

**NISARG J. SHAH & CO**  
**CHARTERED ACCOUNTANTS**

3SF Ratnam, C.G. Road,  
Ahmedabad: 380006

Phone: 07926462476  
Email: info@njshah.com

Date: 24<sup>th</sup> September 2021

To  
**The Board of Directors,**  
**Sahajanand Medical Technologies Limited ("the Company")**  
*(formerly Sahajanand Medical Technologies Private Limited)*  
C 215 Kanakia Atrium  
Hanuman Nagar, Andheri East,  
Mumbai, Maharashtra- 400047

DearSirs,

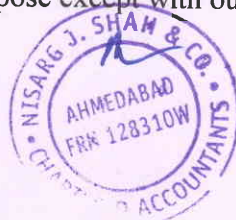
We have verified the translated version of the financial statements of **SMT Importadora E Distribuidora De Productos Hospitalares Ltda.** for the year ended 31<sup>st</sup> March 2021. The financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, The Effect of Changes in Foreign Currency Rates. The work is carried out by us in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A Item no. (11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), we have verified the translated financial information contained in the Annexures attached to this certificate which is proposed to be uploaded on the website of **Sahajanand Medical Technologies Limited** in connection with its proposed initial public offering of equity shares of **Sahajanand Medical Technologies Limited**.

We did not audit or review the financial statements of **SMT Importadora E Distribuidora De Productos Hospitalares Ltda.** Or stand alone or consolidated financial statements of its immediate and ultimate parent company, **Sahajanand Medical Technologies Ireland Limited** and **Sahajanand Medical Technologies Limited** respectively. These financial statements have been audited by other audit firms and we do not express any assurance on the same.

These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited stand alone financial statements referred to herein.

These translated financials are intended solely for the use of management of the Company for uploading on website of **Sahajanand Medical Technologies Limited** in connection with the Initial Public Offering of equity shares of the Company. The certificate should not be used, referred to or distributed for any other purpose except with our prior consent in writing.



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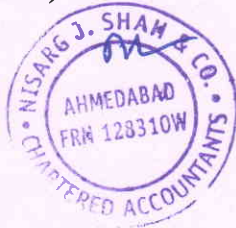
Phone: 07926462476  
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**Disclaimer:-**

1. The above certificate is based on the information and explanations provided by the management of **Sahajanand Medical Technologies Limited** and its subsidiary **SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.**

**For Nisarg J. Shah & Co.**  
*Chartered Accountants*  
(ICAI Firm Reg. No. 128310W)

*N. J. Shah*



**Partner**  
Membership No. 126381

Place: Ahmedabad  
Date: 24<sup>th</sup> September 2021  
UDIN: 21126381AAAABC3285

**Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.**  
**Balance Sheet as at 31 March, 2021**

INR

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	3(A)	3,667,549	4,428,073
(b) Right of Use Assets	3(B)	1,857,097	-
(c) Other Intangible assets	3(C)	3,988,227	2,220,478
(d) Financials assets			
i) Investments	4	-	-
ii) Loans	6(A)	-	-
iii) Other Financials assets	5(A)	-	-
(d) Other non-current assets	8(A)	990,776	5,259,586
(e) Deferred tax Assets (net)	7	-	-
<b>Total Non Current Assets</b>		<b>10,503,649</b>	<b>11,908,137</b>
<b>2 Current Assets</b>			
(a) Inventories	9	198,451,570	136,188,967
(b) Financial assets			
(i) Trade Receivables	10	140,308,526	190,102,073
(ii) Loans	6(B)	-	1,289,786
(iii) Cash and cash equivalents	11	34,238,138	39,817,700
(iv) Other Bank Balances	12	131,718	212,671
(v) Other Financial Assets	5(B)	-	-
(c) Other current assets	8(B)	32,715,526	18,101,111
<b>Total Current Assets</b>		<b>405,845,478</b>	<b>385,712,308</b>
<b>Total Assets</b>		<b>416,349,127</b>	<b>397,620,446</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	13	251,164,340	251,164,340
(b) Other equity	14	88,436,108	108,326,063
<b>Equity attributable to shareholders of the Company</b>		<b>339,600,448</b>	<b>359,490,403</b>
(c) Non-controlling interests		-	-
<b>Total Equity</b>		<b>339,600,448</b>	<b>359,490,403</b>
<b>Liabilities</b>			
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15(A)	-	-
(ii) Lease Liabilities	17(A)	-	-
(iii) Other Financial Liabilities	17(C)	-	-
(b) Provisions	18(A)	-	-
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15(B)	-	-
(ii) Trade Payables	16	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		64,560,804	26,223,044
(iii) Lease Liabilities	17(B)	2,155,882	-
(iv) Other Financial Liabilities	17(D)	2,980,411	3,700,878
(b) Provisions	18(B)	-	-
(c) Income tax liabilities (net)		3,936,941	4,362,937
(d) Other Current Liabilities	19	3,114,642	3,843,184
<b>Total Current Liabilities</b>		<b>76,748,680</b>	<b>38,130,042</b>
<b>Total Liabilities</b>		<b>76,748,680</b>	<b>38,130,042</b>
<b>Total Equity and Liabilities</b>		<b>416,349,127</b>	<b>397,620,446</b>

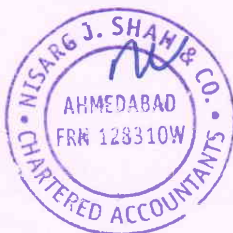


See accompanying notes forming part of the financial statements

1-38

Name of the Company: SMT Importadora E Distribuidora De Productos Hospitalares Ltda.  
Statement of Profit and Loss for the year ended 31 March, 2021

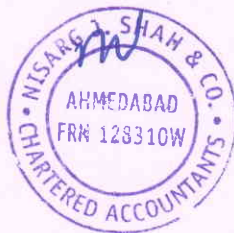
		INR	
Particulars	Note No.	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
<b>I Income :</b>			
Revenue from operations	20	509,775,641	353,940,418
Other income	21	2,992,607	307,644
<b>Total Income (I)</b>		<b>512,768,249</b>	<b>354,248,062</b>
<b>II Expenses:</b>			
Cost of materials consumed	22	-	-
Purchase of Stock-in-trade	23	382,195,392	204,009,430
Changes in inventories of finished goods and work-in-progress	24	-85,645,370	-41,183,334
Employee benefits expense	25	32,561,070	18,536,170
Finance costs	26	1,565,247	550,096
Depreciation and amortisation expense	3	3,264,812	846,487
Research and development expenses	27	-	-
Other expenses	28	122,305,810	80,991,512
<b>Total expenses (II)</b>		<b>456,246,961</b>	<b>263,750,360</b>
<b>III Profit before tax (I - II)</b>		<b>56,521,287</b>	<b>90,497,703</b>
<b>IV Tax expense:</b>			
Current tax		18,613,880	18,280,571
Deferred tax expense / (credit)		-	-
<b>Total tax expense (IV)</b>		<b>18,613,880</b>	<b>18,280,571</b>
<b>V Profit after tax (III - IV)</b>		<b>37,907,407</b>	<b>72,217,132</b>
<b>VI Other comprehensive (income)/loss</b>			
Items that will not be reclassified subsequently to profit or loss			
(a) Re-measurement of the defined benefit obligation		-	-
(b) Income tax effect on above	7	-	-
Items that will be reclassified subsequently to profit or loss			
Exchange loss on translating the financial statements of foreign operations		-47,375,341	-53,376,672
<b>Total Other comprehensive (income)/loss (VI)</b>		<b>-47,375,341</b>	<b>53,376,672</b>
<b>VII Total Comprehensive Income for the year (V - VI)</b>		<b>85,282,748</b>	<b>125,593,803</b>
<b>VIII Profit for the year attributable to:</b>			
Non-controlling interests		-	-
Owners of the Company		37,907,407	72,217,132
<b>IX Total comprehensive income for the year attributable to:</b>			
Non-controlling interests		-	-
Owners of the Company		85,282,748	125,593,803
<b>Earnings per share:</b>			
(Face Value per Share)			
Basic (₹)	31	2.51	4.78
Diluted (₹)		2.51	4.78
See accompanying notes forming part of the financial statements	1-38		



Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.  
Statement of Cash flows for the Year ended 31 March, 2021

Particulars	INR	
	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>A Cash flow from Operating Activities</b>		
Profit before tax	56,521,287	90,497,703
Adjustment for:		
Depreciation and amortisation expense	3,264,812	748,049
Finance costs	1,565,247	550,096
Interest income	-5,321,826	-307,644
Others	280,749	195,427
Loss on sale of property, plant and equipment (net)	-199,585	-66,830
Bad debts	12,804,107	-
Allowances for obsolescence stock	5,708,468	-
Write-off of tax to recover at public entities	4,473,515	-
FCTR		
<b>Operating profit before working capital changes</b>	<b>79,096,774</b>	<b>91,616,801</b>
<b>Movements in working capital</b>		
Adjustment for (increase) / decrease in operating assets:		
Inventories	-67,971,071	-22,269,830
Trade Receivables and other assets	23,460,106	4,482,482
Adjustment for (increase) / decrease in operating liabilities:		
Trade Payables and other liabilities	38,618,637	-13,393,632
Cash generated/(used in) operating activities	73,204,446	60,435,822
Net income tax (paid) / refund	-18,613,880	-18,280,571
<b>Net Cash generated/(used in) operating activities (A)</b>	<b>54,590,567</b>	<b>42,155,251</b>
<b>B Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment, including capital advance and payables for capital expenditure	-6,129,134	-2,978,316
Receipt of fixed assets sold	199,585	66,830
Loans given to third party		
Proceeds from loan given to third party		
Bank deposits (net)		
Others		
Interest received	5,321,826	307,644
<b>Net Cash generated/(used in) investing activities (B)</b>	<b>-607,723</b>	<b>-2,603,843</b>
<b>C Cash flows from financing activities</b>		
Proceeds from call made on partly issued shares		831,237
Proceeds of short-term borrowings (net)		
Proceeds from long term borrowings		
Repayment of long term borrowings		
Payment of Lease Liabilities (Principal)		
Dividend paid	-10,702,770	-7,835,100
Finances costs	-1,565,247	-550,096
<b>Net cash generated from financing activities (C)</b>	<b>-12,268,017</b>	<b>-7,553,959</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>41,714,826</b>	<b>31,997,449</b>
Cash and cash equivalents at the beginning of the year	40,030,371	14,792,636
Cash and cash equivalents acquired consequent to business combination		-
Less: Unrealised exchange gain/(loss) on cash and cash equivalents	-47,375,341	-6,759,714
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>34,369,856</b>	<b>40,030,371</b>
<b>Reconciliation of cash and cash equivalents</b>		
Closing balance of cash and cash equivalent as per balance sheet	34,369,856	40,030,371
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>34,369,856</b>	<b>40,030,371</b>

See accompanying notes forming part of the financial statements (Refer Notes 1-38)





Name of the Company: SMT Importadora E Distribuidora De Productos Hospitalares Ltda.  
Statement of Changes in Equity for the Year ended 31 March, 2021

A. Equity Share Capital

Particulars	Equity share capital (No of shares)	Total equity
Issued, Subscribed equity share at 01 April, 2019	15,100,000	251,164,340
Addition		
Balance as at 31 March, 2020	15,100,000	251,164,340
Addition		
Balance as at 31 March, 2021	15,100,000	251,164,340

B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total Other Equity attributable to shareholders of the Company	Non-controlling interests	Total other equity
	Securities Premium	Capital Reserve on Business Combination	General Reserve	Retained Earnings	Foreign Currency translation reserve		
Balance as at 24rd September, 2019	-	-	-	89,485,603	-	89,485,603	89,485,603
Profit for the year ended 31 March, 2020	-	-	-	72,217,132	-	72,217,132	72,217,132
Securities Premium on shares	-	-	-	-	-	-	-
Issue expenses	-	-	-	-	-	-	-
Remeasurement of defined benefit obligations for the year ended March 31, 2020	-	-	-	-	-	-	-
Foreign currency translation changes	-	-	-	-	(53,376,672)	(53,376,672)	(53,376,672)
Balance as at 31 March, 2020	-	-	-	161,702,735	(53,376,672)	108,326,063	108,326,063
Transition impact of IFRS 16	-	-	-	-	-	-	-
Impact on account of business combination	-	-	-	-	-	-	-
Profit for the year ended 31 March, 2021	-	-	-	37,907,407	-	37,907,407	37,907,407
Remeasurement of defined benefit obligations for the year ended March 31, 2021	-	-	-	(10,702,770)	-	(10,702,770)	(10,702,770)
Dividend Paid	-	-	-	280,749	-	280,749	280,749
Others	-	-	-	-	(47,375,341)	(47,375,341)	(47,375,341)
Foreign currency translation changes	-	-	-	189,188,121	(100,752,013)	88,436,108	88,436,108
Balance as at 31 March, 2021	-	-	-	-	-	-	-

See accompanying notes forming part of the financial statements (Refer Notes 1-38)



## **1 General Information**

AREK DISTRIBUIDORA DE PRODUTOS HOSPITALARES EIRELI, a Brazil based company was incorporated as a simplified joint stock company under Brazil Law (Commercial Registry of the State of Rio Grande do Sul) on May 22, 2007. On 23 September, 2019, SMT Company acquired 75% voting interests in this Brazil based company through its wholly owned subsidiary (Sahajanand Medical Technologies Ireland Limited). Subsequent to 31 March, 2020 Zarek Distribuidora De Produtos Hospitalares Eireli Av was renamed as "SMT Importadora E Distribuidora De Produtos Hospitalares Ltda."

SMT Brazil is currently engaged in the business of wholesale trade and commercial representation of instruments and materials for medical, surgical, hospital, dental and laboratory use.

### **2.1 Summary of significant accounting policies**

#### **a) Basis of preparation and presentation of financial information**

The Financial Statement have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

- (a) In accordance with Schedule VI Part A Item no. (11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")
- (b) Converting the financial statements from the reporting currency i.e BRL to INR translated financial statements including the notes thereto in accordance with Ind AS 21

#### **b) Basis of Accounting**

The standalone financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### **c) Use of Estimates**

The preparation of standalone financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### **d) Inventories**

Inventories including Work- in- Progress are valued at cost or net realisable value, whichever is lower, cost being worked out on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



**e) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is net off trade discounts, rebates and other similar allowances. Revenue excludes indirect taxes which are collected on behalf of Government.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer. Indicators that control has been transferred include, the establishment of the Company's present right to receive payment for the goods sold, transfer of legal title to the customer, transfer of physical possession to the customer, transfer of significant risks and rewards of ownership in the goods to the customer, and the acceptance of the goods by the customer. The revenue on consignment sales is recognised on satisfaction of the above conditions.

**Other Income**

**Dividend & Interest Income:**

Dividend income is accounted for when declared and the right to receive the same is established. Interest income is recognised using the effective interest method.

**f) Property, Plant and Equipment**

Assets are carried at acquisition cost, less accumulated depreciation and accumulated impairment losses, if any.

Costs comprise of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to their intended use.

When significant components of plant and equipment are replaced separately, the Company depreciates them based on the useful lives of the components. Leasehold land is depreciated on a straight line basis over the period of the lease. All other assets are depreciated to their residual values on written-down value basis over their estimated useful lives. Estimated useful lives of the assets are as follows:

Description of the asset	Estimated Useful Life (Years)
Building	60
Leasehold Building	*
Electrical Installation	10
Plant and Machinery	15
Furniture and Fixtures	10
Office Equipment	5
Computers (End user device)	3
Computers (Servers and networks)	6
Vehicles (Other than Motor cycles, scooters and other mopeds)	8
Vehicles (Motor cycles, scooters and other mopeds)	10

\*Leasehold Improvements are amortised over the period of lease.





**g) Other Intangible Assets**

Intangible assets purchased including acquired in business combination are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful lives of intangible assets are as mentioned below:

Description of the asset	Estimated Useful Life (Years)
Computer Software	3
Patents and Trademarks	3
Customer Relationship	7
Non Compete Fees	4

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during the development.

During the period of development, the asset is tested for impairment annually. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the development is complete and the asset is available for use. It is amortised over the period of expected future sales or use.

**h) Financial Instrument**

**Recognition and initial measurement**

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 financial liabilities are recognized by the Company when it becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument are adjusted to fair value, except where the financial instrument is measured at Fair Value through profit or loss, in which case the transaction costs are immediately recognized in profit or loss.

**Financial assets**

**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. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

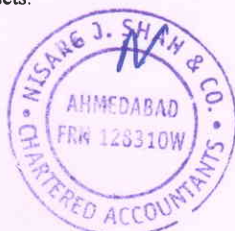
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.



**Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.**

**Notes to the Financial Statements for the year ended March 31, 2021**

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**Financial assets at fair value through profit or loss:**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

**Financial liabilities and equity instruments**

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.)

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 recognised in the statement of profit or loss when the asset is derecognised.

**Other financial liabilities**

Other financial liabilities (including borrowings, financial guarantee contracts and trade and other payables) are subsequent to initial recognition, measured at amortised cost using the effective interest (EIR) method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

**Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



**Name of the Company: SMT Importadora E Distribuidora De Productos Hospitalares Ltda.**

**Notes to the Financial Statements for the year ended March 31, 2021**

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**Fair value measurement**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

**i) Foreign Currency Transactions**

**Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition**

As at the reporting date, non-monetary items are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are translated at the end of accounting year. Exchange differences on translation of all other monetary items are recognised in the Statement of Profit and Loss.



**j) Employee Benefits**

Employee benefits include provident fund, gratuity fund, compensated absences.

Defined Contribution Plans: Contribution towards provident fund and employees' state Insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company's liability towards gratuity is determined based on the present value of the defined benefit obligation and fair value of plan assets and the net liability or asset is recognized in the balance sheet. The net liability or asset represents the deficit or surplus in the plan (the surplus is limited to the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions). The present value of the defined benefit obligation is determined using the projected unit credit method, with actuarial valuations being carried out at each year end. Defined benefit costs are composed of:

- i. service cost – recognized in profit or loss;
- ii. net interest on the net liability or asset - recognized in profit or loss;
- iii. rereasurement of the net liability or asset - recognized in other comprehensive income

**Other long-term employee benefits:**

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

**k) Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under IFRS 16.

The Company as a lessee whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies IAS 36 to determine whether a Right-of-Use asset is impaired and accounts for any identified impairment loss in the Statement of Profit and Loss as described in the Note 2(n) below.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss. For short-term, and low value leases, the Company recognizes the lease payments for such items as an operating expense on a straight-line basis over the lease term and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Lease payments (other than short term and low value leases) have been classified as cash used in Financing activities in the Statement of Cash Flows.

Lease payments for short-term, and low value leases, have been classified as cash used in Operating activities in the Statement of Cash Flows.

The Company has no assets given on lease to others.





**l) Current and Deferred Tax**

Income tax expense comprises current tax expense and the net change during the year, in the deferred tax asset or liability. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or in equity, in which case the related current and deferred tax are also recognised in other comprehensive income or in equity, respectively.

Current and Deferred Taxes are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts.

**i. Current income tax**

Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

**ii. Deferred tax**

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred tax assets is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**m) Impairment of Assets**

Property, plant and equipment and intangible assets with finite lives are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined for the individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and an impairment loss is recognised in profit or loss.

**n) Provisions and Contingent Liabilities**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

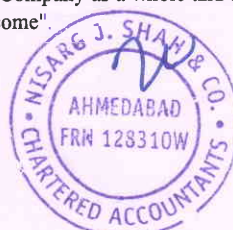
**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**o) Segment reporting**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of performance assessment and resource allocation to the segments.

Segment accounting policies are in line with accounting policies of the Company. Further Company has not identified any segment other than geographical segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/income".





**p) Exceptional Items**

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are material and non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements.

**q) Key Sources of Estimation**

The preparation of the standalone financial statements in conformity with IFRS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. The lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

**Employee benefit plan**

The present value of defined benefit obligations is determined on an actuarial basis using a number of underlying assumptions, including the discount rate and expected increase in salary costs. Any changes in these assumptions will impact the carrying amount of obligations.

**Impairment of financial assets**

The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

**Income Taxes**

Provision of current and deferred tax liabilities is dependent on Management estimate of the allowability or otherwise of expenses incurred and other debits to profit or loss. Deferred tax assets (including MAT recoverable) are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Impact of COVID-19**

The management has assessed the potential impact of the COVID-19 on the standalone financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Based on the assessment performed by the Company, and based on current estimates, the Company expects the carrying amount of these assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.



Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.  
Notes forming part of the financial statements for the Year ended 31 March, 2021

Note 3A: Property, Plant and Equipment (Owned, unless otherwise stated)

Particulars	Building	Leasehold Improvements	Leasehold building	Leasehold land	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Electrical Installations	Total
<b>Deemed Cost</b>											
Balance as at 24 September, 2019	-	961,334	-	-	-	471,215	1,220,665	1,419,177	3,620,925	-	7,693,315
Additions	-	50,904	-	-	-	-	130,674	267,637	-	-	449,215
Disposals	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-125,582	-	-	-	-58,461	-167,652	-209,272	-449,225	-	-1,010,192
<b>Balance as at 31 March, 2020</b>	-	<b>886,656</b>	-	-	-	<b>412,754</b>	<b>1,183,687</b>	<b>1,477,542</b>	<b>3,171,700</b>	-	<b>7,132,338</b>
Additions	-	-	-	-	-	96,387	1,237,130	71,542	-	-	1,405,059
<b>Reclassified on account of adoption of IFRS 16</b>											
Disposals	-	-	-	-	-	-	-	-	1,066,161	-	1,066,161
Exchange differences on translation of foreign operations	-	-111,950	-	-	-	-59,078	-238,829	-191,725	-323,439	-	-925,021
<b>Balance as at 31 March, 2021</b>	-	<b>774,706</b>	-	-	-	<b>450,663</b>	<b>2,181,987</b>	<b>1,357,359</b>	<b>1,782,101</b>	-	<b>6,546,216</b>
<b>Accumulated Depreciation</b>											
Balance as at 24 September, 2019	-	208,103	-	-	-	103,200	525,092	265,901	1,235,393	-	2,337,688
Charge for the year	-	71,612	-	-	-	67,920	94,369	104,587	437,644	-	776,032
Disposals	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-36,839	-	-	-	-21,241	-79,669	-49,085	-220,622	-	-409,455
<b>Balance as at 31 March, 2020</b>	-	<b>242,875</b>	-	-	-	<b>147,779</b>	<b>539,793</b>	<b>321,403</b>	<b>1,452,415</b>	-	<b>2,704,265</b>
Charge for the year	-	100,995	-	-	-	53,234	318,214	141,432	589,955	-	1,203,830
<b>Reclassified on account of adoption of IFRS 16</b>											
Disposals	-	-	-	-	-	-	-	-	647,816	-	647,816
Exchange differences on translation of foreign operations	-	-37,962	-	-	-	-22,505	-91,144	-50,798	-179,203	-	-381,613
<b>Balance as at 31 March, 2021</b>	-	<b>305,908</b>	-	-	-	<b>178,509</b>	<b>766,863</b>	<b>412,037</b>	<b>1,215,350</b>	-	<b>2,878,667</b>
<b>As at 31 March, 2020</b>	-	<b>643,781</b>	-	-	-	<b>264,975</b>	<b>643,894</b>	<b>1,156,139</b>	<b>1,719,285</b>	-	<b>4,428,073</b>
<b>As at 31 March, 2021</b>	-	<b>468,798</b>	-	-	-	<b>271,554</b>	<b>1,415,124</b>	<b>945,322</b>	<b>566,751</b>	-	<b>3,667,549</b>



**Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.**  
Notes forming part of the financial statements for the Year ended 31 March, 2021

**Note 3B : Right-of-Use assets**

Particulars	Office Space	Leasehold land	Total
<b>Balance as at 24 September, 2019</b>	-	-	-
Additions	-	-	-
Additions through Business Combinations	-	-	-
Exchange differences on translation of foreign operations	-	-	-
<b>Balance as at 31 March, 2020</b>	-	-	-
<b>Balance as at 01 April, 2020</b>	-	-	-
Additions	4,704,016	-	4,704,016
Additions through Business Combinations	-	-	-
Exchange differences on translation of foreign operations	-339,838	-	-339,838
Disposals	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>4,364,177</b>	<b>-</b>	<b>4,364,177</b>
<b>Accumulated Depreciation</b>			
<b>Balance as at 24 September, 2019</b>	-	-	-
Charge for the year	-	-	-
Exchange differences on translation of foreign operations	-	-	-
<b>Balance as at 31 March, 2020</b>	-	-	-
<b>Balance as at 01 April, 2020</b>	-	-	-
Charge for the year	2,702,307	-	2,702,307
Exchange differences on translation of foreign operations	-195,226	-	-195,226
Disposals	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>2,507,081</b>	<b>-</b>	<b>2,507,081</b>
<b>As at 31 March, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March, 2021</b>	<b>1,857,097</b>	<b>-</b>	<b>1,857,097</b>

**Note 3C : Intangible assets**

Particulars	Computer Software	Patents and trademark	Non Compete	Customer Relationship	Goodwill	Total
<b>Balance as at 24 September, 2019</b>	206,238	-	-	-	-	206,238
Additions	2,513,259	-	-	-	-	2,513,259
Disposals	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-412,383	-	-	-	-	-412,383
<b>Balance as at 31 March, 2020</b>	<b>2,307,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,307,113</b>
Additions	3,153,201	-	-	-	-	3,153,201
Additions through Business Combinations	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-519,100	-	-	-	-	-519,100
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>4,941,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,941,214</b>
<b>Amortisation</b>						
<b>Balance as at 24 September, 2019</b>	18,846	-	-	-	-	18,846
Charge for the year	82,883	-	-	-	-	82,883
Disposals	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-15,094	-	-	-	-	-15,094
<b>Balance as at 31 March, 2020</b>	<b>86,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,635</b>
Charge for the year	945,605	-	-	-	-	945,605
Additions through Business Combinations	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-79,253	-	-	-	-	-79,253
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>952,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>952,987</b>
<b>As at 31 March, 2020</b>	<b>2,220,478</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,220,478</b>
<b>As at 31 March, 2021</b>	<b>3,988,227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,988,227</b>

**Disclosure**

(a) All the intangible assets are acquired externally during the year



Name of the Company: SMT Importadora E Distribuidora De Productos Hospitalares Ltda.

Notes forming part of the financial statements for the year ended 31 March, 2021

**Note 4 : Non current investments**

Investment in Subsidiaries:

Name of the subsidiary

Other investments

INR  
As at 31 March, 2021 As at 31 March, 2020

-	-
-	-

**Note 5: Other Financial Assets**

**(A) Non Current Financial Assets**

Security Deposits

Advance to suppliers

Deposits with banks\*

As at 31 March, 2021 As at 31 March, 2020

-	-
-	-
-	-
-	-

\*These are fixed deposits with maturity period of more than 1 year

**(B) Current Financial Assets**

Interest Receivable

Security Deposits

Considered good

Considered doubtful

Less : Allowance for doubtful deposits

Government Incentive Receivable

-	-
-	-
-	-
-	-
-	-
-	-

**Note 6 : Loans**

**(A) : Loans- Non Current**

**Unsecured Considered Good**

Loans to parties

As at 31 March, 2021 As at 31 March, 2020

-	-
-	-

**(B) Loans- Current**

**Unsecured Considered Good**

Loans to parties

Loans to employees

-	-
-	1,289,786
-	1,289,786

**Note 7: Deferred Tax Assets (net)**

**(a) Analysis of deferred tax assets / (liabilities) presented in the balance sheet:**

Deferred tax assets

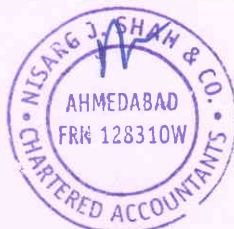
As at 31 March, 2021 As at 31 March, 2020

-	-
-	-

**(b) The balance comprises temporary differences attributable to:**

INR

Particulars	As at 01 April, 2020	(Charged) / credited to statement of Profit and Loss	(Charged) / credited to other comprehensive income	Addition on business combination	(Charged) / credited to equity	As at 31 March, 2021
Difference between Book based and Tax based in respect of PPE and intangible assets	-					-
Allowances for Doubtful debts and security deposits	-					-
Allowances from claims from customers	-					-
Employee Benefits	-					-
Research and Development	-					-
Un-utilised tax losses	-					-
Transition impact of IFRS 16	-					-
Intangible Assets on acquisition	-					-
Deferred tax on lease liabilities	-					-
Others	-					-
<b>Deferred Tax Assets</b>	-	-	-	-	-	-



Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.

Notes forming part of the financial statements for the year ended 31 March, 2021

							INR
							INR
Particulars	As at 1 April, 2019	(Charged) / credited to statement of Profit and Loss	(Charged) / credited to other comprehensive income	Addition on business combination	(Charged) / credited to equity	As at 31 March, 2020	
Difference between Book based and Tax based in respect of PPE and intangible assets							-
Allowances for Doubtful debts and security							-
Allowances from claims from customers							-
Employee Benefits							-
Research and Development							-
Others							-
<b>Deferred Tax Assets</b>							-

**(c) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate**

Sr. No.	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(A)	Profit Before Tax	56,521,287	90,497,703
(B)	Statutory Corporate Tax Rate	15.00%	15.00%
(C)	<b>Tax on accounting profit</b>	<b>8,478,193</b>	<b>13,574,655</b>
(D)	(I) Tax on expense not tax deductible:		
	(a) CSR Expenses		
	(II) Weighted deduction on R&D Expenditure		
	(III) Effect of tax paid on foreign source income which is exempt from tax		
	(IV) Impact due to differential tax rates in respective countries		
	(V) Tax effect on various other items	10,135,687	4,705,916
	Total effect of Tax Adjustments (II) to (V))	18,613,880	18,280,571
(E)	Tax Expense recognised during the year	18,613,880	18,280,571
	Effective Tax Rate	32.93%	20.20%

**(d) Break up of Tax expenses**

Current Tax	18,613,880	18,280,571
Deferred Tax	-	-
Tax effect on Other Comprehensive Income	-	-
<b>Income Tax expense in the Statement of Profit and Loss</b>	<b>18,613,880</b>	<b>18,280,571</b>
Deferred Tax credit recorded in Equity (due to transition to IFRS 16)	-	-

**Note 8: Other assets**

	As at 31 March, 2021	As at 31 March, 2020
<b>(A) Other assets - Non-current</b>		
Capital advances	-	-
Indirect taxes recoverable	990,776	5,259,586
	<b>990,776</b>	<b>5,259,586</b>
<b>(B) Other assets - Current</b>		
<b>Unsecured Considered good</b>		
Indirect taxes recoverable	-	-
Advance to suppliers	32,662,084	17,899,419
Prepaid expenses	53,442	201,691
Advances to employees	-	-
	<b>32,715,526</b>	<b>18,101,111</b>

**Note 9: Inventories (At lower of cost and net realisable value)**

	As at 31 March, 2021	As at 31 March, 2020
Inventory-Finished Goods	198,451,570	136,188,967
	<b>198,451,570</b>	<b>136,188,967</b>

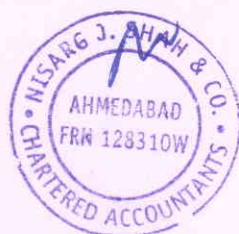
**Note 10: Trade Receivables**

	As at 31 March, 2021	As at 31 March, 2020
<b>Unsecured</b>		
Considered good	140,308,526	190,102,073
Considered doubtful	12,804,107	-
	<b>153,112,633</b>	<b>190,102,073</b>
<b>Less : Allowance for doubtful debts</b>	<b>-12,804,107</b>	<b>-</b>
	<b>140,308,526</b>	<b>190,102,073</b>

**Note:**

- (i) The average credit period on sales of goods is 180 days. No interest is charged on trade receivables. Before accepting any new customer, the Group performs detailed background check to assess the potential customer's credit quality. The credit quality of customer are reviewed on regular basis.

	As at 31 March, 2021	As at 31 March, 2020
(ii) Allowance for doubtful debts		
Opening Balance	-12,804,107	-
Add : Allowance during the year	-12,804,107	-
Closing Balance		





Notes forming part of the financial statements for the year ended 31 March, 2021

INR

	As at 31 March, 2021	As at 31 March, 2020
Share capital	1,000,000	1,000,000
Reserves	1,000,000	1,000,000
Liabilities	1,000,000	1,000,000
Total	3,000,000	3,000,000

Cash on hand	5,113	3,360
Cheques and drafts on hand	-	-
Remittance-in-transit	-	-
Balance with banks		
Current account	34,233,025	39,814,340
EEFC accounts	-	-

	34,238,138	39,817,700
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As at 31 March, 2021	As at 31 March, 2020
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Other deposit accounts		
original maturity of more than 3 months but less than 12 months	131,718	212,671
	<b>131,718</b>	<b>212,671</b>

## As at 31 March, 2021      As at 31 March, 2020

1,51,00,000 equity shares of R\$. 1/- each	251,164,340	251,164,340
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1,51,00,000 Equity Shares of RS.1/- each fully paid-up	251,164,340	251,164,340
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251,164,340	251,164,340
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2013/10 1ης Τριμ.	2013/10 1ης Τριμ.

Particulars	Equity Shares for the year ended 31 March, 2021		Equity Shares for the year ended 31 March, 2020	
	No.	Amount in lacs	No.	Amount in lacs
Equity shares outstanding at the beginning of the year	15,100,000	251,164,340	15,100,000	251,164,340
Add : Issue of additional shares	-	-	-	-
Equity shares outstanding at the ending of the year	15,100,000	251,164,340	15,100,000	251,164,340

The dividend proposed by the Board of Directors is

Sr. No.	Name of Shareholder	Equity Shares as at 31 March, 2021		Equity Shares as at 31 March, 2020	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Diego Antônio Balczarek Mucelin	3,775,000	25%	3,775,000	25%
2	Sahajanand Medical Technologies Ireland Ltd	11,325,000	75%	11,325,000	75%

	As at 31 March, 2021	As at 31 March, 2020
Share capital	1,000,000	1,000,000
Reserves	1,000,000	1,000,000
Liabilities	1,000,000	1,000,000
Total	3,000,000	3,000,000

	As at 31 March, 2021	As at 31 March, 2020
Securities premium	-	-
Retained earnings	189,188,121	161,702,735
Foreign Currency Translation Reserve	-100,752,013	-53,376,672
Capital Reserve on Business Combination	-	-
General reserve	-	-
	<b>88,436,108</b>	<b>108,326,063</b>

	For the year ended	For the year ended
--	--------------------	--------------------

	March 31, 2021	March 31, 2020
--	----------------	----------------

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Opening Balance	
Add: Premium on shares issued during the year	
Less: Share issue expenses	
Closing Balance	

Opening Balance	-	-
Add: Gain on acquisition of a foreign subsidiary	-	-
Closing Balance	-	-



Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.

Notes forming part of the financial statements for the year ended 31 March, 2021

INR

(c) General Reserve

Opening and Closing Balance

(d) Retained earnings

Opening balance  
Transition impact of IFRS 16 (net of taxes)  
Profit for the year  
Dividend paid  
Others  
Closing Balance

	-	-
161,702,735		89,485,603
37,907,407		72,217,132
-10,702,770		
280,749		
189,188,121		161,702,735
-53,376,672		-
-47,375,341		-53,376,672
-100,752,013		-53,376,672
88,436,108		108,326,063

Items of Other Comprehensive Income

(a) Foreign Exchange Translation Reserve

Opening balance  
Exchange loss for the year  
Closing Balance

Nature and purpose of reserves:

- (a) Securities premium is used to record the premium on issue of shares.  
(b) Capital Reserve represents the additional net assets received on purchase of stake in a subsidiary during the current year ended March 31, 2021.  
(c) The General reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.  
(d) Retained earnings represent the amount of accumulated earnings of the Company.  
(e) Foreign currency translation reserve is the exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve

Note 15: Borrowings

(A) Borrowings - Non Current (Secured)

Term Loans  
From Financial Institutions  
Vehicle loans  
From Banks  
Total Borrowings  
Less: Current maturities of long term borrowing  
Total non current borrowing

As at 31 March, 2021 As at 31 March, 2020

-	-
-	-
-	-
-	-
-	-

Nature of Security and terms of repayment for secured borrowings:

(i) Term Loan

INR

Sr. No.	Name of Bank	31 March, 2021	31 March, 2020	Interest Rate pa	Terms of Repayment and Security
1					
Total		-	-		
Less	Current Maturities of Long-Term Borrowings	-	-		
	Long-Term Borrowing as disclosed	-	-		

(ii) Term Loan - Financial Institution

INR

Sr. No.	Name of Financial Institution	31 March, 2021	31 March, 2020	Interest Rate	Terms of Repayment and Security
1					
Total		-	-		
Less	Current Maturities of Long-Term Borrowings				
	Long-Term Borrowing as disclosed	-	-		

(iii) Cash Credit/Overdraft facility

Sr. No.	Name of Bank	31 March, 2021	31 March, 2020	Interest Rate	Terms of Repayment and Security
1					
Total		-	-		



Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.

Notes forming part of the financial statements for the year ended 31 March, 2021

INR

**(B) Borrowings - Current (Unsecured)**

Working capital loans  
(a) Cash credits facility repayable on demand  
(b) Working capital loans repayable based on respective tenure

As at 31 March, 2021	As at 31 March, 2020
-	-
-	-
-	-

**Note 16: Trade Payables**

Due on account of goods purchased and services received  
total outstanding dues of micro enterprises and small enterprises (Refer Note 30)  
total outstanding dues of creditors others than micro enterprises and small enterprise

As at 31 March, 2021	As at 31 March, 2020
-	-
64,560,804	26,223,044
<b>64,560,804</b>	<b>26,223,044</b>

**Note 17: Other financial liabilities**

**(A) Lease Liability- Non-Current**

Lease Liability

As at 31 March, 2021	As at 31 March, 2020
-	-
-	-

**(B) Lease Liability- Current**

Lease Liability

2,155,882	-
<b>2,155,882</b>	<b>-</b>

**(C) Other financial liabilities - Non-current**

Deposits from others- Secured  
Leave Encashment Payable

-	-
-	-
-	-

**(D) Other financial liabilities- Current**

Capital Creditors  
Current maturities of long term borrowings  
Employee related liabilities  
Interest accrued but not due on borrowings  
Leave Encashment Payable - Current

-	-
-	-
2,980,411	2,782,306
-	918,572
-	-
<b>2,980,411</b>	<b>3,700,878</b>

**Note 18: Provision**

**(A) Provision - Non-Current**

Provision for gratuity

As at 31 March, 2021	As at 31 March, 2020
-	-
-	-

**(B) Provision - Current**

Provision for claims from customers\*  
Provision for leave encashment

-	-
-	-
-	-

**\*Movement:**

Balance at the beginning of the year  
Less: Provision utilised during the year  
Less: Provision reversed during the year  
Balance at the end of the year

Amount	Amount
-	-
-	-
-	-
-	-

**Nature of Provision:**

The provision is for anticipated claims for product assurance given to the customer which is made on the basis of management expectation taking into account historical experience. The expected timing of any resulting outflow of economic benefits ranges for a period of twelve months.

**Note 19: Other current liabilities**

Advance received from customers  
Statutory dues

As at 31 March, 2021	As at 31 March, 2020
493,008	464,995
2,621,634	3,378,190
<b>3,114,642</b>	<b>3,843,184</b>



Name of the Company: SMT Importadora E Distribuidora De Productos Hospitalares Ltda.  
Notes forming part of the financial statements for the year ended 31 March, 2021

	INR	
	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
<b>Note 20: Revenue From Operations</b>		
Sale of Products	509,775,641	353,940,418
Finished Goods		
Other operating Income	509,775,641	353,940,418
<b>Note 21: Other Income</b>		
Interest Income on:		
Bank deposits	623,169	160,709
Loans to Parties		
Others	225,143	146,935
Rent Income	-	-
Provision no longer required written back		
Net exchange gain	2,144,296	-
	2,992,607	307,644
<b>Note 22: Cost of materials consumed</b>		
Inventory at the beginning of the year	-	-
Add: Purchases	-	-
Less : Inventory at the end of the year	-	-
	-	-
<b>Note 23: Purchase of Stock-in-trade</b>		
Purchase of Stock in trade	382,195,392	204,009,430
	382,195,392	204,009,430
<b>Note 24: Increase / (Decrease) in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Finished goods	198,451,570	136,188,967
Work-in-progress	-	-
Stock-in-trade	-	-
(A)	198,451,570	136,188,967
Inventories at the beginning of the year:		
Finished goods	136,188,967	115,697,729
Work-in-progress		
Stock-in-trade		
(B)	136,188,967	115,697,729
Less: Foreign Currency Translation Reserve	(C)	-23,382,767
(A) + (B)	-85,645,370	-41,183,334
<b>Note 25: Employee Benefit Expenses</b>		
Salaries, wages and bonus	28,573,743	17,233,535
Contribution provident and other funds	-	-
Gratuity expense	3,987,327	1,302,634
Staff welfare expenses	32,561,070	18,536,170
	32,561,070	18,536,170



**Name of the Company: SMT Importadora E Distribuidora De Productos Hospitalares Ltda.**  
Notes forming part of the financial statements for the year ended 31 March, 2021

**Note 26: Finance Costs**

Interest expense
Interest on Lease Liability
Interest on shortfall of advance tax
Other borrowing costs

For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
-	-
744,932	-
-	-
820,316	550,096
<b>1,565,247</b>	<b>550,096</b>

**Note 27: Research and development expenses**

Material consumed
Testing expenses
Clinical Trial expenses
Technical Advisory fees
Repairs and maintenance
Travelling expenses
Salaries, wages and bonus
Miscellaneous expenses

For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

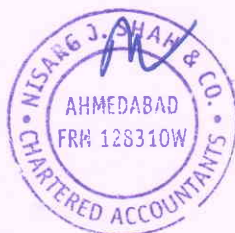
**Note 28: Other expenses**

**Other expenses**

Power and fuel
Freight and Forwarding Expenses
Travelling expenses
Business promotion expense
Advertisement expense
Conference expense
Other marketing expense
Marketing Consultancy Expenses
Rent
Rates & taxes
Commission & brokerage
Insurance (Employees)
Repairs and maintenance
Buildings
Plant and Machinery
Others Expenses
Expenditure towards Corporate Social Responsibility (CSR) activities
Legal & professional fees
Payment to auditors
for statutory audit
for tax matters
for certification
for other services
Printing and stationery
Loss on sale on property, plant and equipment
Donation
Bad Debts
Allowance for doubtful debts
Net Exchange Loss
Miscellaneous expenses

For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
285,052	242,837
2,286,812	1,212,762
3,814,639	1,303,978
425,121	1,392,739
-	-
-	-
-	-
-	-
-	-
240,196	1,160,111
-	-
81,866,091	63,017,047
243,983	168,658
-	-
-	-
1,992,287	1,454,824
10,202,466	8,082,687
-	-
-	-
-	-
368,346	262,267
-199,585	-66,830
-	-
12,804,107	-
-	-
-	1,816,450
7,976,295	943,982
<b>122,305,810</b>	<b>80,991,512</b>

**Total 28**





Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.  
Notes forming part of the financial statements for the year ended 31 March, 2021

**Note 29: Contingent Liabilities and Commitments**

**Contingent Liabilities**

Claims against the Company not acknowledged as debt  
- Income Tax Matters  
- Commercial Matters  
- Bank Guarantee

INR	
As at 31 March, 2021	As at 31 March, 2020
-	-
-	-
-	-
-	-

**Commitments**

(a) Capital commitments (Total value)  
Less: Capital advance  
Total  
  
(b)(i) Other commitments

As at 31 March, 2021	As at 31 March, 2020
-	-
-	-
-	-

**Note 30: Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006**

Not Applicable

**Note 31: Earnings per share**

**Earning per share has been computed as under:**

Profit for the year  
Weighted average number of equity shares outstanding during the year  
Face value per share (R\$.)  
Earnings per share (R\$) - Basic

INR	
As at 31 March, 2021	As at 31 March, 2020
37,907,407.24	72,217,131.65
15,100,000.00	15,100,000.00
2.51	4.78

**Earning per share has been computed as under:**

Profit for the year  
Weighted average number of equity shares outstanding during the year  
Face value per share (R\$)  
Earnings per share (R\$) - Diluted

37,907,407.24	72,217,131.65
15,100,000.00	15,100,000.00
1	1
2.51	4.78



Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.  
Notes forming part of the financial statements for the year ended 31 March, 2021

**Note 32 - Related party transactions**

**(a) Names of related parties and nature of relationship:**

(I) Persons having direct or indirect control over the Company: Diego Antonio Balczarek Mucelin

(II) Companies having minimum interest over the Company:

(III) Subsidiaries:

(IV) Key Management Personnel and their relatives (with whom the Company has transactions):

**(b) Transactions with related parties:**

**Purchase of goods**

Sehajanand Medical Technologies India

Amount in BRL		Amount in Indian Rupees	
For the Year ended 31 March, 2021	For the Year ended 31 March, 2020	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020

9,671,456

132,706,883

**Remuneration excluding retirement benefits and reimbursements**

Diego Antonio Balczarek Mucelin

840,000

11,526,060

**(c) Closing Balances :**

Shares issued to enterprise having substantial interest over the Company

Trade Payable  
SMT India

2,400,784

30,562,454

**Note: 33 Segment Reporting**

**Primary segment:**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company has only one reportable business segment i.e. 'Interventional Device'.

**Secondary segments (By geography):**

Particulars	For the year ended 31 March, 2021			
	Local	Export		Total
Revenue from location of customers	509,775,641	-		509,775,641
Carrying amount of segment assets *				

Particulars	For the year ended 31 March, 2020			
	Local	Export		Total
Revenue from location of customers	353,940,418	-		353,940,418
Carrying amount of segment assets *				

\* Non-current assets exclude financial assets and deferred tax assets.



**Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.**  
Notes forming part of the financial statements for the year ended 31 March, 2021

**Note 34: Consumption of Traded Goods**

Cost of Material Consumed includes Trading of Stock-in-trade amounting INR 29,65,50,022 (31 March, 2020: INR 16,28,26,095).

**Note 35: Financial Risk Management**

**Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategy. The Company's financial risk management policy is set by the Board. The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The key risks and mitigating actions are also placed before the Board of Directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

The Company manages the risk through the Finance department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Finance department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Finance department provides funding for the Company's operations. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of activity.

**(A) MANAGEMENT OF LIQUIDITY RISK**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance for major part of the year ended 31st March, 2021 and throughout the year for the year ended 31st March, 2020. This was the result of existing business model of the Company and funding arrangement from the investing partners.

The Company's board of directors regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in liquid mutual funds/fixed deposits while ensuring sufficient liquidity to meet its liabilities.

**Exposure to liquidity risk**

The following are the 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.

**Maturity patterns of other financial liabilities**

As at 31 March, 2021	0-12 months	Beyond 12 months	Total
Trade Payable	64,560,803.97		64,560,803.97
Payable related to Capital goods			-
Other Financial Liability (Current and Non Current)	2,980,411.10		2,980,411.10
Short-Term Borrowings			-
Long-Term Borrowings			-
Lease Liabilities	2,155,881.65		2,155,881.65
<b>Total</b>	<b>69,697,096.72</b>	<b>-</b>	<b>69,697,096.72</b>

As at 31 March, 2020	0-12 months	Beyond 12 months	Total
Trade Payable	26,223,043.52		26,223,043.52
Payable related to Capital goods			-
Other Financial Liability (Current and Non Current)	3,700,877.52		3,700,877.52
Short-Term Borrowings			-
Long-Term Borrowings			-
<b>Total</b>	<b>29,923,921.04</b>	<b>-</b>	<b>29,923,921.04</b>

**(B) MANAGEMENT OF CREDIT RISK**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

**Trade receivables:**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

**Other financial assets**

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Loans, Security deposits and other financial assets. The Company has concentrated its main activities with a limited number of counter-parties (bank) which have secure credit ratings, to reduce this risk. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Finance department.



Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.

Notes forming part of the financial statements for the year ended 31 March, 2021

**(C) MANAGEMENT OF MARKET RISK**

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Foreign currency risk;
- price risk; and

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

**(I) Foreign Currency Risk:**

The Company is exposed to foreign exchange risk arising from various currency exposures on account of sale and procurement of goods and services, primarily with respect to US Dollar and EURO.

The Company's management regular review the currency risk. However at this stage the Company has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

**Unhedged foreign currency exposure:**

**Particulars of unhedged foreign currency exposures as at the reporting date:**

As at 31 March, 2021	Amount in USD	Amount in Rupees	Amount in EUR	Amount in Rupees
Trade Payables	1,105,384.52	80,903,093.02	366,125.04	31,417,189.68
Capital Creditors				
Trade Receivables				

As at 31 March, 2020	Amount in USD	Amount in Rupees	Amount in EUR	Amount in Rupees
Trade Payables	84,542.75	6,187,683.87	67,580.20	5,799,056.96
Trade Receivables				

**Foreign Currency Risk Sensitivity**

A change of 1% in foreign currency would have following impact on loss before tax:

	31 March, 2021		31 March, 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
United States Dollar	833,304.07	(833,304.07)	58,479.32	(58,479.32)
Euro	304,065.38	(304,065.38)	52,511.44	(52,511.44)
Increase / (decrease) in Loss	1,137,369.45	(1,137,369.45)	110,990.76	(110,990.76)

**(II) Pricing Risk:**

**Pricing Risk Sensitivity**

There is no material impact of pricing risk on the financial statements and the operations of the Company.

**Financial Instrument by category**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

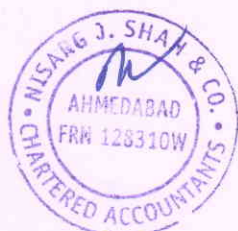
The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash, loans, other financial assets, trade payables and other financial liabilities, approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values of security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

**Categorization of financial assets and liabilities**

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Non Current	Current	Total	Non Current	Current	Total
<b>Financial Assets measured at amortised cost</b>						
Investment	-	-	-	-	-	-
Trade receivables	-	140,308,526.30	140,308,526.30	-	190,102,073.20	190,102,073.20
Cash and cash equivalents	-	34,238,138.07	34,238,138.07	-	39,817,699.91	39,817,699.91
Loans	-	-	-	-	1,289,786.15	1,289,786.15
Others financial asset	-	-	-	-	-	-
Other Bank Balances	-	131,718.36	131,718.36	-	212,671.44	212,671.44
	-	174,678,382.74	174,678,382.74	-	231,422,230.71	231,422,230.71
<b>Financial Liabilities at amortised cost</b>						
Trade payables	-	64,560,803.97	64,560,803.97	-	26,223,043.52	26,223,043.52
Borrowings	-	-	-	-	-	-
Lease liabilities	-	2,155,881.65	2,155,881.65	-	-	-
Other financial liabilities	-	2,980,411.10	2,980,411.10	-	3,700,877.52	3,700,877.52
	-	69,697,096.72	69,697,096.72	-	29,923,921.04	29,923,921.04



**Name of the Company: SMT Importadora E Distribuidora De Produtos Hospitalares Ltda.**  
Notes forming part of the financial statements for the year ended 31 March, 2021

**Note 37 : COVID-19 Impact**

The spread of COVID-19 has affected the business from mid-March 2020, which had no major impact of the Company's operation, post the national lock down. The operations of the Company were not impacted significantly considering the operations of the Company were considered as an essential service by the respective government authorities. The Company had carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

**Note 38 :**

Unless otherwise stated, figures in brackets relate to the previous year. Previous period's figures have been regrouped / rearranged, to the extent necessary, to conform to current period's classifications.

