 2021	**100.49**	**241.38**	**323.34**	**46.46**	**39.24**	**799.27**	**1,550.18**
Additions	54.61	154.00	160.42		-	217.99	587.07
Disposals	3.20	0.61	3.68	26.61	27.73	23.76	85.59
As at March 31, 2022	**151.90**	**394.77**	**480.08**	**19.85**	**11.51**	**993.50**	**2,051.61**
Accumulated Depreciation							
As at April 1, 2020	-			-		-	
Charge for the year	39.23	48.09	101.69	12.29	10.92	89.61	301.83
On Disposals	-	0.25	0.25	0.17	-		0.67
As at March 31, 2021	**39.23**	**47.84**	**101.44**	**12.12**	**10.92**	**89.61**	**301.16**
Charge for the year	50.50	78.96	140.09	9.52	2.65	126.75	408.47
On Disposals	1.12	0.24	1.17	11.14	6.07	2.62	22.36
As at March 31, 2022	**88.61**	**126.56**	**240.36**	**10.50**	**7.50**	**213.74**	**687.27**
Net Block							
As at April 1, 2020	**47.83**	**62.04**	**143.76**	**39.53**	**19.92**	**449.67**	**762.75**
As at March 31, 2021	**61.26**	**193.54**	**221.90**	**34.34**	**28.32**	**709.66**	**1,249.03**
As at March 31, 2022	**63.29**	**268.21**	**239.72**	**9.35**	**4.01**	**779.76**	**1,364.34**

New Delhi

MODICARE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2022

28. Right to use asset*

(₹ in lakhs)

Particulars	Amount
Gross Carrying Value	
As at April 1, 2020	2,003.07
Additions	4,096.51
Disposals	-
As at March 31, 2021	**6,099.58**
Additions	1,509.54
Disposals	-
As at March 31, 2022	**7,609.12**
Accumulated Depreciation	
As at April 1, 2020	
Charge for the year	484.28
On Disposals	-
As at March 31, 2021	**484.28**
Charge for the year	891.23
On Disposals	-
As at March 31, 2022	1,375.51
Net Block	
As at April 1, 2020	**2,003.07**
As at March 31, 2021	**5,615.30**
As at March 31, 2022	**6,233.61**

* Pertains to properties taken on leases for Head Office, Warehouse, MLC etc.

MODICARE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2022

2C. Intangible assets

(₹ in lakhs)

Particulars	Software License Fees	Total
Gross Carrying Value (Cost/Deemed Cost)		
As at April 1, 2020	53.08	53.08
Additions	1.87	1.87
Disposals		
As at March 31, 2021	**54.95**	**54.95**
Additions	76.86	76.86
Disposals	15.23	15.23
As at March 31, 2022	**116.58**	**116.58**
Accumulated Amortisation		
As at April 1, 2020	-	-
Charge for the year	23.63	23.63
On Disposals	-	-
As at March 31, 2021	**23.63**	**23.63**
Charge for the year	26.90	26.90
On Disposals	13.13	13.13
As at March 31, 2022	**37.40**	**37.40**
Net Block		
As at April 1, 2020	**53.08**	**53.08**
As at March 31, 2021	**31.32**	**31.32**
As at March 31, 2022	**79.18**	**79.18**

New Delhi

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(₹ in lakhs)

3A Capital work in progress

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Capital work in progress	163.47	8.38	176.51
Total	163.47	8.38	176.51

CWIP ageing schedule

As at March 31, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	157.33	6.14	-		163.47
Projects temporarily suspended					-
Total	157.33	6.14	-	-	163.47

As at March 31, 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	8.38				8.38
Projects temporarily suspended	-				-
Total	8.38	-	-	-	8.38

As at April 1, 2020

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	176.51		-		176.51
Projects temporarily suspended	-				-
Total	176.51	-	-	-	176.51

3B Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Intangible assets under development		44.49	
Total	-	44.49	-

Intangible assets under development ageing schedule

As at March 31, 2021

Intangible assets under development	Amount in Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	44.49		-		44.49
Projects temporarily suspended		-			-
Total	44.49	-	-	-	44.49

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

4. Investments

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
A) Non-Current Investments			
Investment in other entity (Unquoted)			
Investment in preference shares (Carried at Fair value through Profit & Loss Account)			
a) **Investment in KK Modi Investment and Financial Services Private Limited**			
72,400 (Previous Year 72,400, As at April 1, 2020-72,400) 8% Non Cumulative Redeemable Preference shares of Rs.10/- each fully paid up. (Refer Note (a) below)	7.24	7.24	7.24
b) **Investment in Colorbar Cosmetics Private Limited**			
i) 45,200 (Previous Year 45,200, As at April 1, 2020 45,200) 7.5% Cumulative Redeemable Preference shares of Rs.10/- each fully paid up. (Refer Note (b) below)	4.52	4.52	4.52
ii) 11,00,00,000 (Previous Year Nil, As at April 1, 2020-Nil) 8.0% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs.100/- each partly paid up Rs.7.50/- each. (Refer Note (b) below)	8,750.00	-	
Aggregate value of Investment (unquoted)	**8,761.76**	**11.76**	**11.76**
Aggregate book value of investment (Unquoted)	8,261.76	11.76	11.76
Aggregate provision for diminution in value of investments	-	-	

Note

(a) taken at cost as sufficient recent information is not available to measure the fair valuation and cost represents the best estimate of fair value within that range.

(b) taken at Fair Value on the basis of valuation done by a registered valuer

B) Current Investments			
Investment in Mutual Funds (Quoted) (Carried at Fair value through Profit & Loss Account)			
Nil (P/Y Nil, 1/4/20-532691.084 Units) UTI Short Term Income Fund Regular Growth of Rs.10 each	-		380.19
Nil (P/Y Nil, 1/4/20-2041825.380 Units) SBI Credit Risk Fund Regular Growth of Rs.10 each		-	541.12
Nil (P/Y Nil, 1/4/20 292182.563 Units) UTI - Overnight Fund - Growth Option of Rs.1000 each	-	-	7,925.39
Nil (P/Y 100995.015 Units, 1/4/20- 246535.64 Units) SBI - Magnum Ultra Short Duration Fund Regular Growth of Rs.1000 each		5,005.22	10,905.10
Nil (P/Y Nil, 1/4/20- 50727.42 Units) Nippon India - Ultra Short Duration Fund - Growth Option of Rs.1000 each			851.40
Nil (P/Y Nil, 1/4/20- 30727.37 units) Bonus Unit of Nippon India - Ultra Short Duration Fund Segregated Portfolio 1 - Growth Option of Rs.10 each	-	-	10.05
Nil (P/Y 3853030.738 Units, 1/4/20- Nil) Nippon India - Banking & PSU Debt Fund - Growth Option of Rs.10 each	-	6,177.83	
Nil (P/Y 16823123.872 Units, 1/4/20- Nil) SBI - Magnum Short Term Debt Fund Regular Growth of Rs.10 each		4,321.78	
15235476.588 Units (P/Y Nil, 1/4/20- Nil) UTI Corporate Bond Fund Regular Plan Growth of Rs.10 each	2,008.90		
441915.345 Units (P/Y Nil, 1/4/20- Nil) ICICI Prudential Savings Fund Growth of Rs.100 each	1,909.10		
11361179.343 Units (P/Y Nil, 1/4/20- Nil) ICICI Prudential Debt Management Fund-Growth of Rs.10 each	4,008.16	-	-
20709.413 Units (P/Y Nil, 1/4/20- Nil) UTI Flexi Cap Fund - Regular Plan Growth of Rs.100 each	50.70	-	
47351.837 Units (P/Y Nil, 1/4/20- Nil) SBI Focused Equity Fund Regular Growth of Rs.100 each	98.99	-	
1276565.137 Units (P/Y Nil, 1/4/20- Nil) DSP Dynamic Asset Allocation Fund Regular Growth of Rs.10 each	250.06		
Aggregate Market Value of Quoted Investments	**8,341.52**	**15,403.83**	**20,619.96**
Aggregate book value of Quoted Investment	8,300.92	15,220.41	20,378.71
Aggregate provision for diminution in value of investments			

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Financial Assets (Non- Current)			
5 Loans			
(Unsecured, Considered good unless otherwise stated)			
Loan to employees			
considered good	17.20	12.39	14.60
which have significant increase in credit risk		-	
credit impaired	-	-	-
Less: Allowances for credit losses	-	-	
Loan to body corporate			
considered good	-		
which have significant increase in credit risk		-	
credit impaired	89.77	89.77	89.77
Less: Allowances for credit losses	(89.77)	(89.77)	(89.77)
	17.20	12.39	14.60
6 Other financial assets			
(Unsecured, Considered good unless otherwise stated)			
a) Security deposits (Non current)	299.59	307.55	140.95
b) Interest accrued on fixed deposits with bank	9.30	5.02	4.74
c) Fixed deposits with original maturity of more than 12 months (Refer Note No. 12)	17,745.35	18,920.99	72.24
d) Pledged FDRs with original maturity more than 12 months (Refer Note No. 12)*	49.39	55.48	86.18
	18,083.63	19,291.04	304.11
* Pledged with sales tax authorities / DGSAI			
7 Deferred tax assets (net)			
Deferred tax assets (DTA) :			
Difference between book and tax depreciable assets	130.08	87.75	62.54
Expenses allowed on payment basis (Sec 43-B of Income Tax Act)	235.44	149.39	304.00
Provision for doubtful debts and others	45.71	70.71	76.83
Deferred Tax on Lease Liabilities	116.40	60.56	-
Total deferred tax assets (A)	526.63	368.11	443.37
Deferred tax liabilities (DTL) :			
Total deferred tax liabilities (B)	-	-	-
Net deferred tax assets (A-B)	526.63	368.11	443.37
8 Other non-current assets			
(Unsecured, Considered good unless otherwise stated)			
a) Prepaid expenses*	87.80	66.38	45.20
b) Capital advances	289.47	129.44	5.83
c) Amount paid under protest to government authorities	8,011.52	1,272.00	1,284.37
	8,388.79	1,467.82	1,335.40
* Includes prepaid lease rent			
9 Inventories			
(As taken, valued and certified by the management)			
(At lower of cost and net realisable value)			
Stock in Trade			
Laundry and Home care	417.62	545.01	405.39
Personal Care	1,765.61	2,319.99	2,012.62
Agriculture	150.92	275.09	257.95
Food & Beverage	2,231.92	1,462.42	1,234.07
Color Cosmetics and Skincare	1,125.60	1,159.92	881.70
Nutrition, Healthcare and wellness	1,349.18	1,459.95	1,390.05
Others	706.52	348.04	365.58
	7,744.27	8,129.42	5,551.85
Goods in Transit	414.64	388.79	155.28
	8,158.91	8,518.21	5,707.13

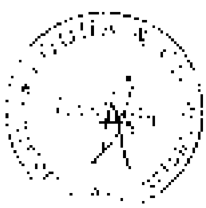
Modi-care Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Financial Assets (Current)			
10 Trade receivables			
Undisputed trade receivables considered good - Secured	-	-	
Undisputed trade receivables considered good - Unsecured	138.69	15.55	256.38
Undisputed trade receivables which have significant increase in Credit Risk	-		-
Undisputed trade receivables - credit impaired	-		-
	138.69	15.55	256.38
Less : Allowance for expected credit losses		-	
	138.69	15.55	256.38
Trade receivables ageing schedule			
Undisputed trade receivables - Considered good			
Less than 6 Months	138.69	15.55	256.38
6 Months - 1 Year		-	
1-2 Years			-
2-3 Years		-	-
More than 3 Years		-	-
Total	138.69	15.55	256.38
11 Cash and cash equivalents			
Cash in hand	2.90	1.61	320.11
Cheques in hand	0.63		0.05
Balance with banks			
In current Accounts	2,421.94	980.00	141.75
Others			
- Gold pin	1.49	1.49	1.49
- Coupon cash in hand	-	-	1.61
	2,426.96	983.04	465.61
12 Bank balances other than above			
- Fixed deposits with original maturity of more than 3 months but maturing within 12 months	48.20	-	2,420.40
Fixed deposits maturing after 12 months	17,784.04	19,007.47	159.42
Less: Amount disclosed under Other non current financial assets (Refer Note No. 6)	(17,735.85)	(18,920.99)	(72.34)
Less: Pledged FDRs shown under Other non-current financial assets (Refer Note No. 6)	(48.19)	(86.48)	(86.38)
	48.20	-	2,420.40
13 Loans			
(Unsecured, Considered good unless otherwise stated)			
Loan to employees			
considered good	3.02	1.72	1.64
which have significant increase in credit risk	-		
credit impaired	-		
Less: Allowances for credit losses			
	3.02	1.72	1.64
14 Other financial assets			
a) Interest accrued on fixed deposits with banks	0.22	-	20.20
b) Security deposit (Current)		-	-
	0.22	-	20.20
15 Current tax assets (net)			
Advance income tax (Net of provision of current tax Rs. 2805.01 lakhs (PY Rs. 5028.44 lakhs; 1/4/20-Rs. 2938.92 lakhs)	1,158.07	853.09	637.24
	1,158.07	853.09	637.24

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
16 Other current assets			
(Unsecured, Considered Good unless stated otherwise)			
a) Advance against goods and services			
- Considered Good*	2,601.88	1,962.77	553.56
Considered Doubtful	215.05	215.01	214.31
Less: Provision for doubtful advances	(215.05)	(215.01)	(214.31)
b) Advance to employees	9.77	10.53	24.19
c) Prepaid expenses**	144.55	49.34	76.12
d) Balance with government authorities	1,601.87	2,640.58	1,1[illegible].87
e) Balance/ Recoverable from Distribution Points (DPs)***	171.38	69.97	-
	4,529.33	4,739.30	1,766.33
* Includes advance to related parties (Refer Note No. 35)			
** Includes prepaid lease rent			
*** Collections made by DPs against sales			
Financial Liabilities - Non Current			
18 Borrowings			
A) Long term borrowings			
Secured*			
Vehicle loan from HDFC Bank			
Fixed rate loans (Interest rate 8.50% to 9.55%)	4.55	14.56	29.15
Less: Current maturities of non current borrowings	(4.55)	(10.01)	(14.59)
	-	4.55	14.56
B) Short term borrowings			
Secured*			
Current maturity of non-current borrowings	4.55	10.01	14.59
Unsecured			
Nil (Previous year 25,00,000; As at April 1, 2020 25,00,000) 8% Non Cumulative Non Convertible Redeemable preference shares of Rs 10.00 each fully paid (Refer Note No 17(b)(viii))**		250.00	250.00
	4.55	260.01	264.59
* Secured by hypothecation of Motor Vehicles purchased there under which are repayable on different dates			
** During the year, the Company has redeemed 25,00,000 nos of 8% Non Cumulative Non Convertible Redeemable preference shares of Rs 10.00 each at par out of the balance available in the statement of profit & loss account and Rs 250 lakhs (nominal amount) was transferred/credited to capital redemption reserve.			
19 Lease liabilities*			
A) Non current			
Lease liabilities	5,884.33	5,299.83	1,846.03
	5,884.33	5,299.83	1,846.03
A) Current			
Lease liabilities	811.78	532.27	157.04
	811.78	532.27	157.04
* Refer Note No. 42			
20 Other financial liabilities			
a) Security deposits of C & F agents & others	34.50	39.00	37.50
b) Security deposits of Distribution Points (DPs)	3,200.57	2,795.75	1,984.64
	3,235.07	2,834.75	2,022.14
21 Provisions			
A) Long term provisions			
Provision for employee benefits*			
Provision for Gratuity	15.97	82.54	134.20
Provision for Leave Encashment	609.50	451.06	371.75
	625.47	533.60	505.95



Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(i) Short term provisions			
Provision for employee benefits*			
Provision for Gratuity	148.42	32.50	36.79
Provision for Leave Encashment	34.44	25.16	104.86
	182.86	57.66	141.65
*Refer Note No. 30			
Financial Liabilities- Current			
22 Trade payables			
Total outstanding dues of Micro and Small Enterprises (Refer Note No. 45)	3,152.65	1,115.41	127.69
Total outstanding dues of creditors other than Micro and Small Enterprises	16,222.77	16,793.91	16,325.92
	19,375.42	17,909.32	16,453.61
Trade payables ageing schedule			
Undisputed dues to Micro, Small & Medium Enterprises			
Less than 1 year	1,448.86	1,793.60	135.55
1-2 Years	-	-	-
2-3 Years	-	-	-
More than 3 Years	-	-	-
Total	1,448.86	1,793.60	135.55
Undisputed dues to others			
Less than 1 year	15,048.85	14,142.37	13,242.68
1-2 Years	1,583.20	920.71	1,355.67
2-3 Years	681.40	685.60	1,069.54
More than 3 Years	607.11	365.49	650.17
Total	17,920.56	16,115.71	16,318.06
23 Other financial liabilities			
Interest accrued but not due on borrowings	0.08	0.09	0.18
Capital creditors	55.51	91.47	-
Interest payable on security deposits	204.29	156.96	110.46
Payable to employees	572.95	576.03	584.09
Other liabilities for expenses	597.40	760.55	564.32
	1,430.23	1,608.76	1,218.51
24 Other current liabilities			
Duties, taxes and other statutory dues	1,110.76	1,722.84	1,348.73
Advances received from customers	1,321.14	1,362.05	1,923.55
	2,431.90	3,084.89	3,272.28

17 A) Equity share capital

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Authorised			
[illegible] (Previous year [illegible]) Equity shares of Rs. 2.50 each	[illegible]	[illegible]	[illegible]
[illegible] (Previous year [illegible]) [illegible] Non Cumulative Non Convertible Redeemable Preference Shares of Rs. 10.00 each	[illegible]	[illegible]	[illegible]
	2,400.00	2,400.00	2,400.00
Issued Subscribed and Paid up			
[illegible] (Previous year [illegible]) equity shares of Rs. 2.50 each fully paid up	488.30	488.30	488.30
	488.30	488.30	488.30

a) Rights, preferences and restrictions attached to shares

(i) Equity Shares of Rs. 2.50 each

The Company is having one class of [illegible] equity shares having a par value of Rs. 2.50 per share (Paid up Rs. 2.50 each). Each holder of equity share is entitled to one vote per share. The equity share holders are eligible for dividend [illegible] declared. The dividend proposed by the Board [illegible] 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 and the balance is distributed in proportion to the number of equity shares held by the equity share holders.

(ii) Non Cumulative Non Convertible Redeemable Preference Shares ("Preference Shares")

The Company had issued and allotted one class of Non Cumulative Non Convertible Redeemable Preference Shares having a par value of Rs. 10.00 per share (Paid up Rs. 10.00 each). The terms of issue is as follows:

- [illegible] preference right [illegible] shares of the company with respect to payment of dividend and repayment in case of winding up or repayment of capital
- [illegible]
- shall carry a dividend rate of [illegible] on non cumulative basis
- shall carry voting rights under the provisions of section [illegible] of the Companies Act, 2013
- shall be redeemed [illegible] in accordance with the [illegible] of the Companies Act, 2013 and the rules made thereunder [illegible] of the company within a period of 20 (Twenty) years from the date of its issue i.e. from [illegible] March 2005)

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

(Shares in numbers)

Particulars	Equity Shares			Preference Shares		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
At beginning of the year	1,95,32,395	1,95,32,095	1,95,32,095	25,00,000	25,00,000	25,00,000
Add: Issued during the year	-	-		-	-	
Less: Redeemed during the year	-	-		25,00,000		
At end of the year	1,95,32,395	1,95,32,095	1,95,32,095	-	25,00,000	25,00,000

c) Details of shareholders holding more than 5% shares in the company

(Shares in numbers)

Name of shareholders	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	No of shares	% age holding in the class	No of shares	% age holding in the class	No of shares	% age holding in the class
Equity Shares of Rs. 2.50 each						
[illegible] Family Trust	1,85,79,242	95.12%	1,85,79,242	95.12%	1,85,79,242	95.12%
Preference Shares of Rs. 10.00 each						
[illegible] Investments Limited [illegible]		-	25,00,000	100%	25,00,000	100%

d) Shareholding of promoters

(Shares in numbers)

Promoter Name	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020		% change during the year ended March 31, 2022
	No. of Shares	% of Total shares held	No. of Shares	% of Total shares held	No. of Shares	% of Total shares held	
[illegible] Family Trust	1,85,79,242	95.12%	1,85,79,242	95.12%	1,85,79,242	95.12%	

e) Aggregate number of [illegible] issued for consideration other than cash, bonus shares issued and share bought back during the period of five years immediately preceding the reporting date - Nil

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Re-measurements (loss)/gain of the net defined benefit plans	Income tax relating to items that will not be classified to Profit and Loss	
As at April 1, 2020			10,584.58	(109.52)	50.01	10,525.26
Profit/(loss) for the year	-		15,240.55	-		15,240.55
Other Comprehensive Income				(28.74)	9.60	(28.14)
As at March 31, 2021	-	-	25,825.12	(137.40)	59.62	25,807.74
Profit/(loss) for the year			7,758.85			7,758.85
Transfer from Retained Earnings to Capital Redemption Reserve (Refer Note No. [illegible])		250.00	(250.00)			
Other Comprehensive Income				[illegible]	[illegible]	[illegible]
As at March 31, 2022		250.00	33,484.37	(148.45)	67.70	33,653.62

Nature and purpose of Reserves

Securities Premium: Securities Premium represents [illegible] received in excess of the par value of equity /preference shares issued.

Retained Earnings: [illegible] profits of the company [illegible] till date [illegible] the general reserve [illegible].

Capital Redemption Reserve: [illegible] at the time of redemption of Preference Share Capital [illegible] for issuing fully paid up bonus shares.

Items of Other Comprehensive Income (OCI): [illegible] remeasurement gain/(loss) on defined benefit plan, [illegible] value gain on equity instruments measured through OCI [illegible] of taxes.

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
25 Revenue from operations		
Sales of Products		
Laundry and Home care	13,135.55	14,568.41
Personal Care	[illegible]	38,571.59
Agriculture	10,150.13	9,626.10
-Food & Beverage	36,677.17	35,672.98
-Color Cosmetics and skincare	13,258.58	14,401.62
-Nutrition, Healthcare and wellness	30,035.59	48,692.08
-Others	4,717.70	2,029.37
Other Operating revenues		
Liabilities no longer required written back	2,170.43	1,221.19
Provisions written back	-	4.50
Miscellaneous income	35.07	18.81
	1,52,778.93	**1,53,787.65**
26 Other income		
Interest income on fixed deposits	619.93	950.97
Interest income on loan	0.32	0.92
Foreign exchange gain (net)	-	-
Fair Vale gain on mutual fund investments	-	-
Net gain on sale of current investments	947.98	764.79
Unwinding of interest on security deposits	12.78	7.34
Profit on sale of property, plant & equipment (net)	5.32	0.20
	1,586.80	**1,724.03**
27 Purchases of stock in trade		
-Laundry and Home care	5,044.45	5,142.72
-Personal Care	12,291.28	14,396.05
Agriculture	2,444.54	2,254.21
-Food & Beverage	26,275.89	23,915.48
-Color Cosmetics and skincare	3,457.01	3,674.17
-Nutrition, Healthcare and wellness	10,553.76	11,154.67
-Others	2,921.27	691.21
Good in Transit	414.64	388.75
	64,426.74	**61,577.08**
28 Changes in inventories of stock-in-trade		
Opening stock	8,518.21	5,707.13
Less: Closing stock	8,158.91	8,518.21
(Increase) / Decrease in stock-in trade	**359.30**	**(2,811.08)**
29 Employee benefits expenses		
Salaries, wages, allowances etc.	5,134.79	4,241.60
Contribution to provident and other funds	397.55	258.66
Employees welfare and other benefits	134.55	60.40
	5,666.89	**4,560.66**
30 Finance costs		
Interest expense on		
- Loan from banks	0.79	1.92
- Others	214.96	166.65
- Lease liabilities	447.64	255.24
	663.39	**423.81**
31 Depreciation and amortisation expenses		
Depreciation on property, plant & equipment	408.48	301.83
Depreciation on Right to use asset	891.13	434.28
Amortisation on intangible assets	26.90	73.63
	1,326.61	**809.74**

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
32	**Other expenses**		
	Packing & other material consumed	1,298.54	1,001.01
	Freight & Cartage (Net of Recovery)	5,824.55	6,091.15
	Marketing Expenses	512.26	474.22
	Communication & Customer Related Expenses	476.37	454.74
	Distributor Related Expenses	137.58	85.87
	Sales Promotion Expenses	2,222.57	2,565.98
	Warehouse/ CNF agents expenses	2,373.74	2,539.91
	Rent	397.70	207.14
	Postage , Telephone & Email Expenses	47.55	40.13
	Information & Technology Expenses	599.19	354.93
	Travelling & conveyance expenses	307.95	184.77
	Insurance	65.44	58.36
	Legal, Professional & Consultancy Charges	273.42	469.27
	Repair & maintenance	115.54	59.24
	Rates & taxes	12.37	23.58
	Electricity & water charges	122.58	77.92
	Bonus to consultants	53,307.14	50,709.85
	Property, plant & equipment and Intangible assets under development written off	32.18	0.26
	Fair value gain reversal on mutual fund investments	149.77	60.83
	Foreign exchange loss (net) (PY Rs. 4221)	0.19	0.00
	Provision for doubtful advances	-	5.22
	Payment collection charges	1,502.05	1,471.97
	CSR expenses (Refer note no 43)	245.63	115.00
	Miscellaneous expenses	471.64	458.55
		71,369.33	**70,546.00**
33	**Earnings per share (Basic / Dilutive)**		
	Net profit as per statement profit and loss	7,788.85	15,240.53
	Less: Dividend on cumulative preference shares	-	-
	Less: Tax on dividend on preference shares	-	-
	Net profit attributable to equity shareholders	**7,788.85**	**15,240.53**
	Weighted average number of equity shares outstanding during the year	**195.32**	**195.32**
	Nominal value of Rs. 2.50 each (Previous year Rs. 2.50 each)		
	Earning per share		
	- Basic	**39.88**	**78.03**
	- Dilutive	**39.88**	**78.03**

34 Contingent liabilities and commitments (As certified by the management) (₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Contingent Liability		
(a) Claims against the company not acknowledged as debt		
(i) Disputed matters under litigation (Refer Note No. 8 (c) for amount paid under protest)		
--- VAT	251.87	410.59
--- Entry Tax	65.08	65.08
--- Income Tax	39,661.31	6,383.12
(ii) Others	-	75.00
(The Company has gone in appeal in the matter of Sales tax / Entry tax /Income tax demands/assessments of various financial years. The management is of the view, based on judicial pronouncements, that the Company's claim is likely to be accepted by appellate authorities and management believes that there will not be any material liability thereon).		
B. Capital Commitments		
Estimated Amounts of contracts remaining to be executed on		
Capital account and not provided for	323.93	291.60
C. Unpaid amount of partly paid up 8.0% Non-Cumulative Non-Convertible Redeemable Preference shares of Colorbar Cosmetics Private Limited @2.5 each	2,750.00	-

(All amounts in ₹ lakhs, except otherwise stated)

35 Related Party Disclosures (As identified and certified by the management)

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:

(i) Name of related parties and nature of related party relationships:

Description of relationship	Names of related parties
Parties having control over enterprise	K K Modi Family Trust
Enterprise in Associate (Grand)	Modicare U.K. Limited*
Investing Party of which Enterprise is an associate	None
Key Management Personnel (KMP)	Mr. Samir Modi (Managing Director)
	Ms. Shikha Sharma (Company Secretary)
Relatives of Key Management Personnel	Mrs. Bina Modi (mother of Mr. Samir Modi)
Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence with whom company had transactions	Godfrey Phillips India Limited
	Colorbar Cosmetics Private Limited
	Modicare U.K. Limited*
	Indofil Industries Limited
	Beacon Travels Private Limited
	Bina Fashion and Food Private Limited
	Modicare Foundation

* Dissolved on 11th January 2022

(ii) Disclosure of transactions between company and the related parties during the year:

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of goods		
Godfrey Phillips India Limited	324.12	120.10
Colorbar Cosmetics Private Limited	1,475.49	1,715.51
Indofil Industries Limited	430.21	784.05
Purchase of Capital Items		
Godfrey Phillips India Limited		16.80
Receiving of Services		
Beacon Travels Private Limited	55.57	5.94
Godfrey Phillips India Limited	128.34	130.75
Colorbar Cosmetics Private Limited	5.66	2.09
Bina Fashion and Food Private Limited	0.75	2.05
Modicare Foundation	3.52	-
Sale of goods		
Godfrey Phillips India Limited	4.34	24.16
Indofil Industries Limited	-	0.09
Colorbar Cosmetics Private Limited	0.36	
Commission Income		
Godfrey Phillips India Limited	0.22	2.87
Investment made		
Colorbar Cosmetics Private Limited	8,050.00	
Contribution made towards CSR Expenditure		
Modicare Foundation	1.00	115.00

(iii) Disclosure of balance outstanding at year end

Nature of Transactions	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Payables/(Receivables) (including Provisions)			
Godfrey Phillips India Limited	62.37	15.30	(12.07)
Beacon Travels Private Limited	17.51	4.40	27.04
Indofil Industries Limited		114.69	21.69
Bina Fashion and Food Private Limited	0.42		0.52
Colorbar Cosmetics Private Limited	(1,641.04)	(1,464.04)	35.56

Notes

1) Details of remuneration to KMP - Company Secretary Rs 38.12 lakhs (Previous Year Rs 35.87 lakhs).

2) Above figures are inclusive of taxes.

3) Having regard to the relationship with Related parties and the nature of arrangements, the Company's Management believes that the above arrangements are on the arm's length principle.

(All amounts in ₹ lakhs, except otherwise stated)

36 Employee Benefits

[illegible]

A. Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of [illegible] employees [illegible]. The amount recognised as an expense towards contribution to [illegible] funds for the year aggregate to ₹ [illegible] lakhs (previous year ₹ [illegible] lakhs), and is included under the head "Contribution to provident & other funds" under "Employee benefits expense" in note [illegible].

B. Defined Benefit Plans

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

i) Gratuity - Defined Benefit Plan

Particulars	Gratuity			Leave Encashment (Non-funded)		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Fair value of plan assets as at the end of the year	[illegible]	[illegible]	[illegible]	-	-	
Present Value of Obligation as at the end of the year	[illegible]	[illegible]	[illegible]	639.94	456.22	436.61
Funded status / (Deficit)	(168.39)	(135.04)	(213.38)	(639.94)	(456.22)	(436.61)
Net Assets/(Liability) Recognized in Balance Sheet	(168.39)	(135.04)	(213.39)	(639.94)	(456.22)	(436.61)
Current	(49.52)	47.50	16.73	34.44	35.16	124.86
Non-Current	1,006.23	308.44	216.75	605.50	421.06	311.75

ii) Reconciliation of the net defined benefit (asset) liability and other long term employee benefits

	Gratuity			Leave Encashment (Non-funded)		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Present Value of Obligation at the beginning of the year	[illegible]	[illegible]	[illegible]	456.22	[illegible]	[illegible]
Past Service Cost						
Current Service Cost	120.18	91.29	[illegible]	[illegible]	[illegible]	[illegible]
Interest Cost	63.98	50.35	[illegible]	[illegible]	30.60	[illegible]
Benefit Paid/Adjustment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Remeasurements – actuarial (gains)/losses	158.65	15.92	11.51	35.22	[illegible]	(5.09)
– Change in demographic assumptions			[illegible]	-		[illegible]
– Change in financial assumptions	(41.42)		[illegible]	(28.56)		[illegible]
– Experience adjustments	221.07	[illegible]	[illegible]	18.77	[illegible]	[illegible]
Present Value of Obligation as at the end of the year	1,154.49	540.94	747.55	639.94	456.22	436.61

iii) Reconciliation of fair value of plan assets

Particulars	Gratuity		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Fair value of plan assets at the beginning of the year	605.90	[illegible]	[illegible]
Expected return on plan assets	[illegible]	[illegible]	[illegible]
Employer's contribution	[illegible]	[illegible]	[illegible]
Actuarial gain/(loss) on Plan Assets	[illegible]	[illegible]	[illegible]
Benefit Paid		[illegible]	[illegible]
Other Adjustments		[illegible]	
Fair value of plan assets at the end of the year	986.10	605.90	536.55
Actual return on plan assets	52.42	45.57	0.06

iv) Expenses recognised in the Statement of Profit & Loss

Particulars	Gratuity			Leave Encashment (Non-funded)		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current Service Cost	[illegible]	[illegible]	[illegible]	[illegible]	59.90	[illegible]
Past Service Cost						
Interest Cost	63.98	[illegible]	[illegible]	[illegible]	29.59	[illegible]
Expected return on plan assets	[illegible]	[illegible]	[illegible]	-	-	
Net actuarial (gain)/ loss recognised in the period				[illegible]	[illegible]	[illegible]
Other Adjustments		[illegible]				
Total Amount Recognised in the Profit & Loss	139.66	86.31	51.77	218.73	134.34	95.33

The Company's best estimate for the contribution expected to be paid for gratuity expenses is ₹ [illegible] lakhs (previous year ₹ [illegible] lakhs) & for leave encashment is ₹ [illegible] lakhs (previous year ₹ [illegible] lakhs).

(All amounts in ₹ lakhs, except otherwise stated)

v) Other Comprehensive Income

Particulars	Gratuity		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Actuarial (gain)/loss [illegible] pension obligation	[illegible]	[illegible]	[illegible]
Actuarial (gain)/loss [illegible] plan assets	[illegible]	[illegible]	[illegible]
Total Amount Recognised in the Other Comprehensive Income	(391.05)	(34.18)	(519.72)

vi) Principal Actuarial Assumptions

Particulars	Gratuity			Leave Encashment (Non-Funded)		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Mortality Table	[illegible] (2012 - 14)	100% IALM (2012 - 14)	[illegible] (2012 - 14)	[illegible] (2012 - 14)	[illegible] (2012 - 14)	[illegible] (2012 - 14)
Discounting Rate (Per Annum)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Salary Escalation [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] plan assets (Per Annum)	[illegible]	[illegible]	[illegible]	-	-	
Retirement Age	58 years	[illegible] years	[illegible] years	[illegible] years	[illegible] years	[illegible] years
Withdrawal Rate		Age [illegible] - [illegible]% 31 to 44 - [illegible]% Above [illegible] - [illegible]%			Age [illegible] - [illegible]% [illegible] - [illegible]% Above [illegible] - [illegible]%	

[illegible]

[illegible]

[illegible]

vii) Sensitivity Analysis

[illegible] of reporting period is shown below.

Particulars	Gratuity			Leave Encashment (Non-Funded)		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Discount Rate						
Impact due to increase of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Impact due to decrease of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Salary Escalation Rate						
Impact due to increase of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Impact due to decrease of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

viii) Major categories of plan assets for gratuity as a percentage of the fair value of total plan assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
[illegible]	100%	100%	100%
Total	100%	100%	100%

ix) Investment details

All [illegible]

x) Maturity Profile of Defined Benefit Obligation

The table below [illegible]

Particulars	Gratuity			Leave Encashment (Non-Funded)		
	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Within [illegible] year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(All amounts in ₹ lakhs, except otherwise stated)

37 Fair Value of Financial Assets and Liabilities:

Class wise composition of carrying amount and fair value of financial assets and liabilities that are recognised in the financial statements is given below:

As at March 31, 2022	Carrying amount			Fair Value			
	Amortised Cost (AC)	At fair value through profit & loss (FVTPL)	At fair value through Other Comprehensive Income (FVTOCI)	Level 1	Level 2	Level 3	Total
Financial Assets							
-Investment	-	16,603.28	-	8,341.52	8,254.52	7.24	16,603.28
-Trade Receivables	138.69	-	-	-	-	-	
-Cash and Cash Equivalents	2,426.96	-	-	-	-	-	
-Other Bank Balances	48.20	-	-	-	-	-	-
-Loans	20.22	-	-	-	-	-	-
-Other Financial Assets	18,083.85	-	-	-	-	-	-
Financial Liabilities							-
-Borrowings	4.55						-
-Lease Liabilities	6,090.11	-	-		-		-
-Trade Payables	19,375.42	-	-	-	-	-	
-Other Financial Liabilities	4,565.90	-	-	-	-	-	-

As at March 31, 2021	Carrying amount			Fair Value			
	Amortised Cost (AC)	At fair value through profit & loss (FVTPL)	At fair value through Other Comprehensive Income (FVTOCI)	Level 1	Level 2	Level 3	Total
Financial Assets							
-Investment	-	15,412.59	-	15,400.83	4.52	7.24	15,412.59
-Trade Receivables	15.55	-	-	-	-	-	-
-Cash and Cash Equivalents	983.04		-	-	-	-	-
-Other Bank Balances	-						-
-Loans	14.60	-	-				
-Other Financial Assets	19,181.04	-	-	-	-	-	-
Financial Liabilities			-	-	-	-	-
-Borrowings	264.56	-	-	-	-	-	-
-Lease Liabilities	5,442.10			-	-	-	-
-Trade Payables	17,909.31						-
-Other Financial Liabilities	4,523.51	-	-	-	-	-	

As at April 1, 2020	Carrying amount			Fair Value			
	Amortised Cost (AC)	At fair value through profit & loss (FVTPL)	At fair value through Other Comprehensive Income (FVTOCI)	Level 1	Level 2	Level 3	Total
Financial Assets							
-Investment	-	20,631.72		20,619.96	4.52	7.24	20,631.72
-Trade Receivables	256.38	-	-	-	-		
-Cash and Cash Equivalents	465.61	-	-	-	-	-	
-Other Bank Balances	2,420.40	-	-	-	-	-	-
-Loans	16.24	-	-	-	-	-	-
-Other Financial Assets	324.30	-	-	-	-	-	-
Financial Liabilities						-	-
-Borrowings	279.15						
-Lease Liabilities	2,003.07	-	-	-	-		
-Trade Payables	16,453.61		-	-	-	-	-
-Other Financial Liabilities	6,750.36	-	-	-	-	-	-

The following methods and assumptions were used to estimate the fair values.

i) The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The fair values of the Financial Assets and Liabilities are included at the amount 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.

ii) The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, loans, trade Receivables, Investment in preference share, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature. Investment in mutual fund are recognised at fair value through P&L.

iii) The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

iv) The fair values of lease liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows :-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly

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

There has been no transfer among levels 1, 2 and 3 during the year ended March 31,2022 and/or March 31 2021

(All amounts in ₹ lakhs, except otherwise stated)

38 Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities are exposed to a variety of financial risks from its operations. The Company's principal financial liabilities comprise of Trade Payables, Security Deposit and Other Financial Liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Cash And Cash equivalents, Trade Receivables, Security Deposit and Other Financial Assets that derive directly from its operations. The key financial risks include market risk (interest rate risk & foreign currency risk), credit risk and liquidity risk.

A Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, security deposit, payables and loans and borrowings. The key market risk includes interest rate risk and foreign currency risk.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding. The Company has no significant exposure to the risk of changes in market interest rates as Company's Vehicle loans are at fixed interest rates.

ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company incurs some expenses and purchases stock in trade in foreign currency but does not have substantial foreign currency exposure at any particular point of time.

The company's exposure to foreign currency risk on account of payables and receivables not hedged by derivative instrument are as follows:

Particulars	As at March 31,2022 Amount (Foreign Currency)	Amount (Rs. In Lakhs)	As at March 31,2020 Amount (Foreign Currency)	Amount (Rs. In Lakhs)	As at April 1,2020 Amount (Foreign Currency)	Amount (Rs. In Lakhs)
Assets						
- USD	0.71	51.88	0.29	20.78	0.74	50.63
- EURO	1.22	102.87	1.47	129.15	0.43	34.23
Liabilities						
- USD	1.70	126.60	0.33	18.15	0.30	19.15
- EURO	1.56	87.64	0.29	24.76		-

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit / (Loss) before tax is affected through the impact on finance cost with respect to borrowing as follows:

Change in Currency Exchange Ratio	Effect on Profit before tax for the year ended March 31,2022		Effect on Profit before tax for the year ended March 31,2021		Effect on Profit before tax for the year ended April 1,2020	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
INR/USD +/(-) by 25 Basis	(0.19)	0.15	0.01	(0.01)	0.08	(0.08)
INR/EURO +/(-) by 25 Basis	0.04	(0.04)	0.26	(0.26)	0.05	(0.05)

B Credit Risk

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is as such not exposed to any significant credit risk from its operating activities (primarily trade receivables) since the Company makes sales against advance receipts only. Year end trade receivables amounts receivable from the payment gateways which gets settled in 4-5 days after year end. Credit risk arising from balances with banks is limited and there is no collateral held against these because the counter parties are banks and recognised financial institutions with high credit ratings. Credit Risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arising from Trade Receivables, Other Financial Assets are measured at amortised cost.

Trade Receivables: Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments. The Company has a well defined sales policy to minimize its risk of credit defaults and takes advance payments from its consultants. Outstanding customer receivables in form of receivable from payment gateways are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date.

(All amounts in ₹ lakhs, except otherwise stated)

The ageing of the trade receivables are given below

Particulars	Upto 6 Months	6 to 12 Months	More than 12 Months	Total
As at March 31,2022				
Unsecured	138.69			138.69
Less: Credit Impaired				-
Net balance	**138.69**	-	-	**138.69**
As at March 31,2021				
Unsecured	15.55			15.55
Less: Credit Impaired				-
Net balance	**15.55**			**15.55**
As at April 1,2020				
Unsecured	256.38	-	-	256.38
Less: Credit Impaired		-		-
Net balance	**256.38**	-	-	**256.38**

C Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company's exposure to liquidity risk arises primarily from mismatching of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

i) Maturities of Financial Liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

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.

Particulars	Carrying Amount	Less Than 1 Year	1-3 Years	More Than 3 Years	Total
As at March 31,2022					
Borrowings (including current maturities)	4.55	4.55		-	4.55
Trade Payables	19,375.42	19,375.42	-		19,375.42
Lease Liabilities	6,696.11	811.78	1,559.80	4,324.53	6,696.11
Other financial liabilities	4,665.30	1,430.23		3,235.07	4,665.30
Total	**30,741.38**	**21,621.98**	**1,559.80**	**7,559.60**	**30,741.38**
As at March 31,2021					
Borrowings (including current maturities)	24.56	20.01	4.55		24.56
Trade payables	17,909.31	17,909.31		-	17,909.31
Lease Liabilities	5,822.10	522.27	1,234.52	4,065.31	5,822.10
Other financial liabilities	4,523.51	1,688.76	-	2,834.75	4,523.51
Total	**28,279.48**	**20,140.35**	**1,239.07**	**6,900.06**	**28,279.48**
As at April 1,2020					
Borrowings (including current maturities)	29.15	14.59	14.56	-	29.15
Trade payables	16,453.61	16,453.61		-	16,453.61
Lease Liabilities	2,003.07	157.04	503.56	1,342.47	2,003.07
Other financial liabilities	3,260.15	1,238.01		2,022.14	3,260.15
Total	**21,745.98**	**17,863.25**	**518.12**	**3,364.61**	**21,745.98**

39 **Capital management risk**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders.

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(All Amount in ₹ lakhs, except otherwise stated)

40 Income Tax Expenses

The major components of income tax expense for the year ended March 31, 2022 are as follows:-

A Amounts recognized in Statement of Profit and Loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statement of Profit and loss		
Current Tax	2,865.03	5,228.44
Deferred Tax - Relating to origination and reversal of temporary differences	(110.44)	84.86
Tax Adjustments for earlier Year	10.03	(148.36)
Income tax expense reported in the statement of profit or loss	**2,764.62**	**5,164.94**

B Income Tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax relating to items that will not be reclassified to profit or loss	48.08	9.61

C Reconciliation of effective tax rate

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:-

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net income before taxes	10,553.47	20,405.47
Enacted tax rates	25.17%	25.17%
Income tax expenses at applicable Statutory Income tax rate @ 25.168%	2,656.10	5,135.65
Increase/(reduction) in taxes on account of:		
Tax effect on expenses recognized on fair valuation basis and not deductible in determining taxable profit	97.46	60.71
Effect of expenses that are not deductible in determining taxable profit	63.05	59.03
Deferred Tax Assets created on lease liability and Right to use Assets	(61.84)	54.56
Income tax for earlier years	10.03	(148.36)
Differential tax rate on long term capital gain on sale of investment	-	2.82
Other adjustment	(0.18)	0.53
Reported Income Tax Expense	**2,764.62**	**5,164.94**
Effective tax Rate	**26.196%**	**25.312%**

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(All Amount in ₹ lakhs, except otherwise stated)

D Deferred Tax Asset / (Liabilities)

The Company estimates the deferred tax charge/ credit using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year. The components of the deferred tax balance are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Deferred tax asset			
Difference between written down value of fixed assets as per Companies Act, 2013 and Income tax Act, 1961.	130.08	87.75	62.84
Provision for gratuity	42.38	33.99	53.10
Provision for leave encashment	161.06	114.82	109.89
Provision for variable performance payout	-	-	138.23
Provision for bonus payable	-	0.28	2.78
Provisions for doubtful Advances	76.71	76.71	76.53
Lease Liabilities	1,685.28	1,467.82	-
Total Deferred tax asset	**2,095.51**	**1,781.37**	**443.37**
Right to Use	1,568.88	1,413.26	-
Deferred tax liabilities	**1,568.88**	**1,413.26**	-
Net deferred tax asset / (liability)	**526.63**	**368.11**	**443.37**
Deferred Tax Asset / (Liability) recognised	**526.63**	**368.11**	**443.37**

E Movement in Deferred tax

Particulars	Balance as at April 1, 2021	Movement during the Year - P&L	Movement during the Year-OCI	Balance as at March 31, 2022
Related to Property Plant and Equipment	87.75	42.33	-	130.08
Provision for Leave Encashment , Gratuity, variable performance payout & Bonus	149.09	6.27	48.08	203.44
ROU Assets and Lease Liabilities	54.56	61.84	-	116.40
Allowances for Doubtful Debts	76.71	-	-	76.71
Total	**368.11**	**110.44**	**48.08**	**526.63**

Particulars	Balance as at April 1, 2020	Movement during the Year in P&L	Movement during the Year in OCI	Balance as at March 31, 2021
Related to Property Plant and Equipment	62.84	24.91		87.75
Provision for Leave Encashment , Gratuity, variable performance payout & bonus	304.00	(164.52)	9.61	149.09
ROU Assets and Lease Liabilities		54.56		54.56
Allowances for Doubtful Debts	76.53	0.18	-	76.71
Total	**443.37**	**(84.87)**	**9.61**	**368.11**

Medicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

41 Disclosures as per Indian Accounting Standard (IND AS) 115 'Revenue from contracts with customers'

A Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

(All Amount in ₹ lakhs, except otherwise stated)

For the year ended 31 March 2022

Revenue from operations	Goods	Other operating revenue	Total
Revenue by geography			
Domestic	1,50,572.43	36.07	1,50,608.50
Export	-	-	-
Total	1,50,572.43	36.07	1,50,608.50
Revenue by time			
Revenue recognised at point in time	-		1,50,608.50
Revenue recognised over time	-	-	-
Total			1,50,608.50

For the year ended 31 March 2021

Revenue from operations	Goods	Other operating revenue*	Total
Revenue by geography			
Domestic	1,52,543.15	18.81	1,52,561.96
Export			-
Total	1,52,543.15	18.81	1,52,561.96
Revenue by time			
Revenue recognised at point in time	-	-	1,52,561.95
Revenue recognised over time		[illegible]	
Total			1,52,561.96

* Other operating revenue amounting to ₹ 3170.43 Lakhs (PY ₹ 1225.69 Lakhs) liabilities/provisions no longer required written back & Provision written back is not in the scope of Ind AS 115 'Revenue from contracts with customers'. Hence not included in the table.

B Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of "revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period" and "revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period's. Same has been disclosed as below.

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1,362.05	[illegible]
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods		

C Assets and liabilities related to contracts with customers

Description	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Contract assets related to sale of goods				
Trade receivable	138.69		15.55	
Contract liabilities related to sale of goods				
Advance from customers	1,321.14	-	1,362.05	

D Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract price	1,50,572.43	1,52,543.15
Less: Discount		
Revenue from operation as per statement of profit and loss	1,50,572.43	1,52,543.15

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(All Amount in ₹ lakhs, except otherwise stated)

42 Leases

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
The company has applied Ind AS 116 using the modified retrospective approach, details of which are as under:			
A The movement in carrying value of Right of Use Assets is as follows:			
Balance recognised at the beginning	5,615.30	2,003.07	2,003.07
Additions	1,509.54	4,096.51	-
Deletions	-	-	-
Depreciation	(891.23)	(484.28)	
Balance at the end	**6,233.61**	**5,615.30**	**2,003.07**
B The movement in lease liabilities is as follows:			
Balance recognised at the beginning	5,832.10	2,003.07	2,003.07
Additions	1,509.55	4,096.51	
Finance cost accrued during the period	447.64	255.24	-
Deletions	-	-	-
Payment of lease liabilities	(1,093.18)	(522.72)	
Balance at the end	**6,696.11**	**5,832.10**	**2,003.07**
The details of the contractual maturities of lease liabilities on discounted basis are as follows:			
Less than one year	811.78	532.27	157.04
One to three years	1,559.80	1,234.52	503.56
More than three years	4,324.53	4,065.31	1,342.47
Total lease liabilities	**6,696.11**	**5,832.10**	**2,003.07**
Breakup of lease liabilities			
Non Current	5,884.33	5,299.83	1,846.03
Current	811.78	532.27	157.04
C The details of the contractual maturities of lease liabilities on undiscounted basis are as follows:			
Less than one year	1,280.67	879.84	292.61
One to five years	4,113.93	3,465.82	1,392.77
More than five years	3,624.58	3,739.46	947.61
	9,019.18	8,131.11	2,632.99

D Charge on statement of Profit & loss are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on right of use assets	891.23	484.28
Interest on lease liabilities	447.64	255.24
	1,338.87	739.52

E Expenses relating (excluding taxes) to short term leases of low value assets ₹ 337.10 lakhs (FY ₹ 228.03 lakhs)

Medicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

43 Disclosure w.r.t analytical ratios

Sl. No.	Ratio	Numerator	Denominator		2021-22	2020-21	% variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	Times	1.07	1.30	-21%	
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Times	0.09	0.51	99%	Change due to substantial decrease in debt
3	Debt Service Coverage Ratio	PAT+Depreciation / Amortisation +Interest+PPE written off+/- IndAS adjustments	Interest + Principal repayments of Current Maturity of Long term borrowings+ Lease payments (due over next one year)	Times	4.57	12.15	-62%	Change due to decrease in PAT majorly due to increase in COGS with sales remaining constant
4	Return on Equity	Net Profit after tax	Average Shareholder's Equity	% age	25.9%	81.5%	-68%	Change due to decrease in PAT majorly due to increase in COGS with sales remaining constant
5	Inventory Turnover	Net Sales	Average Inventory	Times	18.26	21.45	-16%	
6	Trade receivables Turnover	Net Sales	Average trade receivables	Times	1,952.35	1,171.93	74%	Change due to decrease in trade receivables
7	Trade payables Turnover	Net purchases	Average Trade payables	Times	3.46	3.58	-4%	
8	Net Capital Turnover	Net Sales	Working Capital	Times	355.01	21.86	1117%	Change due to lower working capital on account of decrease in investments
9	Net Profit ratio	Net Profit after tax	Net Sales	% age	5.2%	10.0%	48%	Change due to decrease in PAT majorly due to increase in COGS with sales remaining constant
10	Return on Capital Employed	EBIT	Average Capital employed (Tangible Networth+Total Debt+Deferred tax liability)	% age	37.2%	110.2%	-50%	Change due to decrease in EBIT majorly due to increase in COGS with sales remaining constant
11	Return on Investments	Income generated through investments	Average investments	NA	NA	NA	NA	NA

(All amount ₹ in lakhs, except otherwise stated)

44 Payment to Auditors (Exclusive of applicable GST):

S. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i)	As auditors	21.00	12.00
ii)	For tax audit	4.00	3.00
iii)	For other services	31.25	5.25
iv)	Reimbursement of expenses	0.15	0.15
	Total	**56.40**	**20.40**

45 As required by section 22 of Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed to the extent parties have been identified (as certified by the management) on the basis of information available with the Company. Accordingly, there is no overdue amount of such parties.

S. No.	Particulars (as certified by the management)	For the year ended March 31, 2022	For the year ended March 31, 2021
A	(i) Principal amount remaining unpaid to supplier at the end of the year	1,448.85	1,793.60
	(ii) Interest on A(i) above		-
B	(i) The amount of principal paid beyond the appointed date		-
	(ii) The amount of interest paid beyond the appointed date		-
C	Amount of interest due and payable on delayed payments		-
D	Amount of interest accrued and due at the end of the year		-
E	Amount of further interest remaining due and payable even in succeeding years		-
	(in case of entities registered prior to 31st March, 2008)		
F	Total outstanding dues to micro and small enterprises		-

46 (i) Balances of certain payables (including of MSME), commission/incentives payable and advances received from customers are in process of confirmation / reconciliation. The management is confident that on final confirmation/verification there will not be material impact on state of affairs and profit for the year.

(ii) During the year, the Company based on its own assessment and as per the past practice, has written back liability provided till 31st March 2021, on account of incentives payable to certain consultants, amounting to Rs. 2134.00 lakhs (Previous year Rs. 1175.97 lakhs). However, confirmation/ settlement are presently pending with consultants and liability, if any, will be accounted for as and when paid/ finally settled.

47 **Segment Information:**

(i) Information about Business Segment

The Company is engaged in trading of goods and has only one reportable business segment i.e. Trading of goods and allied business activities; hence segment reporting under Ind AS 108 is not applicable.

(ii) Secondary Segments (Geographical Segment)

Revenue	For the year ended March 31, 2022	For the year ended March 31, 2021
Within India	1,52,778.93	1,53,787.65
Outside India	-	-
Total	1,52,778.93	1,53,787.65

All non current assets of the Company are located in India.

No customers have revenues exceeding 10% of total revenue.

48 Cash and Bank Balances includes balance with IDBI Bank having a credit balance of Rs. 13.50 lakhs which had been frozen during the earlier year in respect of case filed against the Company by SP, Economics Offences Wing in Cochin. The matter is sub judice before the Hon'ble Kerala High Court, and a stay in favour of the Company has been granted, which is pending for final decision.

49 As per section 135 of the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) during the year ended March 31, 2022 is of Rs. 245.69 lakhs (Previous year 114.34 lakhs). The Company has contributed an amount of Rs 1.00 lakhs (Previous year Rs. 115.00 lakhs) during the year ended March 31, 2022 towards CSR expenditure through an implementing agency engaged in multifarious activities in the field of social development, Health, Education, Empowerment of women groups etc. Details of contributions made are as follows:

S. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1)	Gross amount required to be spent by the Company	245.69	114.34
2)	Amount Spent/provision made during the year:		
a)	Amount spent in cash through implementing agency -		
	Promoting education & enhancing vocational skills	1.00	115.00
b)	Amount yet to be spent in cash for ongoing projects (provision taken)		
	Promoting education & enhancing vocational skills	244.69	-
3)	Total unspent amount at year end	244.69	
4)	Amount deposited in unspent CSR bank account by Company as per the requirements of Section 135 (6) of Companies Act, 2013.	244.69	-

As on 31st March 2022, amount of Rs. Nil (previous year Rs. 83.69 lakhs) is pending for utilisation by the implementing agency

50 During the year, the Company has made investment of Rs. 8,250 lakhs in 11,00,00,000 Nos. of 9% Non Cumulative Non-Convertible Redeemable Preference shares of Colorbar Cosmetics Private Limited having par value of Rs.10/- each. The Company has paid Application money and 1st call money of Rs. 7.50 per share till 31st March 2022. The shares does not carry any voting rights and have the priority with respect to payment of dividend. Further, shares are redeemable at par at the option of the issuer within a period of 20 years from the date of issue.

51 Modicare U.K. Limited ("Modicare UK"), a private Company Limited by shares was incorporated in England and Wales, United Kingdom as a wholly owned subsidiary of the Company. No transactions were undertaken by Modicare UK since its incorporation and no subscription amount was paid. The Company has been deregistered on 11th January 2022. As there was no investment and no business activities had been undertaken since formation of Modicare UK, hence the Company has not prepared and filed Consolidated financial statements since then.

52 Supplementary information:

a) Expenditure in foreign currency

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Travelling Expenses	33.44	1.52
Legal & Professional Expenses	78.68	47.74
Marketing & Sales Promotion Expenses	-	4.38
Total	**112.12**	**53.64**

b) Value of Imports on CIF basis

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of Stock in trade	1,051.26	1,241.29

There is no income in foreign currency during the year (Previous year – Nil)

53 Outbreak of COVID-19 has disturbed the economic activity through interruption in manufacturing process, disruption in supply chain, etc. The management has exercised due care in concluding significant accounting judgements and estimates after taking into account possible impact of internal and external factors known to the management upto the date of these financial statements, to assess and finalise the carrying amount of assets and liabilities. Accordingly, as per date no material impact is anticipated in these financial statements. The Company is closely monitoring the impact of this pandemic and believes this may not have significant adverse impact on the long term operations and performance of the Company.

Modicare Limited

Notes to the financial statements as at and for the year ended March 31, 2022

54 Other Regulatory Information

a) The Company does not have any benami property, and no proceeding has been initiated or pending against the Company for holding any benami property.

b) The Company does not have any transactions with companies which are struck off.

c) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

e) The Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

ii) Provide any Guarantee, Security, or the like to or on behalf of the ultimate beneficiaries.

f) The Company has not received any fund from any Person(s) or Entity (ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

ii) Provide any Guarantee, Security or the like on behalf of the ultimate beneficiaries.

g) The company has not been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate, at points of time during the year, from bank on the basis of security of current assets.

h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

i) The Company has not been declared wilful defaulter by any bank or financial institution or lender during the year.

LODHA & CO
New Delhi
Chartered Accountants

55 Explanation to transition to Ind AS

As stated in Note 1.2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2021, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended March 31, 2022 including the comparative information for the year ended March 31, 2021 and the opening Ind AS balance sheet on the date of transition i.e. April 1, 2020.

In preparing the Ind AS balance sheet as at April 1, 2020 and in presenting the comparative information for the year ended March 31, 2021, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

I. **Ind AS Optional Exemptions:**

(i) Deemed cost of Property, plant and equipment, Capital Work-in-progress & Intangible assets

The Company has opted to continue with the carrying value for all of its property, plant and equipment as recognised in the previous GAAP financial statements as their deemed cost at the transition date to Ind AS (i.e. April 1, 2020).

(ii) Leases:

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2020.The Company has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Short-term leases are leases with lease term of 12 months or less. The Company has applied the practical expedient and thus not reassessed whether or not a contract meets the definition of lease on transition. Accordingly Ind AS 116 is applied to all the lease contracts entered before April 1, 2020 on the initial date of application of Ind AS 116.

II. Ind AS Mandatory Exceptions

(i) Estimates

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where revision in estimates was necessitated as required by Ind AS. The estimates used by the Company to present the amounts in accordance with Ind AS reflect conditions existing as at April 1, 2020, the date of transition to Ind AS, as at March 31, 2021 and March 31, 2022.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition to Ind AS.

(iii) Derecognition of financial assets and liabilities

Ind AS 101 requires first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transmission to Ind AS. However, Ind AS 101 allows a first time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS

46 **Reconciliations Between Previous GAAP and Ind AS**

The following reconciliations provide a quantification of the effect of significant differences arising as a result of transition from Previous GAAP to IND AS in accordance with IND AS 101

(a) Balance Sheet as at April 1, 2020
(b) Balance Sheet as at March 31, 2021
(c) Total Comprehensive Income for the year ended March 31, 2021
(d) Equity Reconciliation as at April 1, 2020 and March 31, 2021
(e) Impact of Ind AS adoption on the cash flows for the year ended March 31, 2021
(f) Notes to first time Ind AS adoption

(All amounts in ₹ lakhs, except otherwise stated)

(a) Reconciliation of Balance Sheet as at April 1, 2020

Particulars	Note No.	Previous GAAP as at April 1, 2020	Effects of Transition to IND AS	IND AS as at April 1, 2020
ASSETS				
(I) **Non-current assets**				
(a) Property, plant & equipment		782.75		782.75
(b) Right to use assets	F	-	1,983.07	1,983.07
(c) Capital work in progress		176.51	-	176.51
(d) Intangible assets		53.08	-	53.08
(e) Financial assets				
i) Investments		11.76		11.76
ii) Loans		14.60		14.60
iii) Other financial assets	B	337.03	(32.92)	304.11
(f) Deferred tax assets (net)		443.37		443.37
(g) Other non current assets	B	1,290.20	45.20	1,335.40
		3,109.30	1,995.35	5,104.65
(II) **Current assets**				
(a) Inventories		5,707.13		5,707.13
(b) Financial assets				
(i) Investments	G	20,078.71	241.25	20,319.96
(ii) Trade receivables		256.38	-	256.38
(iii) Cash and cash equivalents		465.61	-	465.61
(iv) Other bank balances		2,420.40		2,420.40
(v) Loans		1.64		1.64
(vi) Other financial assets		20.20	-	20.20
(c) Current tax assets (net)		637.24	-	637.24
(d) Other current assets	B	1,759.01	7.72	1,766.73
		31,646.32	248.97	31,895.29
Total Assets		34,755.62	2,244.32	36,999.94
EQUITY AND LIABILITIES				
(I) **Equity**				
(a) Equity share capital	C	738.30	(250.00)	488.30
(b) Other equity		10,354.53	241.25	10,595.78
		11,092.83	(8.75)	11,084.08
Liabilities				
(II) **Non-current liabilities**				
(a) Financial liabilities				
(i) Borrowings		14.56	-	14.56
(ii) Lease liabilities	F	-	1,846.03	1,846.03
(iii) Other financial liabilities		2,022.14	-	2,022.14
(b) Provisions		505.95	-	505.95
		2,542.65	1,846.03	4,388.68
(III) **Current liabilities**				
(a) Financial liabilities				
(i) Borrowings	C	14.59	250.00	264.59
(ii) Lease liabilities	E		157.04	157.04
(iii) Trade payables				
- Total outstanding dues of micro and small enterprises		127.69		127.69
- Total outstanding dues of creditors other than micro and small enterprises		16,325.92		16,325.92
(iv) Other financial liabilities		1,258.01		1,258.01
(b) Other current liabilities		3,272.28		3,272.28
(c) Provisions		141.65		141.65
		21,120.14	407.04	21,527.18
Total Equity and Liabilities		34,755.62	2,244.32	36,999.94

New Delhi

Modicare Limited
Notes to the financial statements as at and for the year ended March 31, 2022

(a) Reconciliation of balance sheet as at March 31, 2021

Particulars	Note No.	Previous GAAP as at March 31, 2021	Effects of transition to IND AS	IND AS as at March 31, 2021
ASSETS				
(I) Non-current assets				
(a) Property, plant & equipment		1,249.09		1,249.09
(b) Right-of-use assets	E		5,513.40	5,513.40
(c) Capital work in progress		8.48		8.48
(d) Intangible assets		31.32		31.32
(e) Intangible assets under development		44.49	-	44.49
(f) Financial assets				
i) Investments		11.76		11.75
ii) Loans		12.89	-	12.89
iii) Other financial assets	B	19,255.01	(71.97)	19,183.04
(g) Deferred tax assets (net)	F	313.56	54.55	368.11
(h) Other non current assets	A	1,406.61	1.21	1,407.82
		22,333.82	5,656.32	27,990.14
(II) Current assets				
(a) Inventories		8,518.31		8,518.31
(b) Financial assets				
(i) Investments	D	15,220.41	180.42	15,400.83
(ii) Trade receivables		15.55	-	15.55
(iii) Cash and cash equivalents		983.04	-	983.04
(iv) Other bank balances				-
(v) Loans		1.72	-	1.72
(c) Current tax assets (net)		653.09		653.09
(d) Other current assets	B	4,727.32	11.78	4,739.10
		30,319.34	192.20	30,511.54
Total Assets		52,653.16	5,848.52	58,501.68
EQUITY AND LIABILITIES				
(I) Equity				
(a) Equity share capital	C	718.30	(230.00)	488.30
(b) Other equity		25,791.32	16.42	25,807.74
		26,509.62	(213.58)	26,296.04
Liabilities				
(II) Non-current liabilities				
(a) Financial liabilities				
i) Borrowings		4.55		4.55
(ii) Lease liabilities	E		5,299.83	5,299.83
(iii) Other financial liabilities		2,834.75	-	2,834.75
(b) Provisions		533.60	-	533.60
(c) Other non current liabilities			-	-
		3,372.90	5,299.83	8,672.73
(III) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	C	10.01	250.00	260.01
(ii) Lease liabilities	E		532.27	532.27
(iii) Trade payables				
- Total outstanding dues of micro and small enterprises		1,135.41		1,135.41
- Total outstanding dues of creditors other than micro and small enterprises		16,793.91		16,793.91
(iv) Other financial liabilities		1,088.76	-	1,088.76
(b) Other current liabilities		3,664.99	-	3,664.99
(c) Provisions		57.56		57.56
		22,750.64	782.27	23,532.91
Total Equity and Liabilities		52,653.16	5,848.52	58,501.68

(All amounts in ₹ lakhs, except otherwise stated)

(c) Reconciliation of Total Comprehensive Income for the year ended March 31, 2021

	Particulars	Notes to first time adoption	For the year ended March 31, 2021 (Previous GAAP)	Effects of Transition to IND AS	For the year ended March 31, 2021 (IND AS)
	Income:				
I	Revenue from operations		1,54,287.65		1,54,287.65
II	Other income	B	1,216.69	7.34	1,224.03
III	Total income(I+II)		1,55,504.34	7.34	1,55,511.68
IV	Expenses:				
	Purchases of stock in trade		61,577.08	-	61,577.08
	Changes in inventories of stock in trade		(2,811.08)		(2,811.08)
	Employee benefits expenses	A	4,598.84	(38.19)	4,560.65
	Finance costs	E	168.57	255.24	423.81
	Depreciation and amortisation expenses	E	325.46	484.28	809.74
	Other expenses	B,D,E	20,998.78	(452.78)	20,546.00
	Total Expenses (IV)		1,34,857.65	248.55	1,35,106.21
V	Profit/(loss) before exceptional items and tax (III-IV)		20,646.69	(241.22)	20,405.47
VI	Exceptional items		-		-
VII	Profit/(loss) before tax (V-VI)		20,646.69	(241.22)	20,405.47
VIII	Tax expense:				
	(1) Current tax		5,228.44		5,228.44
	(2) Income tax for earlier years		(148.36)		(148.36)
	(3) Deferred tax charge / (credit)	F	125.82	(40.96)	84.86
IX	Profit/(loss) after tax (VII - VIII)		15,436.79	(196.26)	15,240.53
X	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Actuarial gain/(loss) on defined benefit plan	A	-	(38.18)	(38.18)
	(b) Fair value gain on equity/preference investment		-		-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	A, F		9.61	9.61
	B (i) Items that will be reclassified to profit or loss				
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
	Total other comprehensive income (X)		-	(28.57)	(28.57)
XI	Total comprehensive income for the year (IX+X)		15,436.79	(224.83)	15,211.96
XII	Earnings per share:				
	- Basic		79.03		78.03
	- Diluted		79.03		78.03

Reconciliation of total comprehensive income for the year ended March 31, 2021

Particulars	Notes to First time Adoption	For the year ended March 31, 2021
Profit/(Loss) for the year under IGAAP		15,436.79
Adjustments:		
Fair Valuation of investment in mutual fund	D	(60.91)
Interest Cost on Lease Liability	E	(255.24)
Amortisation of Right of Use Assets	E	(484.28)
Reversal of Lease rentals	E	522.72
Unwinding of interest on security deposits	B	7.34
Amortisation of prepaid lease rent	B	(9.10)
Deferred tax on Lease Liabilities	F	54.56
Total Comprehensive Income for the Year as per Ind AS		15,211.96

(d) Equity Reconciliation As at April 1, 2020 and March 31, 2021

Particulars	Note No	As at March 31, 2021	As at April 1, 2020
Other Equity under previous GAAP		25,791.32	10,354.53
Recognition of lease as per Ind AS 116	E	(216.80)	
Measurement of security deposits at amortised cost	B	(1.76)	
Measurement of investment in mutual fund at FVTPL	D	180.42	41.25
Deferred tax on Lease Liabilities	F	54.56	-
Other Equity as per Ind-AS		25,807.74	10,395.78

Modicare Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(e) Impact of Ind AS adoption on the cash flows for the year ended March 31, 2021

Particulars	For The Year Ended March 31, 2021 (Previous GAAP)	Effects of Transition to IND AS	For The Year Ended March 31, 2021 (IND AS)
Net cash flows from operating activities	(7,752.64)	452.88	(7,299.76)
Net cash flows from investing activities	6,093.11	9.85	6,102.96
Net cash flows from financing activities	(243.44)	(462.73)	(706.17)
Net increase/(decrease) in cash and cash equivalents	(1,902.97)	(0.00)	(1,902.97)

Notes:

A) Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability and related deferred tax are recognized in other comprehensive income instead of profit and loss under the Indian GAAP.

B) Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all such security deposits are required to be recognised at fair value and subsequently measured at amortised cost. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid lease rent and such prepaid lease rental have been amortised over straight line basis over the lease term. Also, the finance income is recognised in the profit and loss for unwinding of interest on security deposit.

C) 8% Non Cumulative Non Convertible Redeemable preference shares issued have been reclassified from the equity share capital to financial liability in accordance with the Ind AS 32.

D) Under previous GAAP, investment in mutual fund is recognised at cost. On April 1, 2020, the company has adopted Ind AS 109, "Financial Instruments", to all investment existing on April 1, 2020 and adopted the fair value approach for subsequent valuation of investments. Under Ind AS, the company remeasures its investment in mutual fund at fair value through P&L (FVTPL) and recognised fair value gain in profit & loss A/c.

E) On April 1, 2020, the Company adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on April 1, 2020 using the Modified Retrospective Method with right of use asset recognized at an amount equal to the lease liability.
Under Previous GAAP, lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over lease term in respect of asset taken on operating lease. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability. Interest expense on the lease liability is a component of finance cost that requires to be presented separately in the statement of profit and loss. ROU assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. Lessee shall measure the right of use asset at cost less accumulated depreciation as per Ind AS 16 and any accumulated impairment losses as per Ind AS 36. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. Also, Deferred tax has been recognised on the above in accordance with IND AS 12.

F) Under previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred tax are recognized using the balance sheet approach for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through profit & loss or through other comprehensive income.

57 Previous year figures have been re-grouped/re-classified wherever considered necessary.

As per our report of even date

For Lodha & Co.,
Chartered Accountants
Firm Registration No 301051E

Gaurav Lodha
(Partner)
Membership No. 507462

Place: New Delhi
Date: 07-SEP-2022

For and on behalf of the Board of Directors

Dr. Bina Modi
Director
(DIN-00048606)

Samir Modi
Managing Director
(DIN-00029554)

Rajiv Khanna
CFO

Surendra Kumar
CM-Finance

Bhavya Sharma
Company Secretary
(ACS No.20422)