

**STANDALONE FINANCIAL STATEMENTS**

**OF**

**DAVAINDIA HEALTH MART LIMITED**

**SHOP NO. G 44 AYAPPA IND, ZOTA HOUSE, BHEDWAD, CHORYASI, SURAT Surat GJ  
394220 IN**

**For the F.Y. 2019-20**

**Audited by:  
For Priyanka Savaliya & Co.  
Chartered Accountants**

**16 Ramdevpir Society Part-2,  
Nr. Talav, Opp. Mansarovar School,  
Punagam, Choryasi, Surat-395010**

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF DAVAINDIA HEALTH MART LIMITED**

**Report on the Audit of the Financial Statements**

I have audited the accompanying Ind AS financial statements of DAVAINDIA HEALTH MART LIMITED (the "company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In my opinion and to the best of my information and according to the explanations given to me, 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

I conducted my audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

**Key Audit Matters**

I have determined that there are no key audit matters to communicate in my report.

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

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

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

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

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

**Management's Responsibility 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, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

#### **Report on Other Legal and Regulatory Requirements:**

- 1 As required by section 143(3) of the Act, I report that :
  - a I have sought and obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.;
  - b In my opinion proper books of accounts as required by Law have been kept by the company, so far as it appears from my examination of the books;
  - c The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

- d In my opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of
- f With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate Report in "Annexure A".
- g With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In my opinion and to the best of my information and according to the explanations given to me, the company has not paid remuneration to its directors during the year.
- h With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in my opinion and to the best of my knowledge and belief and according to the information and explanations given to me:
- (i) The Company does not have any pending litigations which would impact its financial position
- (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable
- (iii) There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company since the company has been incorporated on 1st January, 2020.
- 2 As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order") and according to the information and explanations given to me, I enclose in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

**For Priyanka Savaliya & Co.**  
**Chartered Accountant**  
**Firm No. 146606W**

**Date: 10-06-2020**  
**Place : Surat**

**S/d-**  
**Priyanka Savaliya**  
**Proprietor**  
**M. No. 177563**  
**UDIN: 20177563AAAAAO6559**

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of Davaindia Health Mart Limited)**

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

I have audited the internal financial controls over financial reporting of Davaindia Health Mart Limited ("the Company") as of 31st March 2020 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.

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

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

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**ANNEXURE "B" TO THE AUDITOR'S REPORT**

**(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of my Report to the Members of Davaindia Health Mart Limited of even date)**

**As required by the Companies (Auditor's Report) Order, 2016 and according to the information and explanations given to me during the course of audit and on the basis of such checks as were considered appropriate, I report that :**

- (i) In respect of the Company's fixed assets :
- The Company does not have any fixed assets during the period under reporting. Thus, clause 3(i) is not applicable to the company.
- (ii) The Company does not have any inventories during the period under reporting. Thus, clause 3(ii) is not applicable to the company.
- (iii) As per the information and explanations given to me, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iii) of the Order is not applicable to the Company.
- (iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to me, the Company has not accepted deposits from the public and the other security deposits accepted are not considered as deposits as per section 73 to 76. Therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- (vi) According to the information & explanation given to me, the company is not required to maintain cost records as prescribed under sub section (1) of section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to me, in respect of statutory dues :
- a According to the information and explanations given to me and according to the records, the Company has generally been regular in depositing undisputed statutory dues with appropriate authorities during the year.
- b There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c According to the information and explanations given to me and the statutory examination of the records, there are no disputed dues which have not been deposited on account of Disputed matters pending before the appellate authorities.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In my opinion and according to the information and explanations given to me, the Company has not paid / provided any managerial remuneration and thus, reporting under clause 3 (xi) of the Order is not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

- (xiii) In my opinion and according to the information and explanations given to me, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 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 accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In my opinion and according to the information and explanations given to me, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to 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.

**For Priyanka Savaliya & Co.  
Chartered Accountants  
Firm No. 146606W**

**S/d-  
Priyanka Savaliya  
Proprietor**

**Date: 10-06-2020  
Place : Surat**

**M. No. 177563  
UDIN: 20177563AAAAAO6559**

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 condensed 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 my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Priyanka Savaliya & Co.  
Chartered Accountants  
Firm No. 146606W**

**S/d-  
Priyanka Savaliya  
Proprietor**

**Date: 10-06-2020  
Place : Surat**

**M. No. 177563  
UDIN: 20177563AAAAAO6559**



**DAVAINDIA HEALTH MART LIMITED**  
**Balance Sheet as at 31st March, 2020**

(All Amounts in ₹ in Lakhs)

	Particulars	Note No.	As at 31st March, 2020
	<b>ASSETS</b>		
(1)	<b>Non-Current Assets</b>		
	Property, plant and equipment		-
	Intangible Assets		-
	Capital work-in-progress		-
	Intangible assets under development		-
	Financial Assets		
	(i) Investments		-
	(iii) Loans		-
	Other Non-current assets		-
	<b>Total Non-Current assets</b>		-
(2)	<b>Current Assets</b>		
	Inventories		-
	Financial Assets		
	(i) Trade Receivables		-
	(ii) Cash and Cash Equivalents	3	10.00
	(iii) Loans		-
	Other Current Assets	4	0.10
	<b>Total Current assets</b>		<b>10.10</b>
	<b>Total Assets</b>		<b>10.10</b>
	<b>EQUITY AND LIABILITIES</b>		
(1)	<b>Equity</b>		
	(i) Equity Share capital	5	10.00
	(ii) Other Equity	6	(1.66)
	<b>Total Equity</b>		<b>8.34</b>
(2)	<b>Liabilities</b>		
	<b>Non-Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	(i) Borrowings		-
	Provisions		-
	Deferred tax liabilities (Net)		-
	<b>Total non-current liabilities</b>		-
	<b>Current liabilities</b>		
	Financial Liabilities		
	(i) Borrowings		-
	(ii) Trade payables	7	0.49
	Other Current liabilities	8	1.28
	Provisions		-
	<b>Total current liabilities</b>		<b>1.76</b>
	<b>Total Liabilities</b>		<b>1.76</b>
	<b>Total Equity and Liabilities</b>		<b>10.10</b>

See accompanying notes to the financial statements  
For and on behalf of the Board

For Priyanka Savaliya & Co.  
Chartered Accountant

S/d-  
(Director)  
Himanshu M. Zota  
(Din : 01097722)  
34, Ichhanath Umra,  
Surat.,

S/d-  
(Director)  
Moxesh K. Zota  
(Din : 07625219)  
8D, Lal Bunglow, Athwalines,  
Surat.,

S/d-  
Priyanka Savaliya  
Proprietor  
M. No. 177563  
Firm No. 146606W

Date: 10-06-2020  
Place : Surat

<b>DAVAINDIA HEALTH MART LIMITED</b>		
<b>Statement of Profit &amp; Loss for the year ended 31st March, 2020</b>		
<b>(All Amounts are ` in Lakhs except per share data)</b>		
<b>Particulars</b>	<b>Note No.</b>	<b>Year Ended 31st March, 2020</b>
I. Revenue from Operations		-
II. Other Incomes		-
III. <b>Total Revenue</b>		-
IV. <b>Expenses:</b>		
Purchases of Stock-in-Trade		-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		-
Employee Benefit Expenses		-
Finance Costs		-
Depreciation / Amortisation		-
Other Expenses	9	1.66
V. <b>Total Expenses</b>		1.66
VI. Profit/(loss) before exceptional items and tax (III-V)		(1.66)
Exceptional items		-
VII. Profit/(loss) before tax		(1.66)
VIII. Tax Expense:		
(1) Current tax		-
(2) Deferred Tax		-
IX. Profit/ (Loss) for the Year		(1.66)
Other Comprehensive Income		-
A (i) Items that will not be reclassified to Statement of profit and loss		-
(ii) Income Tax relating to items that will not be reclassified to Statement of profit and loss		-
B (i) Items that will be reclassified to Statement of profit and loss		-
(ii) Income Tax relating to items that will be reclassified to profit and loss		-
Other comprehensive income for the year, net of tax		-
Total comprehensive income for the year		(1.66)
Earnings Per Equity Share		
(1) Basic		-1.66
(2) Diluted		-1.66

**Significant Accounting Policies**

See accompanying notes to the financial statements

For Priyanka Savaliya & Co.  
Chartered Accountant

**For and on behalf of the Board**

S/d-  
(Director)  
Himanshu M. Zota  
(Din : 01097722)  
34, Ichhanath Umra,  
Surat.,

S/d-  
(Director)  
Moxesh K. Zota  
(Din : 07625219)  
8D, Lal Bunglow, Athwalines,  
Surat.,

S/d-  
Priyanka Savaliya  
Proprietor  
M. No. 177563  
Firm No. 146606W

Date: 10-06-2020

Place : Surat

**DAVAINDIA HEALTH MART LIMITED**

**Statement of Cash Flows for the year ended March 31, 2020**

Particulars	Year Ended 31.03.2020
	Amount ` in lakhs
<b>Cash flow from operating activities</b>	
Profit/(loss) before tax	(1.66)
Adjustment for :	
Depreciation / Amortisation	-
<b>Operating profit/(loss) before working capital changes</b>	(1.66)
Adjustments for (increase) / decrease in operating assets	
Other Current Assets	(0.10)
Adjustments for increase / (decrease) in operating liabilities	
Trade payables	0.49
Other Current liabilities	1.28
<b>Net Cash flow from/ (used in) operating activities (A)</b>	-
<b>Cash flow from Investing activities</b>	-
<b>Net cash flow from / (used in) investing activities (B)</b>	-
<b>Cash flow from financing activities</b>	
Issue of Shares	10.00
<b>Net cash flow from / (used in) financing activities (C)</b>	10.00
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>10.00</b>
Cash and Cash Equivalents at the beginning of the year	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>10.00</b>

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

**DAVAINDIA HEALTH MART LIMITED**

**Statement of changes in equity for the year ended 31st March, 2020**

**A. Equity share capital**

Particulars	Amount ` in lakhs
As at 31.03.2019	-
Add: Addition during the year	10.00
<b>As at 31.03.2020</b>	<b>10.00</b>

**B. Other equity**

Amount ` in lakhs

Particulars	Attributable to owners of the Company	
	Retained Earnings	Total
As at 31.03.2019	-	-
Profit/(loss) for the year	(1.66)	(1.66)
Other comprehensive income	-	-
Total comprehensive income for the year	(1.66)	(1.66)
<b>As at 31.03.2020</b>	<b>(1.66)</b>	<b>(1.66)</b>

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

**NOTE - 01****COMPANY OVERVIEW:**

Davaindia Health Mart Limited is a public limited company incorporated and domiciled in India. The company is established as a drug marketing company. The Company has its registered office Shop No. G 44 Ayappa Ind, Zota House, Bhedwad, Choryasi, Surat - 394220 Gujarat, India.

**NOTE - 02****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statements:**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

The Company's Financial Statements are presented in Indian rupees and all values are rounded to the nearest Lakh ( ` 00,000), except when otherwise indicated.

**1.2 Use of estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

Since the company has been incorporated on 1<sup>st</sup> January, 2020, the company has not carried out any operations during the reporting period.

**1.3 Summary of significant accounting policies****i. Current and non-current classification**

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis".

An asset is treated as current when it is:

- Expected to be realized or intended to be 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 the 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 and liabilities.

**Operating Cycle**

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

## ii. **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

## iii. **Revenue recognition**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangements with customers for sale of goods are on a fixed-price.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive.

If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably.

**Trade receivables and Contract Balances:**

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

## iv. **Income tax**

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognized using the Balance Sheet approach on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purpose at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**v. Cash and cash equivalents**

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

**vi. Financial instruments:**

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

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

**Financial assets:****Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Initial recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

**Subsequent measurement**

After initial recognition, financial assets are measured at:

fair value (either through other comprehensive income or through Profit and Loss), or amortized cost.

**vii. Financial liabilities:****Initial recognition and measurement**

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

**Subsequent measurement**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of Profit and Loss.

**De-recognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.



**viii. Property, Plant and Equipment (PPE)**

Items of Property, plant and equipment acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

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

Depreciation methods, estimated useful lives and residual values:

Depreciation is provided, pro-rata for the period in use, on the written down value method based on the respective estimate of useful lives given below. Estimated useful lives of assets are determined based on technical parameters/assessments.

The Management believes that useful lives currently used, which is prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflects its estimate of the useful lives and residual values of PPE.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

**ix. Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the

intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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

**x. Provisions and contingent liabilities**

**Provisions**

Provisions are recognized when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

**Contingencies**

Contingent liabilities are disclosed in the Notes to the financial statements. Contingent liabilities are disclosed for

- when there is a 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 the obligation or a reliable estimate of the amount cannot be made.

**xi. Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**DAVAINDIA HEALTH MART LIMITED**

**A.Y. 2020-2021**

**F.Y. 2019-2020**

**xii. Cash flow statement**

Cash flows are reported using the Indirect Method, as set out in Ind-AS 7 'Statement of Cash Flow', whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**Signatures to Notes 1 to 9**

**For and on behalf of the Board**

**Priyanka Savaliya & Co.  
Chartered Accountants**

<b>S/d-</b>	<b>S/d-</b>	<b>S/d-</b>
<b>Himanshu M. Zota (Director) (Din : 01097722) 34,Ichhanath Umra, Surat.,</b>	<b>Moxesh K. Zota (Director) (Din : 07625219) 8D,Lal Bunglow, Athwalines, Surat.,</b>	<b>CA. Priyanka Savaliya Proprietor M. No. 177563 Firm No. 146606W</b>

**Date: 10/06/2020**

**Place : Surat**

**DAVAINDIA HEALTH MART LIMITED**

Notes forming part of Standalone financial statements as at and for the year ended 31st March, 2020

Note No.	PARTICULARS	As at 31.03.2020 Amount ` in lakhs
<b>3</b>	<b>Cash and Cash Equivalents</b>	
	Balance with Bank (YES Bank)	10.00
	<b>Total</b>	<b>10.00</b>
<b>4</b>	<b>Other Current Assets</b>	
	Security Deposit (CDSL)	0.10
	<b>Total</b>	<b>0.10</b>
<b>5</b>	<b>Equity Share Capital</b>	
	<b>Share Capital :</b>	
	<b>Authorised Share Capital</b> 250000 Equity Shares of Rs. 10/- each (Pre. Yr. Nil)	25.00
	<b>Issued, Subscribed and Paid up</b> 100000 Equity Shares of Rs. 10/- each (Pre. Yr. Nil)	10.00
	<b>Total</b>	<b>10.00</b>
<b>A. Movements in equity share capital :</b>		
<b>Authorised Shares</b>		<b>No. of Shares 31st March, 2020</b>
Previous Year		-
Increase during the year		2,50,000
Current Year		2,50,000
<b>Issued, Subscribed and fully paid</b>		<b>No. of Shares 31st March, 2020</b>
Number of shares at the beginning		-
Add : Addition during the year		1,00,000
Number of shares at the end		1,00,000
<b>B. Details of shareholders holding more than 5% shares in the Company :</b>		
<b>Name</b>		<b>No. of Shares with Ratio</b>
		<b>31st March, 2020</b>
		<b>No. of Share      %</b>
Zota Health Care Limited		99,994      99.99
<b>6</b>	<b>Other Equity</b>	
	<b>a. Retained Earnings</b>	
	Opening balance	-
	Profit for the year	(1.66)
	<b>b. Other comprehensive income of the year</b>	-
<b>Closing Balance</b>		<b>(1.66)</b>
<b>7</b>	<b>Trade Payables</b>	
	Professional Service Creditors	0.49
	<b>Total</b>	<b>0.49</b>
<b>8</b>	<b>Other Current Liabilities</b>	
	Zota Healthcare Limited	1.28
	<b>Total</b>	<b>1.28</b>

**DAVAINDIA HEALTH MART LIMITED**

**Notes forming part of Standalone financial statements as at and for the year ended 31st March, 2020**

Note No.	P A R T I C U L A R S	for the year ended 31st March, 2020
<b>9</b>	<b>Other Expenses</b>	
	Audit Fees	10,000
	Consultancy Charges	37,500
	GST Expenses	5,100
	Issuer Admission Processing Fees	15,833
	ROC Expenses	94,751
	Stationery and Printing Expenses	3,000
	<b>Total</b>	<b>1,66,184</b>