B S R & Co. LLP
Chartered Accountants

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Independent Auditors' Report

To the Board of Directors of Alkem Laboratories Limited

Report on the Audit of the Consolidated financial statements

Opinion

At the request of Alkem Laboratories Limited, the Ultimate Holding Company ('the GUP') of ThePharmanetwork LLC (hereinafter referred to as 'TPN group' or 'the Company'), a New Jersey Limited Liability Company, we have audited the accompanying consolidated financial statements of the Company, which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), prepared and presented solely to facilitate the preparation of the consolidated financial statements of the Ultimate Holding Company- Alkem Laboratories Limited, in terms of section 129(3) of the Indian Companies Act, 2013 (the "Act") and in accordance with the requirements of the Schedule III to the Act.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the basis of preparation as set out in 1B-1.1 of the consolidated financial statements and Group Accounting Policies of Alkem Laboratories Limited, of the state of affairs as on 31 March 2021 and its profit (including other comprehensive income), the changes in equity and cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India ('ICAI') and in particular SA 800 "Special Considerations – Audit of Financial Statements prepared in accordance with Special Purpose Frameworks. Our responsibilities under those SAs 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 and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Consolidated financial statements

The Ultimate Holding Company and the TPN group management are responsible for the preparation of these Consolidated financial statements that gives a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the TPN Group in accordance with the accounting policies followed by the Ultimate Holding Company –Alkem Laboratories Limited, in preparing its Consolidated financial statements ("Group Accounting Policies") and the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Indian Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these Ind AS financial statement based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) and in particular SA 800 'Special Considerations -Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks'. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in these Consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of these financial statements, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the entity's preparation and fair presentation of these Consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of these Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Consolidated financial statements.

Other Matter

Without modifying our opinion, we draw attention to Note 1B-1.1 to these Consolidated financial statements, which describes the basis of accounting. These financial statements are "special purpose financial statements " and do not constitute a set of statutory financial statements in accordance with the local laws in which the Entity is incorporated and are prepared for the sole purpose of consolidation of the financial statements of the TPN Group with Ultimate Holding Company– Alkem Laboratories Limited.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648
UDIN: 21048648AAAABE8866

Mumbai
25 May 2021

ThePharmaNetwork, LLC

Consolidated Financial Statements
Balance Sheet as at 31 March 2021

Particulars	Note No.	As at 31 March 2021 USD	As at 31 March 2020 USD
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	224,836	286,276
(b) Capital work in progress	3.1	-	565,487
(c) Goodwill	3.29	857,098	857,098
(d) Other intangible assets	3.1	2,580,970	2,488,154
(e) Financial assets			
(i) Investments	3.2	809,029	553,401
(ii) Loans	3.3	1,000,000	1,000,274
Total non-current assets		5,471,933	5,750,690
2 Current assets			
(a) Inventories	3.4	103,236,514	91,133,588
(b) Financial assets			
(i) Trade receivables	3.5	114,788,683	126,338,219
(ii) Cash and cash equivalents	3.6	4,115,637	5,726,103
(iii) Loans	3.7	593,059	-
(iv) Other financial assets	3.8	26,732,177	21,223,061
(c) Other current assets	3.9	1,619,404	3,134,316
Total current assets		251,085,474	247,555,287
TOTAL ASSETS		256,557,407	253,305,977
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Member's capital	3.10	9,561,556	9,561,556
(b) Other equity	3.11	85,646,244	84,046,099
Total equity		95,207,800	93,607,655
2 Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	3.12	392,021	680,924
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	26,000,000	22,131,109
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	3.14	-	-
Total outstanding dues of creditors other than micro and small enterprises	3.14	128,047,609	130,817,145
(iii) Other financial liabilities	3.15	4,163,644	3,609,440
(b) Provisions	3.16	2,581,684	2,457,304
(c) Other current liabilities	3.17	164,649	2,400
Total current liabilities		160,957,586	159,017,398
TOTAL EQUITY AND LIABILITIES		256,557,407	253,305,977

Significant accounting policies	*1B*
Notes to the consolidated financial statements	*3*

The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
25 May 2021

For and on behalf of the Board of Directors of ThePharmaNetwork LLC

Amit Ghare
Director

John Dillaway
Director

James Giuliano
Director

Parsippany, New Jersey, USA
24 May 2021

ThePharmaNetwork, LLC

Consolidated Financial Statements
Statement of Profit and Loss for the year ended 31 March 2021

Particulars	Note No.	For the Year ended 31 March 2021 USD	For the Year ended 31 March 2020 USD
1 Income			
(a) Revenue from operations	3.18	324,335,730	303,009,889
(b) Other Income	3.19	207,064	-
Total income		324,542,794	303,009,889
2 Expenses			
(a) Cost of materials consumed	3.20	13,417,181	6,101,469
(b) Purchases of stock-in-trade		281,017,660	285,469,073
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	3.21	(8,154,675)	(42,737,031)
(d) Employee benefits expense	3.22	7,994,166	7,397,282
(e) Finance costs	3.23	374,036	629,099
(f) Depreciation and amortisation expense	3.1	888,003	811,097
(g) Other expenses	3.24	27,406,278	28,898,955
Total expenses		322,942,649	286,569,944
3 Profit before tax (1) - (2)		1,600,145	16,439,945
4 Tax expenses (refer note 1.15)		-	-
5 Profit for the year (3) - (4)		1,600,145	16,439,945
6 Other comprehensive income			
(a) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(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		-	-
7 Total comprehensive income for the year (5) + (6)		1,600,145	16,439,945
8 Basic and diluted earnings per unit	3.27	0.02	0.25

Significant accounting policies *1B*
Notes to the consolidated financial statements *3*
The accompanying notes are an integral part of these financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
25 May 2021

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Director

John Dillaway
Director

James Giuliano
Director

Parsippany, New Jersey, USA
24 May 2021

ThePharmaNetwork, LLC

Consolidated Financial Statements
Statement of Changes in Equity for the year ended 31 March 2021

USD

(a) Member's capital

Particulars	As at 31 March 2021 No. of Shares	As at 31 March 2021 Amount	As at 31 March 2020 No. of Shares	As at 31 March 2020 Amount
Balance at the beginning of the reporting year	66,501,766	9,561,556	66,501,766	9,561,556
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	66,501,766	9,561,556	66,501,766	9,561,556

(b) Other Equity

Particulars	USD Retained Earnings	USD Total other equity
Balance as at 1 April 2019	67,606,154	67,606,154
Total Comprehensive income		
Profit for the year	16,439,945	16,439,945
Other Comprehensive Income	-	-
Balance at 31 March 2020	84,046,099	84,046,099
Total Comprehensive income		
Profit for the year	1,600,145	1,600,145
Other Comprehensive Income	-	-
Balance as at 31 March 2021	85,646,244	85,646,244

The Description of the nature and purpose of each reserve within equity as follows:

Retained Earnings: Retained earnings are the profits that the company has earned till date, less any transfers to statutory reserve and dividends distributed to members.

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

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
25 May 2021

For and on behalf of the Board of Directors of ThePharmaNetwork, LLC

Amit Ghare
Director

John Dillaway
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James Giuliano
Director

Parsippany, New Jersey, USA
24 May 2021

ThePharmaNetwork, LLC

Consolidated Financial Statements
Statement of Cash Flow for the year ended 31 March 2021

Particulars	Year ended 31 March 2021 USD	Year ended 31 March 2020 USD
A. Cash Flow from Operating activities		
Profit before Tax	**1,600,145**	16,439,945
Adjustments for :		
Depreciation	**888,003**	811,097
Interest expense	**374,036**	629,099
Profit on Sale of Investments	**(207,064)**	-
Operating Profit before Working Capital Changes	**2,655,120**	17,880,141
Adjustments for :		
Increase in Inventories	**(12,102,926)**	(42,922,779)
Decrease / (Increase) in Trade receivables	**11,549,536**	(31,925,665)
Increase in Other current assets	**(4,587,263)**	(3,280,562)
(Decrease) / Increase in Trade Payables	**(2,769,537)**	53,633,143
Increase / (Decrease) in Other Current Liabilities	**686,201**	(1,060,961)
Increase in Provisions	**124,380**	2,457,304
Cash generated from / (used in) Operations	**(4,444,489)**	(5,219,379)
Less: Income taxes paid	-	-
Net cash used in operating activities	**(4,444,489)**	(5,219,379)
B. Cash Flow from Investing activities		
Purchase of property, plant and equipment	**(353,891)**	(615,173)
Investment in venture capital funds	**(48,564)**	(356,817)
Loan given to related party (net)	**274**	(1,000,000)
Net cash used in Investing activities	**(402,181)**	(1,971,990)
C. Cash Flow from Financing activities		
Proceeds from current borrowings	**3,868,891**	13,027,882
Repayment of lease liabilities	**(258,652)**	(241,823)
Interest paid	**(374,036)**	(629,099)
Net cash generated from Financing activities	**3,236,204**	12,156,961
Net (decrease) / increase in cash and cash equivalents	**(1,610,466)**	4,965,591
Cash and cash equivalents at the beginning of the year	**5,726,103**	2,067,769
Cash and cash equivalents at the end of the year	**4,115,637**	7,033,361

Notes :

1) Cash and cash equivalents include :

Particulars	**As at 31 March 2021 USD**	**As at 31 March 2020 USD**
Cash and Bank balances **(Refer Note 3.6)**	**4,115,637**	5,726,103
Exchange difference (Unrealised (Gain) / Loss)	-	-
Total	**4,115,637**	5,726,103

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"

2. Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.

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ThePharmaNetwork, LLC

Consolidated Financial Statements
Statement of Cash Flow for the year ended 31 March 2021

USD
3) Debt reconciliation in accordance with Ind AS 7

Particulars	Current Borrowings
As at 1 April 2019	9,103,227
Cash flows (net)	13,027,882
As at 31 March 2020	22,131,109
Cash flows (net)	3,868,891
As at 31 March 2021	**26,000,000**

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

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
25 May 2021

For and on behalf of the Board of Directors of ThePharmaNetwork, LLC

Amit Ghare
Director

John Dillaway
Director

James Giuliano
Director

Parsippany, New Jersey, USA
24 May 2021

ThePharmaNetwork, LLC

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

1A General Information

ThePharmaNetwork, LLC **(the "Company")** is engaged in development, marketing, licensing of generic pharmaceuticals and active pharmaceutical ingredients (API). The Company's products are sold in various strengths and sizes to major drug wholesalers, drug chains, mass merchandisers, supermarket pharmacies and managed care companies in the United States. These consolidated financial statements comprise the Company and its subsidiary (collectively the 'Group')

1B Significant Accounting Policies:

1.1 Basis of preparation of Financial Statements:

a) Statement of compliance

The consolidated financial statements of the Group as at and for the year ended 31 March 2021 have been prepared in accordance with the Group accounting policies as adopted by its Ultimate Holding Company, Alkem Laboratories Limited (hereinafter referred to as "Alkem") which is as per the Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act, to the extent applicable.

These consolidated financial statements are "special purpose financial statements/financial information" and do not constitute a set of statutory financial statements in accordance with the local laws in which the Company is incorporated and are prepared for the sole purpose of consolidation of the Ind AS financial statements of the Group with Alkem.

The consolidated financial statements are prepared in United States Dollar ("USD") except for unit data, per unit data and all the amounts have been rounded off to the nearest USD unless otherwise stated.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2**. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Group presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) 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 classified as current when:
a) it is expected to be settled in normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period
d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current

c) Basis of measurement

These consolidated financial statements are prepared under historical cost convention unless otherwise indicated.

1B Significant Accounting Policies: *(Continued)*

1.1 Basis of preparation of Financial Statements: *(Continued)*

d) Functional and Presentation Currency

These consolidated financial statements are presented in USD, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities it controls, both unilaterally and jointly.

(a) Accounting for Subsidiaries

A subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and profits/losses, unless cost/revenue cannot be recovered.

The details of the subsidiaries consolidated are as below:

Name of Subsidiaries	Principal place of Business	% of Shareholding and voting power	
		As at March 31 2021	As at March 31 2020
Ascend Laboratories, LLC	United States of America	100%	100%
S & B Pharma LLC (w.e.f. 8th April, 2020)	United States of America	100%	NA

(b) Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Business Combination

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

Business combination between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, none of the assets or liabilities are restated to their fair values. Instead, the acquirer incorporates carrying values from the date on which the business combination between entities under common control occurred.

1B Significant Accounting Policies: *(Continued)*

1.3 Property, plant and equipment

i) Recognition and Measurement

a) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

b) If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, plant and equipment.

c) Any gain or loss on disposal of an item of property plant and equipment is recognised in consolidated statement of profit and loss.

d) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under other non-current assets.

ii) Subsequent expenditure

Subsequent expenditure relating to the property, plant and equipment (PPE) is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

iii) Depreciation and amortisation:

Property, plant and equipment ('PPE') are stated at cost less accumulated depreciation. Depreciation and amortisation is computed using the straight-line basis over the useful lives of the assets. Maintenance, repairs, and renewals that neither materially add to the value of the property, nor appreciably prolong its life, are charged to expense as incurred. Gains and losses on dispositions of assets are included in

Tangible Assets	Useful Life
Leasehold improvements	7 - 39 years
Furniture and Fixtures	5 years
Office Equipments	5 Years

1.4 Intangible Assets:

i) Recognition and measurement

Research and development	Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Goodwill	Goodwill is initially recognised based on the accounting policy for business combinations (**refer note 1.2 (c)**). These assets are not amortised but are tested for impairment annually.
Other intangible assets	Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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1B Significant Accounting Policies: *(Continued)*

1.4 Intangible Assets: *(Continued)*

iii) Amortisation

The Group amortizes intangible assets with finite lives over their estimated useful lives and reviews them for impairment annually or whenever impairment exists. The Group continually evaluates whether events or changes in circumstances might indicate that the remaining estimated useful life of long-lived assets may warrant revision, or that the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, the Company uses an estimate of the related undiscounted cash flows in measuring whether the long-lived asset should be written down to fair value. Measurement of the amount of impairment would be based on generally accepted valuation methodologies, as deemed appropriate.

The estimated useful lives for current and comparative periods are as follows:

Intangible Assets	Useful Life
Computer Software	3 Years
Other Intangible assets -Technology	15 Years

1.5 Impairment of non-financial assets:

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. 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, if no impairment loss had been recognised.

1.6 Leases:

The Group assesses whether a contract contains a lease, at 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 Group assesses whether:
(i) the contract involves the use of an identified asset;
(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability or 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 Group 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 the lease before the end of the lease term, but the renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using discount rates generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

1B Significant Accounting Policies: *(Continued)*

1.7 Financial instruments

Recognition initial measurement:
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement
Financial Assets
On initial recognition, a financial asset is classified as measured at
• amortised cost:
• FVOCI -debt investment:
• FVOCI -equity investment: or
• FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

• the asset is held within a business model whose objective is to hold assets to collect contractual cash flows: and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

• the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

• how the performance of the portfolio is evaluated and reported to the Group's management:

• the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

• how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected: and

• the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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1B Significant Accounting Policies: *(Continued)*

1.7 Financial instruments *(Continued)*

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Group considers:

• contingent events that would change the amount or timing of cash flows:

• terms that may adjust the contractual coupon rate. including variable interest rate features:

• prepayment and extension features: and

• terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued {but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or 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 Group neither transfers not retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized 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 derecognized.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.
The Group also derecognises a financial liability when it terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based 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 or loss.

1B Significant Accounting Policies: *(Continued)*

1.7 Financial instruments *(Continued)*

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Equity instruments

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

1.9 Inventories:

a) Raw Materials and Packing Materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in price of materials indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on moving weighted average basis.

b) Finished Goods and Work–in–Progress are valued at lower of cost (on Moving weighted average basis) and net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities and other overheads. Trading Goods are valued at lower of cost (on Moving weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.10 Revenue Recognition:

Sale of Goods:

a) Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, allowances, chargebacks, rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts, chargebacks, rebates, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

b) Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

c) Revenue (including in respect of insurance or other claims, etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.

d) Interest income is recognized using the effective interest rate (EIR) method.

1.11 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions. The functional and presentation currency of the Company is **USD**.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

1B Significant Accounting Policies: *(Continued)*

1.12 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of 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.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

1.13 Earnings per units

Earnings per unit is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per units is computed using the weighted average number of equity and dilutive equity equivalent units outstanding during the period except where the results would be anti-dilutive.

1.14 Cash and cash equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

1.15 Income Taxes

A Single member liability company is a disregarded entity for tax purposes and income and losses are reported on the sole owner's tax return. Therefore, no provision or liability for income taxes has been included in financial statements.

1.16 Segment reporting

The Group operates in one reportable business segment i.e. "Pharmaceuticals".

1.17 Employee Benefits:

Defined Contribution Plan:

Group's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss. The Group's contribution towards employee fund for eligible employees are considered to be defined contribution plan for which the Group made contribution on monthly basis.

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2 Critical accounting judgements and key sources of estimation uncertainty

The Group prepares its financial statements in accordance with Ind AS as issued by the MCA, the application of which often requires judgments to be made by management when formulating the Group's financial position and results. The Directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of significant accounting policies which are provided in **Note 1** to these consolidated financial statements, 'Significant accounting policies'.

a. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

b. Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

c. Product Returns and Other Allowances

In the pharmaceutical industry, customers are normally granted the right to return product for credit if the product has not been used prior to its expiration date. The Group's return policy typically allows product returns for products within a twelve month window from six months prior to the expiration date and up to six months after the expiration date. The Group accrues 1% of WAC at the time of invoicing. This percentage was determined based on actual return rate history. The Group estimates the level of sales that will ultimately be returned, pursuant to its return policy, and records a related allowance at the time of sale. These amounts are deducted from gross sales to determine net revenues. These estimates take into consideration historical returns of the products and the Group's future expectations. The Group periodically reviews the allowances established for returns and adjusts them based on actual experience, as necessary. The primary factors considered in estimating potential product returns include shelf life and expiration date of each product and historical levels of expired product returns. If the Group becomes aware of any returns due to product quality related issues, this information is used to estimate an additional allowance. The Group provides for an allowance related to returns resulting from product recalls, in the period that such recalls occur. The amount of actual product return could be either higher or lower than the amounts provided. Changes in these estimates, if any, would be recorded in the income statement in the period the change is determined. If the Group over or under estimates the quantity of product that will ultimately be returned, there may be a material impact to its financial statements.

Sales discounts such as prompt payment discounts are provided for at the time of sale based on each customers payment terms. Trade discounts are provided at the time of invoice or via a customer deduction.

Customer Rebates and Admin Fees are accrued for at the time of invoice, based on direct and indirect purchases. If the purchases are direct (purchases made by end use customers directly from the Company), the rebates are recognised when products are purchased by customer and a periodic credit is given. For indirect purchases (purchases by end use customers through wholesale customers), the rebates are recognised based on the terms with such customer and validated against available chargeback data. Medicaid rebates are accrued at the time of invoice based on the historical payment data the Company receives from the 3rd Party Rebate Processors, CIS which manages the reporting of the final dispensing of the products by a pharmacy to a benefit plan participant.

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2 Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

c. Product Returns and Other Allowances *(Continued)*

Shelf stock adjustments are sometimes required as per contractual agreements which are known at the time of the decision to make a price change. Factors considered when recording an allowance for shelf stock adjustments include estimated launch dates of competing products based on market intelligence, estimated decline in market price of products based on historical experience and input from customers, and levels of inventory held by customers at the date of the pricing adjustments.

d. Chargebacks

The Company considers the following factors in the determination of estimates of sales chargebacks:

i) The historical data of chargebacks as a percentage of sales, as well as actual chargeback reports received from primary wholesaler customers are analyzed on a monthly basis.

ii) Volume of all products sold to wholesaler customers and the average chargeback rates for the prior 60 days as compared to the previous months prior 60 day average.

iii) The Company utilizes data on remaining inventories on hand at primary wholesaler customers at the end of each reporting period in the calculation of estimates for analytical reporting and audit purposes.
iv) The sales trends, wholesale acquisition cost (WAC), the contract prices with the retailers, chain stores, managed care organizations (end-users), and wholesaler customer's contract prices.
Such estimated amounts, in addition to certain other allowances, are deducted from the Company's gross sales to determine net revenues. The amount of actual chargebacks claimed could be either higher or lower than the amounts accrued. Changes in estimates, if any, would be recorded in the income statement in the period the change is determined. If the Company materially over or under estimates the amount that will ultimately be charged back to it by its wholesale customers, there could be a material impact on the Company's financial statements. The reasonableness of each reserve is reviewed on a monthly basis.

e. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Company uses market-observable data to the extent it is available.

Notes to the Consolidated Financial Statements *(Continued)*

as at 31 March 2021

3.1 Property, Plant and Equipment, Other Intangible Assets and Capital Work in Progress

USD

	Property, plant and equipment				Other Intangible assets				
	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Total	Computer Software	Right of use asset	Technology	Total	Capital work in progress
At Cost									
As at 1 April 2019	122,272	79,075	440,741	**642,088**	962,315	-	2,416,938	**3,379,253**	-
Additions	-		-	-	50,000	1,181,398	-	**1,231,398**	
Deletions	-	18,365	-	**18,365**	-	-	-	-	
As at 31 March 2020	**122,272**	**60,710**	**440,741**	**623,723**	**1,012,315**	**1,181,398**	**2,416,938**	**4,610,651**	-
Additions	-	22,571		**22,571**	**896,607**		-	**896,607**	
Deletions	-		-	-	-	-	-	-	
As at 31 March 2021	**122,272**	**83,281**	**440,741**	**646,294**	**1,908,922**	**1,181,398**	**2,416,938**	**5,507,258**	-
Depreciation and Amortisation									
As at 1 April 2019	27,314	47,063	187,879	**262,256**	624,106	-	780,536	**1,404,642**	-
Depreciation/amortisation charge for the year	7,698	11,858	69,277	**88,833**	279,614	247,539	195,112	**722,264**	-
Adjustments		4,409		**4,409**	(4,409)			**(4,409)**	
Deductions		(18,052)		**(18,052)**	-	-			
As at 31 March 2020	**35,012**	**45,278**	**257,156**	**337,446**	**899,311**	**247,539**	**975,647**	**2,122,497**	-
Depreciation/amortisation charge for the year	**7,698**	**10,048**	**66,266**	**84,012**	**361,540**	**247,339**	**195,111**	**803,991**	-
Adjustments	-		-	-	**(200)**	-	-	**(200)**	-
Deductions	-		-	-	-	-		-	-
As at 31 March 2021	**42,710**	**55,326**	**323,422**	**421,458**	**1,260,651**	**494,878**	**1,170,759**	**2,926,288**	-
Net Book Value									
As at 31 March 2020	87,260	15,431	183,585	286,276	113,004	933,859	1,441,291	2,488,154	565,487
As at 31 March 2021	**79,562**	**27,954**	**117,320**	**224,836**	**648,271**	**686,520**	**1,246,179**	**2,580,970**	-

Note:

1. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation expense	84,012	88,833
Amortisation expense	803,991	722,264
Total	**888,003**	811,097

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ThePharmaNetwork, LLC

Notes to the Consolidated Financial Statements *(Continued)*

as at 31 March 2021

	Particulars	As at 31 March 2021	As at 31 March 2020
		USD	USD
3.2	**Investments:**		
	Investment in venture capital fund (unquoted)	809,029	553,401
	TOTAL	809,029	553,401
3.3	**Non current loans:**		
	(Unsecured, considered good unless otherwise stated)		
	Loans and advances to related party	1,000,000	1,000,274
	TOTAL	1,000,000	1,000,274

Note: Above include amount due from related parties **USD 1,000,000** (31 March 2020: USD 1,000,274) - **Refer Note 3.31**

	Particulars	As at 31 March 2021	As at 31 March 2020
3.4	**Inventories:**		
	Raw and packing materials	8,196,551	4,248,300
	Work-in-progress	853,152	373,897
	Finished goods	4,275,547	1,975,550
	Stock-in Trade	89,911,264	84,535,841
	TOTAL	103,236,514	91,133,588

Note: The Group follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2021 is **USD 23,111,990** (31 March 2020: USD 9,125,955)

	Particulars	As at 31 March 2021	As at 31 March 2020
3.5	**Trade Receivables:**		
	(Unsecured)		
	Considered good	114,788,683	126,338,219
	Credit impaired	2,582	128,553
	Less: Loss allowances	(2,582)	(128,553)
	TOTAL	114,788,683	126,338,219
3.6	**Cash and cash equivalents:**		
	Balance with Banks:		
	In Current Accounts	4,115,637	5,726,103
	TOTAL	4,115,637	5,726,103
3.7	**Current Loans:**		
	Loans and Advances to Employees	593,059	-
	TOTAL	593,059	-

Note: Above loans include amount due from related parties **USD 593,059** (31 March 2020: USD Nil) - **Refer Note 3.31**

	Particulars	As at 31 March 2021	As at 31 March 2020
3.8	**Other Financial Assets:**		
	Other receivables	26,732,177	21,223,061
	TOTAL	26,732,177	21,223,061

Note: Above include amount due from related parties **USD 26,732,177** (31 March 2020: USD 21,223,061) - **Refer Note 3.31**

	Particulars	As at 31 March 2021	As at 31 March 2020
3.9	**Other Current Assets**		
	Advance to Suppliers	1,520,000	2,739,662
	Prepaid Expenses	99,404	394,654
	TOTAL	1,619,404	3,134,316

Note: Above Advances to supplier include advances give to related parties **USD 1,500,000** (31 March 2020- Nil)- **Refer Note 3.31**

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Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2021

Particulars	As at 31 March 2021 USD	As at 31 March 2020 USD
3.10 Member's Capital:		
Member's Capital	9,561,556	9,561,556
TOTAL	9,561,556	9,561,556

(a) Reconciliation of the number of units outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2021 Number of Units	As at 31 March 2020 Number of Units
At the commencement and at the end of the year	66,501,766	66,501,766

(b) Details of members holding more than 5% shares in the Company:

Name of the member:	Percentage of Holding	As at 31 March 2021 Number of Units	As at 31 March 2020 Number of Units
S&B Holdings B.V., Netherlands	100%	66,501,766	66,501,766

3.11 Other equity		
Retained Earnings:		
At the commencement of the year	84,046,099	67,606,154
Add: Profit for the year	1,600,145	16,439,945
At the end of the year	85,646,244	84,046,099
TOTAL	85,646,244	84,046,099
3.12 Other Non current Financial liabilities		
Lease Obligation **(Refer note 3.33)**	392,021	680,924
TOTAL	392,021	680,924
3.13 Current borrowings:		
Secured		
Loans repayable on demand from Banks	26,000,000	22,131,109
TOTAL	26,000,000	22,131,109

Note: Working Capital loan of **USD 26,000,000** (31 March 2020 USD 22,131,109) from bank includes revolving credit line taken on 3 October 2017 ('closing date') by ThePharmaNetwork, LLC (along with Ascend Laboratories, LLC) are secured upto USD 30,000,000 by issue of ABF Revolving Credit Facility by Citi bank NA which is secured by a continuing lien on security interest in all of the Collateral, whether in the form of cash or other property and whether tangible or intangible as well as Inventory, Receivables, Equipment and intellectual property of The PharmaNetwork, LLC (alongwith Ascend Laboratories, LLC). Interest on this Revolving Credit Facility is payable monthly in arrears on the first business day of each month at a rate equal to 1.25% plus daily LIBOR. This agreement is in affect until 2 April 2023.

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	Particulars	As at 31 March 2021 USD	As at 31 March 2020 USD
3.14	**Trade Payables:**		
	total outstanding dues of micro enterprises & small enterprises	-	-
	total outstanding dues of creditors other than micro enterprises & small enterprises	128,047,609	130,817,145
	TOTAL	128,047,609	130,817,145

Note: Above Trade payables include amount due to related parties **USD 121,460,885** (31 March 2020: USD 118,949,946) - **Refer Note 3.31**

	Particulars	As at 31 March 2021 USD	As at 31 March 2020 USD
3.15	**Other Current Financial Liabilities**		
	Employee payables	1,876,380	1,298,755
	Accrual for Expenses	1,998,362	2,052,034
	Lease Obligation **(Refer note 3.33)**	288,902	258,651
	TOTAL	4,163,644	3,609,440
3.16	**Provisions:**		
	Provision for anticipated sales returns **(Refer note 3.28)**	2,581,684	2,457,304
	TOTAL	2,581,684	2,457,304
3.17	**Other Current Liabilities:**		
	Due to statutory authorities	7,149	2,400
	Advances from Customer	157,500	-
	TOTAL	164,649	2,400

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Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

	Particulars	For the Year ended 31 March 2021 USD	For the Year ended 31 March 2020 USD
3.18	**Revenue from Operations:**		
	Sale of products	324,335,730	303,009,889
	TOTAL	324,335,730	303,009,889

Disclosure as required under Ind AS 115 - Revenue from contracts with customers

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2021 USD	Year ended 31 March 2020 USD
Revenue as per contracted price	816,857,025	818,476,558
Adjustments:		
Less: Sales return	8,311,432	8,945,285
Less: Chargebacks, discounts & rebates	484,209,863	506,521,384
Revenue from contract with customers	324,335,730	303,009,889
Other operating revenue	-	-
Revenue from Operations	324,335,730	303,009,889

3.19	**Other Income:**		
	Profit on sale of investments	207,064	-
	TOTAL	207,064	-
3.20	**Cost of materials consumed:**		
	Cost of raw and packing materials consumed	13,417,181	6,101,469
	TOTAL	13,417,181	6,101,469
3.21	**Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress:**		
	Opening Stock:		
	Finished goods	1,975,550	5,000,269
	Stock-in-trade	84,535,841	38,518,581
	Work-in-progress	373,897	629,407
		86,885,288	44,148,257
	Less: Closing stock:		
	Finished goods	4,275,547	1,975,550
	Stock-in-trade	89,911,264	84,535,841
	Work-in-progress	853,152	373,897
		95,039,963	86,885,288
	TOTAL	(8,154,675)	(42,737,031)
3.22	**Employee Benefits Expense:**		
	Salaries, wages and bonus	7,047,895	6,518,494
	Contribution to employee funds **(Refer note 3.26)**	286,775	198,661
	Employees' welfare expenses	659,496	680,127
	TOTAL	7,994,166	7,397,282

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ThePharmaNetwork, LLC

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

	Particulars	For the Year ended 31 March 2021 USD	For the Year ended 31 March 2020 USD
3.23	**Finance Costs:**		
	Interest on borrowings	**264,402**	518,629
	Other borrowing cost	**109,634**	110,470
	TOTAL	**374,036**	629,099

	Particulars	For the Year ended 31 March 2021 USD	For the Year ended 31 March 2020 USD
3.24	**Other Expenses:**		
	Rent **(Refer note 3.33)**	**31,928**	20,888
	Rates and taxes	**345,326**	300,601
	Insurance	**976,877**	769,322
	Marketing and promotions	**223,327**	502,869
	Processing charges	**9,600,887**	8,586,768
	Selling and distribution expenses	**9,043,430**	6,597,992
	Legal and professional Fees	**2,312,072**	2,404,072
	Travelling and conveyance	**31,631**	688,166
	Repairs:		
	- Others	**841,424**	739,466
	Loss on sale of property, plant and equipments (net)	**-**	314
	Communication and printing expenses	**186,351**	207,846
	Allowances for doubtful debts	**2,943**	156,368
	License, registration & technology fees	**52,091**	49,433
	Royalty Expenses	**3,224,502**	6,302,949
	Miscellaneous expenses	**533,489**	1,571,901
	TOTAL	**27,406,278**	28,898,955

ThePharmaNetwork, LLC

Notes to the Consolidated Financial Statements *(Continued)*
for the year ended 31 March 2021

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3.25 Contingent Liabilities and Commitments

a) Contingent Liabilities

The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required in its financial statements. The Group does not expect the outcome of these proceedings to have materially adverse effect on its financial statements and there are no contingent liabilities as on 31 March 2021.

b) Commitments

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	Uncalled/ Unpaid contribution towards investment in funds	255,628	356,101

3.26 Disclosure of Employee Benefits

The Company has maintained a 401(k) Safe Harbor Profit Sharing Plan ("Plan") to provide retirement and incidental benefits for its eligible employees. Employees may contribute from 1% to 15% of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Company contributes 100% of each dollar of elective contributions each eligible participant makes each plan year, up to the limit of 4% of gross pay. All safe harbor contributions vest immediately. The Plan requires that the contribution be placed in a trust fund in accordance with the Group Annuity Contract between the trustee, Merrill Lynch, Bank of America.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
- Contribution to 401 (k) Safe Harbor Plan ("Plan")	286,775	198,661

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3.27 Earnings per unit of common stock

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Profit /(loss) after tax attributable to members	1,600,145	16,439,945
Weighted average number of units of common stock outstanding during the year (in numbers)	66,501,766	66,501,766
Basic and diluted earnings per unit of common stock	0.02	0.25

3.28 Disclosure as per Indian Accounting Standard (Ind AS 37) for provisions is as under:

Provision for anticipated sales return:
The Company as a trade practice, accepts sales return from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amount at the beginning of the year	2,457,304	1,307,258
Add: Provision made during the year	8,311,432	8,945,285
Less: Amount used/utilized during the year	(8,187,052)	(7,795,239)
Carrying amount at the end of the year	2,581,684	2,457,304

Particulars	As at 31 March 2021	As at 31 March 2020
Non current provision	-	-
Current provision	2,581,684	2,457,304
Total	2,581,684	2,457,304

3.29 Impairment testing for cash operating unit (CGU) containing goodwill

Goodwill was assigned on the purchase of Medical Speciality Consultants ('MSC'), LLC for a total of **USD 857,098**. Contingency payments have been valued based upon the revenues and cash flows from this activity which have remained fairly consistent since the acquisition.

The Group evaluated goodwill for impairment using cash flow projections for next five years and have determined the value of those cash flows to be in excess of the current carrying value of goodwill. As revenues are forecasted to continue, the Group concluded that a positive assertion can be made from the qualitative assessment that it is not more likely than not that the fair value of the reporting unit is less that it's carrying amount.

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, no impairment was identified for above goodwill as at 31 March 2021 and 31 March 2020 as the recoverable value of the goodwill exceeded the carrying value.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. The Directors have concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

The table below shows the key assumptions used in the value in use calculations:

Particulars	MSC
Pre-tax adjusted discount rate (in %)	13.83%
Long-term growth rate (in %)	2.00%

Key assumptions used in the value-in-use calculations

Assumptions	How determined
Long-term growth rate	The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on market development. The weighted average growth rates used were consistent with industry reports
Pre-tax risk adjusted discount rate	Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC)

3.30 Segment Reporting

Basis for Segmentation
The operations of the Group are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group (adjusted for intercompany eliminations, adjustments etc.) on a periodic basis.

Entity-wide disclosures
The geographical information analyses the group's revenues and non-current assets by the company's country of domicile (i.e. USA) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographic location of the assets.

The Group derives external revenue only from its country of domicile i.e. United States of America.

The Group has external revenue from three customers which exceeded 10% of total revenue individually and in aggregate account for 77% and 79% for the year ended 31 March 2021 and 31 March 2020 respectively.

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3.31 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2021

The Group's principal related parties consist of its ultimate holding company, holding company, key managerial personnel and fellow subsidiaries. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business.

A. List of related parties and their relationship

A **Company whose control exists (Ultimate Holding Company)**	
Alkem Laboratories Limited	India
B **Company whose control exists (Holding Company)**	
S & B Holdings B.V.	Netherlands
C **Fellow Subsidiary**	
S & B Pharma Inc.	United States of America
Cachet Pharmaceuticals Pvt. Ltd	India
Indchemie Health Specialities Pvt. Ltd.	India
Enzene Biosciences Ltd.	India
Alkem Foundation	India
Connect 2 Clinic India Private Limited (w.e.f 12th June, 2020)	India
Ascend Laboratories (UK) Ltd.	United Kingdom
Ascend Laboratories (PTY) Limited (Formerly known as Alkem Laboratories (PTY) Limited)	South Africa
Ascend Laboratories Ltd.	Canada
The Pharma Network, LLP	Kazakhstan
Pharamcor Pty Limited	Australia
Ascend Laboratories SpA	Chile
Pharma Network SpA (Wholly owned by Ascend Laboratories SpA)	Chile
Alkem Laboratories Corporation	Philippines
Ascend GmbH (formerly known as Alkem Pharma GmbH)	Germany
Ascend Laboratories SDN BHD.	Malaysia
Alkem Laboratories Korea Inc	Korea
Pharmacor Ltd.	Kenya
Ascend Laboratories SAS (w.e.f. 4th June 2019)	Colombia
D **Key Managerial Personnel ("KMP")**	
Mr. B.N. Singh	Director
Mr. Sandeep Singh	Director
Mr. Amit Ghare	Director
Mr. William Moran	Director
Mr. John Dillaway	Director
Mr. James Giuliano	Director
Mr. R L Shenoy	Director
Mr. Hindy Schiff	Director
Mr. Schuyler Van Winkl	Director

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Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

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3.31 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2021 ***(continued)***

Details of Transactions with Related Parties

Sr. No.	Particulars	Key Managerial personnel	Ultimate Holding Company	Holding Company	Fellow Subsidiary
1	Purchase of stock in trade	-	213,214,947	-	7,685,279
		-	(189,024,275)	-	(3,833,724)
2	Reimbursement of expenses by	-	247,311	-	142,348
		-	(825,640)	-	(148,721)
3	Reimbursement of expenses to	-	3,373,083	-	-
		-	(2,187,090)	-	-
4	Loan given	-	-	-	1,000,000
		-	-	-	(1,000,000)
5	Loan given repaid	-	-	-	1,000,000
		-	-	-	-
6	Interest on loan given	-	-	-	6,036
		-	-	-	(274)
7	Advances given	-	-	-	1,500,000
		-	-	-	-
8	Royalty expense	-	551,299	-	-
		-	(201,567)	-	(1,182,912)
9	Tax paid by the Company on behalf of	-	-	5,271,004	-
		-	-	(2,099,000)	-
10	Loan and advances given to Key Managerial Personnel	700,749	-	-	-
		-	-	-	-
11	Loan and advances repaid by Key Managerial Personnel	107,690	-	-	-
		-	-	-	-
12	Remuneration to Key Managerial Personnel				
	Short term employee benefits - Salary and allowances	1,857,840	-	-	-
		(1,343,897)	-	-	-

The Company's management is of the view that all the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

Figures in the brackets are the corresponding figures of the previous year.

Balance due from / to the related Parties as at 31 March 2021

Sr. No.	Particulars	Holding Company	Ultimate Holding Company	Fellow Subsidiary	Total
1	Trade Payables	-	120,356,499	1,104,386	121,460,885
2	Other receivables	22,716,106	999,956	3,016,115	26,732,177
3	Advances given	-	-	1,500,000	1,500,000
4	Loan receivable	-	-	1,000,000	1,000,000

Sr. No.	Particulars	Key Managerial personnel	Total
1	Loan receivable	593,059	593,059

Balance due from / to the related Parties as at 31 March 2020

Sr. No.	Particulars	Holding Company	Ultimate Holding Company	Fellow Subsidiary	Total
1	Trade Payables	-	118,949,946	-	118,949,946
2	Other receivables	17,445,102	3,293,148	484,811	21,223,061
3	Trade receivables	-	-	956,558	956,558
4	Loan receivable	-	-	1,000,274	1,000,274

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ThePharmaNetwork, LLC

Notes to the Consolidated Financial Statements *(Continued)*
for the year ended 31 March 2021

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3.32 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

	As at 31 March 2021							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	4,115,637	4,115,637	-	-	-	-
Investments	809,029	-	-	809,029	-	809,029	-	809,029
Trade receivable and other financial assets	-	-	141,520,860	141,520,860	-	-	-	-
Loans	-	-	1,593,059	1,593,059	-	-	-	-
	809,029	-	147,229,556	148,038,585	-	809,029	-	809,029
Financial liabilities								
Borrowings	-	-	26,000,000	26,000,000	-	-	-	-
Trade payables	-	-	128,047,609	128,047,609	-	-	-	-
Other financial liabilities	-	-	4,555,665	4,555,665	-	-	-	-
	-	-	158,603,274	158,603,274	-	-	-	-

	As at 31 March 2020							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	5,726,103	5,726,103	-	-	-	-
Investments	553.401	-	-	553,401	-	553.401	-	553.401
Trade receivable and other financial assets	-	-	147,561,280	147,561,280	-	-	-	-
Loans	-	-	1,000,274	1,000,274				-
	553.401	-	154,287,657	154,841,058	-	553.401	-	553.401
Financial liabilities								
Borrowings	-	-	22,131,109	22,131,109	-	-	-	-
Trade payables	-	-	130,817,145	130,817,145	-	-	-	-
Other financial liabilities	-	-	4,290,364	4,290,364	-	-	-	-
	-	-	157,238,618	157,238,618	-	-	-	-

The Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of Directors ("Board") has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

USD

3.32 Financial instruments – Fair values and risk management ***(Continued)***

ii Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Trade receivable of the Group are typically unsecured. Credit risk is managed through credit accrual and periodic monitoring of the creditworthiness of customers to which Group grants credit terms in the normal course of business. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

At 31 March 2021 and 31 March 2020, the entire exposure to credit risk for trade receivable is majorly from its country of domicile i.e. United States of America.

At 31 March 2021 the Group had exposure to only one type of counter party i.e. wholesalers. Three customers represented approximately 79% of gross trade receivable balance as on 31 March 2021.

At 31 March 2021, the maximum exposure (net of rebates and chargebacks) to credit risk for trade and other receivables by geographic region was as follows.

Particulars	31 March 2021	31 March 2020
Country of Domicile	117,804,798	126,823,030
India	999,956	3,293,148
Other Countries	22,716,106	17,445,102
	141,520,860	147,561,280

Impairment

As per simplified approach the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever required.

The ageing of trade receivables and other receivables that were not impaired was as follows.

Particulars	31 March 2021	31 March 2020
Neither past due nor impaired	111,976,669	124,672,507
Past due 1–180 days	2,988,724	3,984,009
Past due more than 180 days	26,555,467	18,904,764
	141,520,860	147,561,280

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	31 March 2021	31 March 2020
Balance as at beginning of the year	128,553	28,659
Impairment loss recognised	2,943	156,368
Amounts written off/ reversed	(128,914)	(56,474)
Balance as at the end of the year	2,582	128,553

Other financial assets

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

USD

3.32 Financial instruments – Fair values and risk management *(Continued)*

iii Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2021	Carrying amount	Total	Contractual cash flows				
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
USD							
Non-derivative financial liabilities							
Lease liabilities	680.923	724.458	-	316,139	408,319	-	-
Current borrowings	26.000.000	26.000.000	26.000.000	-	-	-	-
Trade payables	128.047.609	128.047.609	128.047.609	-	-	-	-
Other financial liabilities (excluding lease liabilities)	4.163.644	4.163.644	4.163.644	-	-	-	-

31 March 2020	Carrying amount	Total	Contractual cash flows				
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
USD							
Non-derivative financial liabilities							
Lease liabilities	939.575	987.852	-	-	300.718	687.134	-
Current borrowings	22.131.109	22.131.109	22.131.109	-	-	-	-
Trade payables	130.817.145	130.817.145	130.817.145	-	-	-	-
Other financial liabilities (excluding lease liabilities)	3.609.440	3.609.440	3.609.440	-	-	-	-

iv Market risk

Market risk refers to risk of fluctuation in fair values or future cash flows because of changes in market rates or prices. The Group's exposure from market risk is primarily on account of interest rate risk.

3.32 Financial instruments – Fair values and risk management *(Continued)*

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Carrying amount in USD	
	31 March 2021	31 March 2020
Fixed-rate instruments		
Financial assets	1,000,000	1,000,274
Financial liabilities	-	-
Total	1,000,000	1,000,274
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	26,000,000	22,131,109
Total	26,000,000	22,131,109

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would not have any material impact on the equity

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates would not have any material impact on the equity.

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

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3.33 Leases

Leases as lessee

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particulars	As at 31 March 2021 Land and Buildings	As at 31 March 2020 Land and Buildings
Adoption of IND AS 116 "Leases" (Opening balance)	933,859	1,181,398
Amortisation charge for the year	(247,339)	(247,539)
Additions to right-of-use assets	-	-
Derecognition of right-of-use assets	-	-
Foreign Exchange Differences	-	-
Closing balance	686,520	933,859

ii. Lease liability

Particulars	As at 31 March 2021	As at 31 March 2020
Maturity analysis of lease liability - discounted contractual cash flows		
Less than one year	288,902	258,651
One to three years	392,021	680,924
More than three years	-	-
Total discounted cash flows	680,923	939,575
Current	288,902	258,651
Non-current	392,021	680,924

iii. Amount recognised in profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
General and administrative expenses		
Short-term lease rent expense	31,928	20,888
Amortisation and impairment losses		
Amortisation of right of use lease asset	247,339	247,539
Finance cost		
Interest expense on lease liability	37,583	47,256
	316,850	315,683

iv. Amount recognised in statement of cash flows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash outflow for short-term leases	31,928	20,888
Principal component of Cash outflow for long-term leases	258,652	241,823
Interest component of Cash outflow for long-term leases	37,583	47,256
Total cash outflow for leases	328,163	309,967

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3.34 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2021	As at 31 March 2020
Total Borrowings (including current maturities)	26,000,000	22,131,109
Less : Cash and cash equivalent	4,115,637	5,726,103
Adjusted net debt	21,884,363	16,405,005
Total equity	95,207,800	93,607,655
Adjusted equity	95,207,800	93,607,655
Adjusted net debt to total equity ratio	0.23	0.18

3.35 Covid 19

The Group has considered internal and external information while assessing recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

3.36 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
25 May 2021

For and on behalf of the Board of Directors of ThePharmaNetwork, LLC

Amit Ghare
Director

John Dillaway
Director

James Giuliano
Director

Parsippany, New Jersey, USA
24 May 2021