ANNUAL REPORT
OF
INNOVA CAPTAB LIMITED
FOR
FINANCIAL YEAR 2020-21

INNOVA CAPTAB LIMITED
1281/1, Hilltop Industrial Estate, Near EPIP
Phase-I, Jharmajri, Baddi, Dist. Solan
(H.P.)-173205 India.
Phone : +91-1795-650820

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NOTICE OF 17th ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the Members of "INNOVA CAPTAB LIMITED" will be held on Tuesday the 30th day of November, 2021 at 04:30 P.M at Admin Office of the company at Khasra No. 1281/1, Hill Top Industrial Estate, Near EPIP, Phase-I, Jharmajri, District Solan, Baddi, Himachal Pradesh- 173205 (India) to transact the following business(s):-

ORDINARY BUSINESS:

(1) Adoption of Financial Statements and the Reports of the Board of Directors & Auditors
To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolution:**

"**RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended March 31, 2021 including the Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss for the year ended on that date and Cash Flow Statement for the year ended 31st March, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(2) Re-appointment of Mr. Gian Parkash Aggarwal as a director liable to retire by rotation

To appoint **Mr. Gian Parkash Aggarwal (DIN: 00017139)**, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT Mr. Gian Parkash Aggarwal (DIN: 00017139)**, who retires by rotation be and hereby re-appointed as a director of the company liable to retire by rotation."

(3) Re-appointment of Mrs. Chhavi Lohariwala as a director liable to retire by rotation

To appoint **Mrs. Chhavi Lohariwala (DIN: 07699398)**, who retires by rotation and being eligible, offers herself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT, Mrs. Chhavi Lohariwala (DIN: 07699398))** who retires by rotation be and hereby re-appointed as a director of the company liable to retire by rotation."

(4) **Appointment of Statutory Auditors**
To consider and if deemed fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution:-

RESOLVED THAT pursuant to provisions of Section 139 and all other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s B S R & CO. LLP, Chartered Accountants, (FRN No. 101248W/W-100022), be and is hereby re-appointed as Statutory Auditors of the Company for a term of 5 (Five) Consecutive Years to hold office from the conclusion of this 17th Annual General Meeting till the conclusion of 22nd Annual General

Meeting to be held for the Financial Year 2025-26 and on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

RESOLVED FURTHER THAT Mr. Vinay Kumar Lohariwala (DIN: 00144700), and Mr. Manoj Kumar Lohariwala (DIN:00144656) Wholetime Directors of the Company be and are hereby jointly or severally authorized to take such steps and do all such acts ,deeds, matters and things as may be necessary in this regard and to negotiate and fix the terms and conditions including the remuneration, to convey the acceptance of the terms, to sign the appointment letter, to digitally sign and file the necessary forms, and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

SPECIAL BUSINESS:

(5) Ratification of Remuneration of Cost Auditors

To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and in this regard, pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 35,000/- p.a. plus re-imbursement of out-of-pocket expenses payable to, **M/s Gurvinder Chopra & Co., Cost Accountants,(Firm Registration No . 100260)**, who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified."

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INNOVA CAPTAB LIMITED

Manoj Kumar Lohariwala
Wholetime Director
DIN: 00144656
House No. 707, Sector- 06
Panchkula, Haryana-134109,
India

Vinay Kumar Lohariwala
Wholetime Director
DIN: 00144700
House No. 227 Sector-06
Panchkula, Haryana-134109,
India

Date: 30/11/2021
Place: Baddi

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Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy / proxies to attend and vote instead of himself and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member. The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting, a proxy form is sent herewith.

2. The relevant records/ registers of the Company will remain open for inspection of members as per the provisions of the Companies Act, 2013 and can be inspected at the Registered Office.

3. Members are requested to notify any change in their address, mandates etc., to update the records of the company.

4. Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013 is attached and forms the part of this notice.

5. Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting

6. Copy Forwarded to: a) All Directors
b) M/s M/s B S R & Co. LLP, Chartered Accountants, Statutory Auditors.
c) M/s Gurvinder Chopra & Co., Cost Auditors.
d) M/s Garg Sanjeev & Associates, Internal Auditors.
e) M/s Jaspreet Singh Dhawan, Secretarial Auditors.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. As per the Rules, remuneration payable to the cost auditor is required to be ratified by the members of the Company in the general meeting.

The Board has approved the appointment and remuneration of the M/s Gurvinder Chopra & Co., Cost Accountants, (Firm Registration No. 100260), Cost Auditors of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31st March, 2022, at a remuneration of Rs 35,000 (Thirty Five thousand only) and reimbursement of personal expenditure if incurred.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

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None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INNOVA CAPTAB LIMITED

MANOJ KUMAR LOHARIWALA (Director) DIN: 00144656 HOUSE NO. 707, SECTOR- 06 PANCHKULA, HARYANA-134109 INDIA	VINAY KUMAR LOHARIWALA (Director) DIN: 00144700 HOUSE NO. 227 SECTOR- 06 PANCHKULA, HARYANA-134109 INDIA

Date: 30/11/2021
Place: Baddi

MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	**U24246MH2005PLC150371**
Name of the company	**INNOVA CAPTAB LIMITED**
Registered office:	**Office No. 606, Ratan Galaxie-6th Floor, J.N. Road, Plot No. 1, Mulund (W), Mumbai-400080, Maharashtra (INDIA)**
Name of the member	
Registered address	
E-mail Id:	
Folio No/ Client Id:	

I/We, being the member (s) of ....shares of the above named company, hereby appoint:

1	Name .... Address............................ Email Id .... Signature .... OR failing him	3	Name .... Address .... Email Id .... Signature .... OR failing him

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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **17th Annual general meeting** of members of the company, to be held on **Tuesday the 30th day of November, 2021 at 04:30 P.M** at Admin Office at **Khasra No. 1281/1, Hill Top Industrial Estate, Near EPIP, Phase-I, Jharmajri,**

S.No.	Resolution(s)	I/We Assent to the Resolution	I/We Dissent to the Resolution
		For	Against
1.	"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended March 31, 2021 including the Audited Balance Sheet as at March 31, 2021, the Statement of Profit & Loss for the year ended on that date and Cash Flow Statement for the year ended 31st March, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."		
2.	**"RESOLVED THAT Mr. Gian Parkash Aggarwal (DIN: 00017139),** who retires by rotation be and hereby re-appointed as a director of the company liable to retire by rotation.."		
3.	**"RESOLVED THAT, Mrs. Chhavi Lohariwala (DIN: 07699398))** who retires by rotation be and hereby re-appointed as a director of the company liable to retire by rotation."		
4.	**"RESOLVED THAT** pursuant to provisions of Section 139 and all other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s B S R & CO. LLP, Chartered Accountants, (FRN No. 101248W/W-100022), be and is hereby re-appointed as Statutory Auditors of the Company for a term of 5 (Five) Consecutive Years to hold office from the conclusion of this 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting to be held for the Financial Year 2025-26 and on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company. **RESOLVED FURTHER THAT** Mr. Vinay Kumar Lohariwala (DIN: 00144700), and Mr. Manoj Kumar Lohariwala (DIN:00144656) Wholetime Directors of the Company be and are hereby jointly or severally authorized to take such steps and do all such acts ,deeds, matters and things as may be necessary in this regard and to negotiate and fix the terms and conditions including the remuneration, to convey the acceptance of the terms, to sign the appointment letter, to digitally sign and file the necessary forms, and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."		

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	"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 35,000/- p.a. plus re-imbursement of out-of-pocket expenses payable to, **M/s Gurvinder Chopra & Co., Cost Accountants,(Firm Registration No . 100260)**, who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified."		

District Solan, Baddi, Himachal Pradesh- 173205, India and at any adjournment thereof in respect of such resolutions as are indicated below.

Please put a 'Tick' in the Box in the appropriate column against the resolution. If you leave the 'For' or 'Against' column blank against the resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate

Signed this 30th day of November, 2021

Affix Revenue Stamp of Re. 1 here

Signature of Shareholder | Signature of Proxy holder(s)

NOTES:-

1. *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*
2. *A proxy need not to be a member of the Company.*
3. *A person can act as a proxy on behalf of member not exceeding fifty and holding in the aggregate not more than 10% of the total share capital carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.*
4. *In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders shall be stated.*
5. *For resolutions, explanatory statement and notes please refer to the notice of extra ordinary general meeting.*
6. *Please complete all the details including details of member.*

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ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

I / We hereby record my/our presence at 17th **Annual General Meeting** of the Members of "**INNOVA CAPTAB LIMITED**" on **Tuesday the 30th day of November, 2021 at 04:30 P.M** at Admin Office at **Khasra No. 1281/1, Hill Top Industrial Estate, Near EPIP, Phase-I, Jharmajri, District Solan, Baddi, Himachal Pradesh- 173205 (India).**

Registered Folio No. / DP ID No. / Client ID No..

Name of the Member..

No. of Shares held..

Name of the Proxy holder...
(To be filled if the Proxy attends instead of the Member)

Member's / Proxy Signatures
(To be signed at the time of handing over this slip)

Notes: -

1. Only Member/Proxy holder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.

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INNOVA CAPTAB LIMITED

CIN: - U24246MH2005PLC150371

17TH DIRECTOR'S REPORT (FY 2020-2021)

INNOVA CAPTAB LIMITED
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CORPORATE INFORMATION

BOARD OF DIRECTORS	
DIRECTORS	: Mr. GIAN PARKASH AGARWAL : Mr. MANOJ KUMAR LOHARIWALA : Mr. VINAY KUMAR LOHARIWALA : Mr. JAYANT VASUDEO RAO : Mr. ANUP AGARWAL : Mr. PRADOSH KUMAR : Mrs. CHHAVI LOHARIWALA
CHIEF FINANCIAL OFFICER	: Mr. MUKESH KUMAR SINGH
STATUTORY AUDITORS	: M/s B S R & Co. LLP, Chartered Accountants (FRN No. 101248W/W- 1000)
COMPANY SECRETARY	: Ms. SHIKHA KANWAR
REGISTERED OFFICE 1,	: Office No. 606, Ratan Galaxie-6th Floor, J.N. Road, Plot No. Mulund (W), Mumbai-400080, Maharashtra, (India) Contact No. : 9218452184 E-mail: vinay@innovacaptab.com
ADMIN OFFICE	: Khasra No. 1281/1, Hill Top Industrial Estate, Near EPIP, Phase-I, Jharmajri, Baddi, District Solan, Himachal Pradesh-173205 (India)

Mary

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DIRECTORS' REPORT

Dear Members,

Your Directors take immense pleasure in presenting the 17th Annual Report of the Company together with the Audited Financial Statement for the financial year ended 31st March, 2021.

1. FINANCIAL SUMMARY & HIGHLIGHTS:

The key highlights of the Audited Financial Statements of your Company for the financial year ended 31st March 2021 and comparison with the previous financial year ended 31st March 2020 are summarised below:

(Rs. In Million)

Particulars	Financial Year ended 31st March 2021	Financial Year ended 31st March 2020
Total Income	4,120.33	3,746.20
Total Expense before Finance Costs, Depreciation/Amortisation and Tax	3,561.76	3,223.88
Profit before Finance Costs, Depreciation/Amortisation and Tax	558.57	540.32
Less: Finance Cost	39.27	46.27
Less: Depreciation and Amortisation Expense	55.86	100.75
Profit before share of Profit/(loss) of a joint venture and tax	463.44	375.30
Share of Profit/(Loss) of a Joint Venture	-	-
Profit before tax	463.44	375.30
Tax expenses	118.44	96.44
Profit after taxation	345	278.86

2. STATE OF COMPANY'S AFFAIRS:

During the year under review Company achieved turnover of ₹ 4,120.33 million compared to the ₹ 3,746.20 million during the previous year and earned net profit of ₹ 345 million as compared to ₹ 278.86 million in previous year.

3. EXTRACT OF THE ANNUAL RETURN:

The copy of Annual Return in prescribed Form MGT 7 pursuant to the provisions of Section 92 of the Companies Act, 2013 (Act) read with Rule 11 of the Companies (Management and administration) Rules, 2014 is available on the website of the Company viz. http://www.innovacaptab.com.

4. TRANSFER TO RESERVE:

The Company did not transfer any amount to the general reserves account of the Company during the year under review.

5. DIVIDEND

In order to conserve the resources for the future business requirements of the Company, your Directors have decided not to recommend any dividend for the financial year ended March 31, 2021.

6. **SHARE CAPITAL:**

During the year under review the Company has not issued any further Shares and accordingly there was no change in share capital of the Company. The paid up Equity Share Capital of the Company as on 31st March 2021 was Rs.12, 00,00,000/- divided into 12,00,000 Equity Shares of Rs.100/- each.

7. **DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:**

During the year under review, the Company did not have any subsidiary, Joint Venture or Associate Company. Hence, pursuant to Section 129(3) of the Companies Act, 2013, the statement containing the salient features of the financial Statements of the wholly owned Subsidiary, Subsidiaries in the Form AOC-1 is not applicable.

8. **CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY:**

There was no change in the nature of business during the financial year under review.

9. **PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014 and hence there were no outstanding deposits and no amount remaining unclaimed with the Company as on 31st March, 2021.

10. **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

i. **Directors retiring by rotation:**

Pursuant to the provisions of Section 152 (6) of the Act, Mr. Gian Parkash Aggarwal (DIN: 00017139), and Ms. Chhavi Lohariwala (DIN:07699398) Directors of the Company, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offered themselves for re-appointment

In compliance with Secretarial Standards - 2 on General Meetings, brief details of Mr. Gian Prakash Aggarwal and Ms. Chhavi Lohariwala, are provided as an Annexure to the Notice of the Annual General Meeting.

Accordingly, your directors recommend the re-appointment of Mr. Gian Parkash Aggarwal, and Ms. Chhavi Lohariwala for your approval.

ii. **Directors and Key Managerial Personnel of the Company appointed and resigned during the year and up to the date of signing of this report:**

As on 31st March 2021 the Board of Directors of the Company comprises of Seven Directors, consisting of 3 (three) Whole-Time Directors and 2 (two) Non executive Non Independent Director and (2) two Non-Executive Independent Directors. The constitution of the Board of the Company is in accordance with the provisions of the Companies Act, 2013. During the financial year 2020-21, there was no change in the composition of the Board.

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Act.

a) **Change in Directorship:**

During the year there has been no changes in the directorship of the company.

b) Change in Key Managerial Personnel :

There has been following changes regarding Key Managerial Personnel of the Company during the year under review.

- Ms. Anita Khurana has resigned as Company Secretary of the Company w.e.f. 15th October 2020.
- Ms. Shikha Kanwar has been appointed as Company Secretary of the Company w.e.f. 16th October 2020.

iii. Key Managerial Personnel:

Mr. Manoj Kumar Lohariwala (Whole-Time Director), Mr. Vinay Kumar Lohariwala (Whole-Time Director), Mr. Jayant Vasudeo Rao (Whole-Time Director), Mr. Mukeshkumar Siyaram Singh (Chief Financial Officer) and Ms. Shikha Kanwar (Company Secretary) are the Key Managerial Personnel of the Company as on 31st March, 2021.

iv. Declaration by Independent Directors:

In terms of Section 149, 152 read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are appointed for a term of 5 years and are not liable to retire by rotation.

The Company has received declarations from Mr. Anup Agarwal and Ms. Pradosh Kumar, the Independent Directors confirming that they meet with the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the non-executive independent directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company. The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs.

11. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for appointment and remuneration of Directors, Senior Management Personnel including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013.

Abstract of Nomination and Remuneration Policy is as under:

I. Policy for Appointment and Removal of Director, Key Managerial Personnel and Senior Management:

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

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b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Criteria for determining qualifications, positive attributes and independence of Director's is as under:

a. Nominees to the Board will be leaders in their field, have broad experience, show familiarity with national and international issues, possess sound business judgment, and have other attributes that will enhance shareholder value.
b. The Board will seek acting or former executive officers of complex businesses, leading academics, successful entrepreneurs and individuals who will add diversity to the Board.
c. The Board will possess experiences and core competencies that are essential to the success of the Company having regard to the nature of its business.
d. Each Director or Director nominee also should:
   i. Possess fundamental qualities of intelligence, perceptiveness, good judgment, maturity, high ethics and standards, integrity and fairness.
   ii. Have a genuine desire to contribute to the Company and a recognition that, as a member of the Board, one is accountable to the shareholders of the Company, not to any particular interest group.
   iii. Have, as a general rule, a background that includes broad business experience or demonstrates an understanding of business and financial affairs and the complexities of a large, multifaceted, global business organization.
   iv. Be the present or former Chief Executive Officer, Chief Operating Officer, whole time director or substantially equivalent level executive officer of a highly complex organization such as a Company, university or major unit of government, or a professional who regularly advises such organizations.
   v. Have no irreconcilable conflict of interest or legal impediment which would interfere with the duty of loyalty owed to the Company and its shareholders.
   vi. Have the ability and be willing to spend the time required to function effectively as a Director.
   vii. Be compatible and able to work well with other Directors and executives in a team effort with a view to a long-term relationship with the Company as a Director.
   viii. Have independent opinions and be willing to state them in a constructive manner.
e. Directors will be selected on the basis of talent and experience without regard to race, religion, sex or national origin. The Company seeks a Board with a diversity of background among its members and a Board that will possess certain core competencies.
f. Apart from the above the independent director nominees/candidates/re-appointees shall be required to be independent of the company in terms of the provisions of Section 149(6) of the Companies Act, 2013 (including rules thereto) and as per the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

II. Policy For Remuneration To Directors / KMP/ Senior Management Personnel:

1) Remuneration to Managing Director/Whole-time Directors:

a) The Remuneration /Commission etc.to be paid to Managing Director /Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director /Whole-time Directors.

2) **Remuneration to Non-Executive /Independent Directors:**

a) The Non-Executive /Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non-Executive /Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non-Executive /Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause(b) above if the following conditions are satisfied:
   i) The Services are rendered by such Director in his capacity as the professional; and
   ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) **Remuneration to Key Managerial Personnel and Senior Management:**

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

12. **<u>PARTICULARS OF REMUNERATION:</u>**

i. **<u>DETAILS OF TOP 10 EMPLOYEES OF THE COMPANY</u>**

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During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii. **REMUNERATION PAID TO THE DIRECTORS AND KMP OF THE COMPANY**

During the year under review, Mr. Manoj Kumar Lohariwala and Mr. Vinay Kumar Lohariwala, Wholetime Directors of the Company waived off their remuneration payable to them for the financial year ended on March 31, 2021 due to current pandemic situation of covid-19.

Further, no director was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197, Schedule V of the Companies Act, 2013. Further, the remuneration of Directors and Key Managerial Personnel is as follows:

(Rs. In Million)

Name of Director/KMP	Designation	Remuneration paid (In Rs)
Mr. Jayant Vasudeo Roa	Whole Time Director	1.16
Ms. Shikha Kanwar	Company Secretary	0.15
Mr. Mukeshkumar Singh	Chief Financial Officer	1.33
Ms. Anita Khurana	Company Secretary	0.14

13. **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(3)(c) of the Act, the Board of Directors state and confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the directors have prepared the annual accounts on a going concern basis;

e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. **MEETINGS OF THE BOARD OF DIRECTORS:**

The Board meets at regular intervals to discuss and decide on Company's business policy and strategies apart from other urgent business matters. The date of meetings of the Board of Directors and Committee are informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent meeting of the Board of Directors.

The notice of meeting of the Board of Directors and Committees is given well in advance to all the Directors of the Company. Usually, meetings of the Board are held at the Correspondence address of the Company. The agenda of the Board / Committee meetings is circulated 7 days prior to the date of the meeting as per Secretarial Standard on meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India ('ICSI'). The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the Financial Year 2020-21, the Board of Directors met 15 (Fifteen) times on April 16, 2020, May 20, 2020, September 03, 2020 , September 14, 2020, September 15, 2020, September 21, 2020, October 15, 2020, November 11, 2020, November 25, 2020, December 7, 2020 , December 21, 2020 , February 9, 2021, February 10, 2021, March 25, 2021 and March 31, 2021.

The intervening gap between two consecutive meetings was within the maximum period mentioned under Section 173 of the Act except the relaxation given by MCA to hold such meetings.

The attendance of Directors at the Meeting of Board of Directors for Financial Year 2020-21 is as under:

Sr. No.	Name of Directors	Designation	No. of Board meeting Held / entitled to attend	No. of Board meeting Attended
1	Gian Parkash Agarwal	Director	15	13
2	Manoj Kumar Lohariwala	Whole-time Director	15	15
3	Vinay Kumar Lohariwala	Whole-time Director	15	15
4	Jayant Vasudeo Rao	Whole-time Director	15	15
5	Anup Agarwal	Independent Director	15	15
6	Pradosh Kumar	Independent Director	15	15
7	Chhavi Lohariwala	Director	15	15

15. ANNUAL EVALUATION OF PERFORMANCE OF BOARD:

Pursuant to the provisions of the Companies Act, 2013, a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and Individual Director. Schedule IV to the Companies Act, 2013 Act, states that the performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria.

The Board has carried out evaluation of its own performance of all the Directors individually as well as the working of its Audit Committee, Nomination & Remuneration Committee of the Company for the financial year 2020-21. The Board has devised questionnaire to evaluate the performances of each of Executive, Non-Executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

i. Attendance at Board Meetings and Committee Meetings;

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ii. Quality of contribution to Board deliberations;
iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
iv. Providing perspectives and feedback going beyond information provided by the management.

16. **SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

As stipulated by the code of Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on October 15, 2020, to review, among other things, the performance of non-Independent Directors and the Board as a whole, evaluation of the performance of the Chairman and the flow of communication between the Board and the management of the Company.

17. **COMMITTEES OF THE BOARD:**

During the year under review, consequent to the changes in the Board of Directors, the Committees of the Board were re-constituted in accordance with the provisions of the Companies Act, 2013. There are 3 (Three) Committees of the Board which are as follows:

a. Audit Committee
b. Nomination and Remuneration Committee
c. Corporate Social Responsibility (CSR) Committee

The composition of various Committee/s, meetings held and attended by the members is detailed below:

a. **AUDIT COMMITTEE:**

The Audit Committee is duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee met five times during the financial year 2020-21 viz. on:

i. May 20, 2020;
ii. September 21, 2020;
iii. November 25, 2020;
iv. December 21,2020; and
v. March 25, 2021

The composition of Audit Committee as on March 31, 2021 and the number of meetings attended by each member during the year 2020-21 are as follows:

Name of Members	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mr. Vinay Kumar Lohariwala	Chairman	Whole-Time Director	5	5
Ms. Anup Agarwal	Member	Non-executive, Independent Director	5	5

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Mr. Pradosh Kumar	Member	Non-executive, Independent Director	5	5

The Company Secretary of the Company acts as a Secretary to the Committee.

During the year under review, the Board has accepted all recommendations of the Audit Committee and accordingly, no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

The Audit Committee of the Company reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

Terms of Reference:

The brief descriptions of the terms of references of the Audit Committee as on the date of this report are as follows:

1. *Oversight of the process of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;*

2. *Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;*

3. *Approval of payment to statutory auditors for any other services rendered by the statutory auditors;*

4. *To review the appointment, removal and terms of remuneration of the chief internal auditor;*

5. *Approval or any subsequent modification of transactions of the Company with related parties;*

6. *Make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed in the Companies Act, 2013;*

7. *Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:*

   a) *matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;*
   b) *changes, if any, in accounting policies and practices and reasons for the same;*
   c) *major accounting entries involving estimates based on the exercise of judgment by management;*
   d) *significant adjustments made in the financial statements arising out of audit findings;*
   e) *compliance with listing and other legal requirements relating to financial statements;*
   f) *disclosure of any related party transactions; and*
   g) *modified opinion(s) in the draft audit report;*

8. *Reviewing with the management, the quarterly financial statements before submission to the Board for approval;*

9. *Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report*

submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

10. *Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;*

11. *Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;*

12. *Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;*

13. *Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;*

14. *Reviewing the management letters / letters of internal control weaknesses issued by the statutory auditors;*

15. *Reviewing the management discussion and analysis of financial condition and results of operations;*

16. *Discussion with internal auditors of any significant findings and follow up there on; and also review the internal audit reports relating to internal control weaknesses;*

17. *Evaluating of internal financial controls and risk management systems;*

18. *Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;*

19. *To scrutinise the inter-corporate loans and investments;*

20. *Valuation of undertakings or assets of the listed entity, wherever it is necessary;*

21. *To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;*

22. *To review the functioning of the whistle blower mechanism;*

23. *Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and*

24. *To do any such act as may be required as per the applicable provisions of law from time to time.*

b. **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee is duly constituted in accordance with provisions of Section 178 of the Companies Act, 2013. During the year under review Nomination and Remuneration Committee met two times during the financial year 2020-21 viz. on:

i. April 16, 2020;
ii. October 15, 2020

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The composition of Nomination and Remuneration Committee as on March 31, 2021 and the number of meetings attended by each member during the year 2020-21 are as follows:

Name of Members	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mr. Gian Parkash Aggarwal	Chairman	Non-executive Director	2	2
Mr. Anup Agarwal	Member	Non-executive, Independent Director	2	2
Ms. Pradosh Kumar	Member	Non-executive, Independent Director	2	2

The Company Secretary of the Company acts as a Secretary to the Committee.

Terms of reference:

The brief description of terms of references of the Nomination and Remuneration Committee as on the date of this report is as follows:

1. *To formulate the criteria for :-*

   a) *determining the qualifications;*
   b) *positive attributes and;*
   c) *independence of a director;*

2. *To recommend the Board of Directors policy relating to the remuneration of the directors, key managerial personnel and other employees;*

3. *Formulate policy relating to the remuneration of Directors, Key Managerial Personnel and other employees, after considering the following:-*

   a) *The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the directors of the quality required to run the Company successfully;*
   b) *The relationship of remuneration to performance and meets appropriate performance benchmark;*
   c) *There is balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.*

4. *To formulate the criteria for evaluating the performance of independent directors and the board of directors;*

5. *To devise a policy on diversity of Board of Directors;*

6. *To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend the board of directors their appointment and removal; and*

7. *To decide on whether to extend or continue the term of appointment of the independent Director based on the performance evaluation report of independent directors.*

Board Evaluation:

At Innova we believe that it is the collective effectiveness of the Board as a whole that impact Company's performance which is a primary evaluation platform. Board performance is assessed against the roles and responsibilities of the Board as provided in the Act. Independent Directors of your Company met on October 15, 2020 to evaluate the performance of the Board and the executive and non-executive directors of the Company as per the criteria laid down by the Nomination and Remuneration Committee.

c. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The Corporate Social Responsibility (CSR) Committee is duly constituted in accordance with ~~to the~~ provision of Section 135 of the Companies Act, 2013. During the year under review, the CSR Committee met two times viz. on:

a) May 20, 2020; and
b) November 25, 2020.

The composition of CSR Committee as on March 31, 2021 and the number of meetings attended by each member during the year 2020-21 are as follows:

Name of Members	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mr. Vinay Kumar Lohariwala	Chairman	Whole-Time Director	2	2
Mr. Manoj Kumar Lohariwala	Member	Whole-Time Director	2	2
Mr. Pradosh Kumar	Member	Non-executive, Independent Director	2	2

The Company Secretary of the Company acts as a Secretary to the Committee.

Terms of reference:

The brief description of terms of references of the Corporate Social Responsibility Committee as on March 31, 2021 is as follows:

1. *Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;*
2. *Recommend the amount of expenditure to be incurred on the corporate social responsibility activities;*
3. *Monitor the Corporate Social Responsibility policy and projects of the Company from time to time;*
4. *Institute a transparent monitoring mechanism for the implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;*
5. *Approve corporate social responsibility activities to be undertaken by the Company;*

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6. *Report on corporate social responsibility activities undertaken by the Company;*

7. *Provide responsibility statement that the implementation and monitoring of corporate social responsibility policy is in compliance with corporate social responsibility objectives and policy of the Company.*

18. **AUDITORS:**

Statutory auditors:

M/s Garg Sanjeev and Associates, Chartered Accountants (FRN No. 011326N) have resigned as the Statutory Auditors of the Company with effect from 5th May 2021.

Based on the recommendation of Audit Committee, Our Board of Directors at their meeting held on thursday 06th may 2021 and pursuant to the provision of Section 139(8) of the Companies Act, 2013, has appointed M/s B S R & Co. LLP, Chartered Accountants, (FRN No. 101248W/W-100022) to hold office as statutory auditors of the Company with effect from 08th May, 2021 till the conclusion of this 17th Annual General Meeting.

Further, the Board, on the recommendation of the Audit Committee and subject to the approval of the shareholders, approved appointment of M/s B S R & Co. LLP, Chartered Accountants (FRN No. 101248W/W-100022) as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of the ensuing 17th AGM till the conclusion of the 22nd AGM to be held in the year financial year 2025-26 at *such* remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

It is proposed to appoint M/s B S R & Co. LLP, Chartered Accountants, (FRN No. 101248W/W-100022) as statutory auditors of the Company from the conclusion of the forthcoming AGM (17th Annual General Meeting) till the conclusion of 22nd Annual General Meeting to be held for the FY 2025-26.

The Company has received consent letter and eligibility certificate from M/s. B S R & Co. LLP, Chartered Accountants, along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act 2013 and the rules made thereunder.

Appropriate resolution seeking member's approval for the appointment of M/s B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company is appearing in the Notice convening the ensuing AGM of the Company.

The Audit for FY 2020–21 was conducted by M/s B S R & Co. LLP, Chartered Accountants and there are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditor in their Audit Report. The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in the Annual Report.

Cost auditors:

Pursuant to the provisions of Section 148 of the Act, read with Companies (Cost Record and Audit) Rules, 2014 and on recommendation of the Audit Committee, the Board of Directors appointed **M/s Gurvinder Chopra & Co., Cost Accountant, New Delhi (FRN No. 100260)** as Cost Auditor of the Company to conduct audit of cost records of the Company for the financial year 2021-22 at a remuneration of Rs. 35,000/- p.a. (Rupees thirty-five thousand Only) plus applicable taxes and out of pocket expenses, subject to approval of members in the ensuing AGM.

There are no qualifications, reservations, adverse remarks or disclaimers made by the Cost Auditor in their Report dated 30 November 2021

Secretarial auditors:

Pursuant to the provisions of Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as recommended by the Audit Committee, **M/s Jaspreet Dhawan & Associates, Company Secretaries, Punjab (FCS No. 9372)**, are appointed as the Secretarial Auditors of the Company to undertake the Secretarial audit of the Company for financial year 2020-21. The Secretarial Audit Report received from **M/s Jaspreet Dhawan & Associates, Company Secretaries, Punjab** (FCS No. 9372) for the year ended 31st March, 2021, is annexed as **"Annexure A"** and forms part of this report.
Based on the report of Secretarial Auditor, management undertakes corrective actions in this regard.

Internal auditors:

Pursuant to the provisions of Section 138 of the Act, read with Companies (Accounts) Rules, 2014, **Mr. Garg Sanjeev and Associates, Chartered Accountant (FRN No. 011326N)** was reappointed as Internal Auditor of the Company. The Internal Auditor submits his reports to the Audit Committee. Based on the report of internal audit, management undertakes corrective actions in their respective areas and thereby strengthens the controls.

19. INTERNAL FINANCIAL CONTROL:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company Policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Audit Committee evaluates the efficiency and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures at all locations of the Company and strives to maintain a high Standard of Internal Financial Control.

20. DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:

Pursuant to Section 143(12) of the Companies Act, 2013, during the year under review there were no frauds reported by the Statutory Auditors and Secretarial Auditors of the Company to the Audit Committee or the Board of Directors. Hence, there is nothing to report under Section 134(3)(ca) of the Companies Act, 2013.

21. VIGIL MECHANISM POLICY:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards the Company encourages the employees

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to raise their genuine concerns without fear of criticism. Therefore, it has built in and set up the Vigil Mechanism, under this mechanism all the employees and Directors of the Company are eligible to make disclosures in relation to matters concerning the Company.

We affirm that during the year under review, no employee or Directors were denied access to the Audit Committee. The Vigil Mechanism Policy is available on the website of the Company http://www.innovacaptab.com

22. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:

Pursuant to the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. As part of its initiatives under CSR, the Company has identified various projects. These projects are in accordance with Schedule VII of the Act. The Policy on Corporate Social Responsibility is available on the website of the Company via http://www.innovacaptab.com

The Annual Report on CSR activities is annexed as "**Annexure B**" and forms part of this report.

23. MAINTENENCE OF THE COST RECORDS:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained by the Company.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "**Annexure C**" and forms part of this Report.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review Company took loan of Rs. 20 million from Mr. Manoj Kumar Lohariwala (DIN: 00144656) Whole-time director of the Company. The details of loans, guarantees or investments made by the Company under Section 186 of the Act, during the year under review are given under notes to Financial Statements for the financial year 2020-21.

26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the Related Party Transactions entered during the financial year were in ordinary course of the business and on arm's length basis and the same are reported in the Notes to the Financial Statements. No Material Related Party Transactions were entered during the year by your Company.

Accordingly, disclosures of Related Party Transactions as required under Section 134(3) of the Act, in form AOC-2 is not applicable to the Company.

27. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

28. **DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company or will have bearing on company's operations in future.

29. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The Company is not required to transfer any amount of unpaid/unclaimed dividend or any other amount to the Investor Education and Protection Fund during the year under review.

30. **RISK AND AREAS OF CONCERN:**

The major risks faced by your Company are on account of volatility in the prices of its raw materials and foreign exchange rates. The Company has laid down a well-defined Risk Management Policy to mitigate its risks, covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is carried out by the employees designated by Board to identify, evaluate, manage and monitor both business and non-business risk. In this regard, your Company continues to exercise prudence in its inventory control and hedging policies. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The following are the key risks faced by the Company and mitigation plans for each of those risks:

RISK	RISK DESCRIPTION	MITIGATION PLAN
COMPETITION RISK	Company is engaged in third party manufacturing of medicines, there are many company who are also manufacturing same category of medicine which may affect the company's market share and its revenue.	Company identifies regularly upcoming changes in the area of manufacturing and try to mitigate competition having expansion of new facilities equipped with better technologies and know-how which lessen risk of competition
REGULATORY RISK	Company has to comply with extant laws and regulations prevailing in the country of its operations. These regulation can affect the development, manufacturing, approval, marketing and distribution of its products. Changes in the country's laws or regulations also throw new challenges of compliance.	Company has established a strong quality assurance mechanism and compliance monitoring network to ensure compliance. It also organizes regular training for its employees to update them on new developments.

GLOBAL ECONOMIC VOLATILITY RISK	Company has business dealings in few foreign countries. Each of these markets presents a different economic and political risk along with the ever present threat of natural disasters.	Company does not have a widespread presence in foreign markets. The exports constitute a very small portion of its total turnover. Therefore, it is not much affected by global economic Volatility.
FOREIGN EXCHANGE RISK	The Company earns a part of its revenue in foreign exchange, thus exposing it to the volatility in the exchange rates. This can have an adverse effect on its earnings.	The Company does meticulous monitoring of foreign exchange volatility and works to mitigate risk.

31. **COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and the Company complies with all the applicable provisions of the same during the year under review.

32. **INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The Company did not receive any complaint of sexual harassment during the year 2020-21.

33. **OTHER INFORMATION**

a. **Green Initiative:**

To support the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), to contribute towards a greener environment, the Company has already initiated / implemented the same since 2010-11. As permitted, delivery of notices, documents, annual reports etc. are being sent to shareholders via electronic mode.

b. **General:**

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1) Issue of equity shares with differential rights as to dividend, voting or otherwise.
2) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save
3) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
4) There was no instance of onetime settlement with any Bank or Financial Institution.

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34. **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the continuous co-operation, assistance and support extended by all stakeholders, Government Authorities, Financial Institutions, Banks, Customers, Dealers, Suppliers etc. of the Company. Your Directors also acknowledges and appreciates the contribution made by dedicated and loyal employees at all levels particularly during the pandemic.

For and on behalf of the Board of Directors
Innova Captab Limited

Manoj Kumar Lohariwala	Vinay Kumar Lohariwala
Wholetime Director	Wholetime Director
DIN: 00144656	DIN: 00144700
House No. 707, Sector- 06	House No. 227 Sector-06
Panchkula, Haryana-134109,	Panchkula, Haryana-134109,
India	India

Date: 30/11/2021
Place: Baddi

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"ANNEXURE C"

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. **BRIEF OUTLINE ON CSR POLICY OF THE COMPANY**

Giving back to the society is embedded in the value system of Innova and we believe and aim to bring about a positive change in the nation. For the past 1 decade, Innova has been at the forefront in conducting impactful camps and driving numerous workshops for different sections of the Society. As an integral part of our commitment to Good Corporate Citizenship, we at Innova Captab Limited, believe in actively assisting in improvement of the quality of life of people in our communities. We believe, we not only exist for doing good business but also, for ensuring the betterment of the society.

We actively contribute to ensure that the people living in local areas around our business operations lead a good quality life. Towards achieving long-term stakeholder value, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and the marginalized.

The CSR Policy ('the Policy') of the Company as approved by the Board is available on the Company's website. The Company's CSR is in alignment with the initiatives undertaken by it. The foundation set up by the Committee is empowering & developing young girls who are below poverty line and providing reproductive health education to the masses. Also, various skills are being provided for financial independence and imparting knowledge and training to the underprivileged.

For details of the CSR Policy along with projects and programs, kindly refer to the following weblink:

2. **Composition of CSR Committee:**

Name of Members	Designation	Category	No. of Committee Meetings	
			Held	Attended
Mr. Vinay Kumar Lohariwala	Chairman	Whole-Time Director	2	2
Mr. Manoj Kumar Lohariwala	Member	Whole-Time Director	2	2
Mr. Pradosh Kumar	Member	Non-executive, Independent Director	2	2

3. **Web-link**

Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are placed on the website of the Company whose web-link is http://www.innovacaptab.com

4. **Impact Assessment**

As the total outlay of the CSR does not exceeds Rs. 10,00,00,000/- (Rupees Ten Crores Only) in preceding three financial year and none of the independent project with outlay of Rs.

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1,00,00,000/- (Rupees One Crore Only) is completed during last one year the company is not required to get its project assessed from independent agency.

5. <u>Details of the amount available for set off</u>

There was no excess amount available from any previous financial years which could be set off during the year under review under the provisions of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

6. <u>Average net profit of the Company as per section 135(5):</u> Rs. 74,74,93,285/-

7. a) 2% of average net profit of the Company as per section 135(5): Rs. 4,983,289/-
   b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
   c) Amount required to be set off for the financial year, if any: Nil
   d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 4,983,289/-

8. **(A) CSR amount spent or unspent for the financial year**

Particulars	Amount
Total Amount Spent for the Financial Year	Rs.4,074,717
Total Amount (in Rs.) transferred to Unspent CSR Account as per section 135(6).	Nil
Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). Name of Fund: Amount: Date of Transfer:	 PM CARE FUND Rs.9,11,000/- 30/09/2021
Total unspent amount	Nil

(B) Details of CSR amount spent against ongoing projects for the financial year:

1)	2)	3)	4)	5)		6)	7)	8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the Project		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing Agency	
				State.	District.			Name	CSR registration number.

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(C) Details of CSR amount spent against other than ongoing projects for the financial year:

1) Sr. No.	2) Name of the Project	3) Item from the list of activities in schedule VII to the Act.	4) Local area (Yes / No).	5) Location of the Project		6) Amount spent for the project. (in Rs.).	7) Mode of implementation - Direct (Yes/ No).	8) Mode of implementation - Through implementing Agency	
				State.	District.			Name	CSR registration number.
1	BBN INDUSTRIES ASSOCIATION	(i) Eradcating hunger	yes	Baddi, Solan		1,37,500	Yes	BBN INDUSTRIES ASSOCIATION	
2	CONSUMER MART	(i)Eradcating hunger	yes	Baddi, Solan		2,37,217	Yes		
3	SHREE DUDHIA BABA SANYAS ASHRAM	(i)Promotion Education	No	Rishikesh,Dehradun		12,00,000	No	SHREE DUDHIA BABA SANYAS ASHRAM	
4	Om Welfare and Education Trust	(i)Promotion Education	No	Hisar, Haryana		25,00,000	No	Om Welfare and Education Trust	
5	PM Care Fund	(vii) Contribution to Pm care fund	Na	NA		9,11,000	Na	PM Care Fund	

(D) Amount spent in administrative overheads:

(E) Amount spent on Impact Assessment, if applicable: NA

(F) Total amount spent for the Financial Year (8b+8c+8d+8e)
(G) Excess amount for set off, if any

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Sl No.	Particulars	Amount (In INR.)
i.	Two percent of average net profit of the company as per section 135(5)	4,983,289
ii.	Total amount spent for the Financial Year	4,985,717
iii.	Excess amount spent for the financial year [(ii)-(i)]	2,428
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,428

9. (A) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.
	2019-20	Nil	5,127,902	0	0	0

(B) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

a.	b.	c.	d.	e.	f.	g.	h.	i.
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was concerned	Project Duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (In INR)	Cumulative amount spent at the end of reporting Financial Year (In Rs.)	Status of project Implementing
	Total							

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10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:
Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):Not Applicable

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Wholetime Director
DIN: 00144656
House No. 707, Sector- 06
Panchkula, Haryana-134109,
India

Vinay Kumar Lohariwala
Wholetime Director
DIN: 00144700
House No. 227 Sector-06
Panchkula, Haryana-134109,
India

Date: 30/11/2021
Place:Baddi

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ANNEXURE D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE
(Disclosure under Section 134 (3) (m) of the Companies Act, 2013 Read with Rule 8 (3) of Companies (Accounts) Rules, 2014)

A) CONSERVATION OF ENERGY

(i)	The steps taken or impact on conservation of energy	a) Retrofitting with LED lights in existing light fixtures done in phased manner across all locations. All new purchases of lights are done of LED lights primarily. b) Installation of Variable speed drive (VSD) technology for HVAC, dust collectors, pumps various process machines etc. implemented across all sites. VSD incorporated in new purchases of energy related equipment at procurement stage only. c) Targeted zero leakage and implemented well-structured utility leakages management program across all locations. d) Per Unit Energy Cost Reduction Program: • Fuel switch over from High Speed Diesel to Light Diesel Oil for steam generation having facilities of Furnace Oil and Agro Based Bracket . • Maintaining unit power factor across all locations. This has helped reduce the power demand and improve life of electrical switchgears. e) Operationalized precise control of environmental condition of manufacturing area. f) Automation system: i. Interlocking of dust collectors with HVAC ii. Installed occupancy sensors for low man movement area iii. Installed proximity sensors for air curtains iv. Potable water pump operated from feedback and VSD v. Seasonal set point optimization of chillers vi. Auto water level sensors fixed to ETP, STP, drinking water RO plant & underground & overhead water tanks etc. vii. Ensured best possible automation to reduce electricity wastage. viii. Installed energy efficient air blower for aeration at ETP. g) Installed LED and or energy star monitors across all locations. h) Re-utilizing steam condensate to pre heat the feed water.

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		Impact of above measures: (i) Reduction in energy consumption and cost. (ii) Reduction in carbon foot print. (iii) Reduction in per unit production cost. (iv) Availability of utilities for additional user points. (v) Increase in operational efficiencies.
(ii)	The steps taken by the company for utilizing alternate sources of energy	Company continued its steps to adopt green energy utilization as an alternate source of energy and took various initiatives in this regard. Installation of Solar roof top power plant is under planning to reduce CO2 emission.
(iii)	The capital investment on energy conservation equipment	Company has invested substantial amounts on energy conservation equipment across all units.

(B) TECHNOLOGY ABSORPTION:

(i)	the efforts made towards technology absorption	The company has continued its efforts on technology up-gradation in the area of manufacturing of Pharmaceutical products. New technology is used for manufacturing of products.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	1. The quality Pharmaceutical products 2. Reduction in costs 3. Increase in exports
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	N.A
	(c) whether the technology been fully absorbed	N.A
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
(iv)	the expenditure incurred on Research and Development	NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Amount in Rs.

Particulars	FY 2020-21	FY 2019-20
Expenditure in foreign currency	426791732.65	25,39,24,996
Earnings in foreign currency	422736256.8	26,37,08,241

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Wholetime Director
DIN: 00144656
House No. 707, Sector- 06
Panchkula, Haryana-134109, India

Vinay Kumar Lohariwala
Wholetime Director
DIN: 00144700
House No. 227 Sector-06
Panchkula, Haryana-134109, India

Date: 30/11/2021
Place: Baddi

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Annexure E

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

A. **Details of contracts or arrangements or transactions not at arm's length basis: NA**

Particulars	Amount
Name(s) of the related party and nature of relationship	
Nature of contracts/ arrangements/ transactions	
Duration of the contracts/ arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date of approval by the Board	
Amount paid as advances, if any:	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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B. Details of material contracts or arrangements or transactions at arm's length basis

i. Transaction with Innova Captab Limited for Sale of goods

Particulars	Amount
Name(s) of the related party and nature of relationship	Univentis Medicare Limited
Nature of contracts/ arrangements/ transactions	Sale of Material
Duration of the contracts/ arrangements/ transactions	Unless mutually terminated
Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of goods amounting to Rs. 675.16 million
Date of approval by the Board	
Amount paid as advances, if any:	

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
INNOVA CAPTAB LIMITED

Manoj Kumar Lohariwala
Wholetime Director
DIN: 00144656
House No. 707, Sector- 06
Panchkula, Haryana-134109, India

Vinay Kumar Lohariwala
Wholetime Director
DIN: 00144700
House No. 227 Sector-06
Panchkula, Haryana-134109, India

Date: 30/11/2021
Place ;Baddi

Jaspreet Singh Dhawan
B.Com (Hons.), FCS

JASPREET DHAWAN & ASSOCIATES
COMPANY SECRETARIES
H. No. 705, Phase-10, Sector 64, Mohali, Punjab-160062
cell : +91 98885-15184, 75891-58266
Off. : +91 98142-49418
e-mail : jaspreetsdhawan1@gmail.com
dhawan_jaspreet@hotmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
INNOVA CAPTAB LIMITED
Office No. 606, Ratan Galaxie-6th Floor, J.N. Road, Plot No. 1, Mulund (W), Mumbai, Mumbai City
Maharashtra-400080, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INNOVA CAPTAB LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **INNOVA CAPTAB LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **INNOVA CAPTAB LIMITED** ("the Company") for the financial year ended on **March 31, 2021** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(iv) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923 etc.
(v) Environment Protection Act, 1986 and other environmental laws.
(vi) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
(vii) Other laws applicable to the Company as per the representation given by the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India, effective from July 01, 2015.

During the period under review the Company has complied with the provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Company has not complied with the provisions of Section 179 of The Companies Act, 2013 in respect of filing of Form MGT-14 for the powers exercised by the board. However as per information provided by the officers of the company, the company is in the process of getting the delayed condoned by filing application to Central Government under section 460 of the Companies Act, 2013.

Based on our examination and the information received and records maintained, I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. As per the minutes, the decisions at the Board Meetings were taken unanimously.

I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the Company has not undertaken any specific event/ actions that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards.

Date: 04/09/2021
Place: Mohali

For Jaspreet Dhawan & Associates
Company Secretaries

Jaspreet Singh Dhawan
M. No. 9372
CP.NO: 8545
(UDIN: F009372C000888404)

B S R & Co. LLP

Innova Captab Limited

Audited Financial Statements

for the year ended 31 March 2021

Innova Captab Limited

Audited Financial Statements

for the year ended 31 March 2021

B S R & Co. LLP
Chartered Accountants

Unit No. A505 (A),
5th Floor, Plot No.178-178A,
Industrial & Business Park,
Phase -1, Chandigarh-160002

Telephone: + 91 172 664 4000
Fax: + 91 172 664 4004

INDEPENDENT AUDITORS' REPORT

To the Members of Innova Captab Limited

Report on the Audit of the Financial Statements

1. Opinion

We have audited the financial statements of Innova Captab Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

3. Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

4. **Management's and Board of Directors' Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and eash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

5. **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Other Matter

The comparative financial information of the Company for the year ended 31 March 2020 and the transition date opening Balance Sheet as at 1 April 2019 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2020 and 31 March 2019 dated 25 November 2020 and 2 September 2019 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

7. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 10 April 2021 and 03 August 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer note 41 to the financial statements;

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAADK4079

Place: Chandigarh
Date: 30 November 2021

"Annexure A" referred to in paragraph 7(i) of the Independent Auditors' Report to the Members of Innova Captab Limited for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets, were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following which are not held in the name of the Company:

(INR in millions)

Particulars	Total Number of cases	Whether leasehold/ freehold	Gross Block as at 31 March 2021	Net Block as at 31 March 2021	Remarks
Land	1	Leasehold	19.38	19.38	The Company has acquired partnership firm on account of slump sale on 31 March 2021. The Company is in the process of completing the formalities for transferring the title deed of the leasehold land acquired as part of in its own name.

(ii) According to the information and explanation given to us, the inventories, except goods-in-transit, have been physically verified by the management during the year For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verificatiou between the physical stocks and the book records .

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies and limited liability partnerships covered in the register maintained under Section 189 of the Act. Further, there are no firms and other parties covered in the register required under section 189 of the Act.

(iv) According to the information and explanations given to us, in respect of investments made by the Company, the provisions of section 186 of the Act have been complied with. As informed to us, the Company has not given any loans or as specified or provided any guarantee or security as specified under section 185 or 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under section 73 to 76 or other provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the company with the appropriate authorities though there have been slight delays in of Income tax, Provident fund and GST.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

(b) According to the information and explanations given to us, there are no dues of Sales tax, Value Added Tax, Income-tax, Service-tax, Cess, Duty of Excise and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

(Rs. in millions)

Name of statute	Nature of Dues	Amount disputed	Amount deposited	Period to which the amount relates	Forum where the dispute is pending
Income tax Act,1961	Income tax	0.06	-	2017-18	Deputy commissioner of Income tax

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers. The Company did not have any loans or borrowings from government, financial institutions and did not have any outstanding debentures during the year.

(ix) Based on our examination of books of account and according to the information and explanations given to us, the Company has not raised any other moneys by way of initial public offer or further public offer (including debt instruments) or term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provision of section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable Ind AS.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAADK4079

Place: Chandigarh
Date: 30 November 2021

"Annexure B" to the Independent Auditors' report on the financial statements of Innova Captab Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 7(II)(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Innova Captab Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

B S R & Co. LLP

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAADK4079

Place: Chandigarh
Date: 30 November 2021

Innova Captab Limited
Balance sheet as at 31 March 2021
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	3a	782.97	722.31	778.93
(b) Right-of-use assets	4	3.99	5.25	-
(c) Capital work-in-progress	3a	72.64	-	-
(d) Other intangible assets	3b	4.44	3.99	6.06
(e) Financial assets				
- Investments	5	-	-	-
- Loans	6	34.95	8.19	11.27
(f) Income tax assets (net)	7	13.32	-	-
(g) Other non-current assets	8	79.23	0.30	0.88
Total non-current assets		991.54	740.04	797.14
(2) Current assets				
(a) Inventories	9	914.45	654.86	387.22
(b) Financial assets				
(i) Trade receivables	10	1,385.53	867.69	908.29
(ii) Cash and cash equivalents	11	47.95	22.33	7.50
(iii) Bank balances other than (ii) above	12	70.99	29.49	10.79
(iv) Other financial assets	13	22.23	8.29	10.85
(c) Other current assets	14	263.47	127.94	107.75
Total current assets		2,704.62	1,710.60	1,432.40
Total assets		3,696.16	2,450.64	2,229.54
Equity and liabilities				
(1) Equity				
(a) Equity share capital	15	120.00	120.00	120.00
(b) Other equity	16	1,328.21	983.54	704.86
Total equity		1,448.21	1,103.54	824.86
Liabilities				
(2) Non-current liabilities				
(a) Financial liabilities				
- Borrowings	17	60.00	116.09	263.52
- Lease liabilities	4	3.53	4.71	-
(b) Provisions	18	12.34	5.60	4.15
(c) Deferred tax liabilities (net)	33	19.26	16.06	12.16
(d) Other non-current liabilities	19	1.29	1.71	2.14
Total non-current liabilities		96.42	144.17	281.96
(3) Current liabilities				
(a) Financial liabilities				
- Borrowings	17	334.26	363.03	401.02
- Lease liabilities	4	1.18	0.95	-
- Trade payables	20			
- total outstanding dues of micro and small enterprises		34.82	24.58	20.95
- total outstanding dues of creditors other than micro and small enterprises		1,087.51	692.50	595.15
- Other financial liabilities	21	638.31	89.71	87.26
(b) Other current liabilities	22	50.11	25.68	12.84
(c) Provisions	18	5.34	3.00	2.45
(d) Current tax liabilities (net)	23	-	3.48	3.04
Total current liabilities		2,151.53	1,202.93	1,122.71
Total liabilities		2,247.95	1,347.10	1,404.67
Total equity and liabilities		3,696.16	2,450.64	2,229.54
Significant accounting policies	2			
Notes to the financial statements	3-44			

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

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

For and on behalf of Board of Directors of
Innova Captab Limited

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Innova Captab Limited
Statement of Profit and Loss for year ended 31 March 2021
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I Revenue from operations	24	4,106.62	3,733.20
II Other income	25	13.71	13.00
III **Total income (I + II)**		4,120.33	3,746.20
IV **Expenses**			
Cost of materials consumed	26	3,014.60	2,886.90
Purchase of stock-in-trade	27	75.99	28.58
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	16.35	(77.64)
Employee benefits expense	29	223.34	202.39
Finance costs	30	39.27	46.27
Depreciation and amortization expense	31	55.86	100.75
Other expenses	32	231.48	183.65
Total expenses (IV)		3,656.89	3,370.90
V **Profit before tax (III-IV)**		463.44	375.30
VI **Tax expense:**	33		
(i) Current tax		114.98	92.46
(ii) Deferred tax charge/ (credit)		3.46	3.98
Total tax expense		118.44	96.44
VII **Profit for the year (V-VI)**		345.00	278.86
VIII **Other comprehensive income / (loss)**			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(1.03)	(0.26)
Capital reserve arising on acquistion of business on account of slump sale		0.44	-
Income tax relating to items that will be reclassified to Profit or Loss		0.26	0.07
Total other comprehensive (loss) for the year (net of tax)		(0.33)	(0.19)
IX **Total comprehensive income for the year (VII+VIII)**		344.67	278.67
Earnings per equity share			
Basic and diluted [nominal value of INR 100 per share]	34	287.50	232.39
Significant accounting policies	2		
Notes to the financial statements	3-44		

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

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

For and on behalf of Board of Directors of
Innova Captab Limited

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Innova Captab Limited
Statement of Cash Flow for the year ended 31 March 2021
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flows from operating activities		
Profit before tax for the year	463.44	375.30
Adjustments for:		
Depreciation and amortization expense	55.86	100.75
Expected credit loss on trade receivables	4.64	-
Bad debts written off	1.92	-
Net profit on sale of property, plant and equipment	(1.50)	-
Unrealized foreign exchange (gain)	(1.50)	-
Amortisation of government grant	(0.43)	(0.43)
Finance costs	39.27	46.27
Interest income	(2.35)	(1.98)
Operating cash flows before working capital changes	559.35	519.91
Working capital adjustments		
(Increase) in inventories	(44.10)	(267.64)
(Increase) / decrease in trade receivables	(74.22)	40.60
Increase in trade payables	98.75	100.98
(Increase) / decrease in loans	2.54	3.08
(Increase) / decrease in other financial assets	(4.07)	3.92
(Increase) in other current assets	(11.04)	(20.19)
Increase in other current liabilities	16.61	12.84
Increase in other financial liabilities	0.51	4.75
Increase in provisions	3.63	1.74
Cash generated from operating activities	547.96	399.99
Income tax paid (net)	(132.32)	(92.02)
Net cash generated from operating activities (A)	415.64	307.97
B Cash flows from investing activities		
Purchase of property, plant and equipment	(187.31)	(42.29)
Proceeds from sale of property, plant and equipment	2.86	-
Interest income received	0.72	0.62
Movement in other bank balances	(12.98)	(18.70)
Net cash (used in) investing activities (B)	(196.71)	(60.37)
C Cash flows from financing activities		
Payment of lease liabilities (including interest)	(1.53)	(1.20)
Interest paid	(34.76)	(46.15)
Repayments of non-current borrowings	(112.66)	(186.46)
Proceeds from non-current borrowings	20.00	15.21
Proceeds from/ repayments of current borrowings	(64.41)	(14.17)
Net cash (used in) financing activities (C)	(193.36)	(232.77)
Net increase in cash and cash equivalents (A+B+C)	25.57	14.83
Cash and cash equivalents on acquisition of business on account of slump sale (refer note 42)	0.05	-
Cash and cash equivalents at the beginning of the year	22.33	7.50
Cash and cash equivalents at the end of the year	47.95	22.33
Notes:		
1. Components of cash and cash equivalents		
Cash on hand	0.15	0.21
Cheque on hand	47.23	12.81
Balances with banks - in current accounts	0.57	9.31
	47.95	22.33

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".
3. Refer note 17(C) for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies	2
Notes to the financial statements	3-44

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

For and on behalf of Board of Directors of
Innova Captab Limited

Shikha

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Innova Captab Limited

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

(Amount in INR millions, except for share data unless otherwise stated)

A **Equity share capital**

Particulars	As at 31 March 2021 Number of shares	As at 31 March 2021 Amount	As at 31 March 2020 Number of shares	As at 31 March 2020 Amount	As at 1 April 2019 Number of shares	As at 1 April 2019 Amount
Balance at the beginning of the year	1,200,000	120.00	1,200,000	120.00	1,200,000	120.00
Balance at the end of the year	1,200,000	120.00	1,200,000	120.00	1,200,000	120.00

B **Other equity (refer note 16)**

Particulars	Capital reserve	Reserves and surplus: Retained earnings	Total
Balance as at 1 April 2019	-	704.86	704.86
Total comprehensive income for the year			
Add : Profit for the year	-	278.86	278.86
Add : Other comprehensive (loss) (net of tax) for the year	-	(0.19)	(0.19)
Total comprehensive income for the year	-	983.54	983.54
Balance as at 31 March 2020	-	983.54	983.54
Balance as at 1 April 2020	-	983.54	983.54
Total comprehensive income for the year			
Add : Profit for the year	-	345.00	345.00
Add : Addition on acquisition of business on account of slump sale (also refer to note 42)	0.44	-	0.44
Add : Other comprehensive (loss) (net of tax) for the year	-	(0.77)	(0.77)
Total comprehensive income for the year	0.44	1,327.77	1,328.21
Balance as at 31 March 2021	0.44	1,327.77	1,328.21

Significant accounting policies 2

Notes to the financial statements 3-44

The accompanying notes form an integral part of the financial statements

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

For and on behalf of Board of Directors of
Innova Captab Limited

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Note 1. Corporate Information

Innova Captab Private Limited ("the company"), a Company domiciled in India with its registered situated at Office No. 606, Ratan Galaxie-6th Floor, J.N. Road, Plot No. 1, Mulund (W), Mumbai, MH 400080, India, was incorporated in Mumbai on 3 January 2005 as a private limited company and is in the business of manufacturing drugs and pharmaceuticals. The Company was initially incorporated with the name of "Harun Healthcare Private Limited" and later on the name was changed to "Innova Captab Private Limited". The Company was converted to a Public Limited Company w.e.f 26 July 2018. After conversion, the name of the Company is "Innova Captab Limited".

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

These financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2020 were prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP").

As these are Company's first financial statements prepared in accordance with Indian Accounting Standards ('Ind AS'), Ind AS 101, *First time adoption of Indian Accounting Standards* has been applied. The transition was carried out from Indian GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 44.

The financial statements for the year ended 31 March 2021 were approved for issue by the Company's Board of Directors on 30 November 2021.

(ii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated.

(iii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined benefits liability	Present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of these financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

BSR & Co. LLP Chartered Accountants

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2 (a)(v) – Fair value measurement (including fair value of consideration transferred on business combination and fair value of the assets acquired and liabilities assumed)
- Note 2(d) and 3a – Assessment of useful life and residual value of property, plant and equipment
- Note 2(e) and 4 – Lease Classification and assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(g) and 3b – Assessment of useful life of intangible assets
- Note 2(i) – Valuation of inventories
- Note 2(j) – Impairment of financial assets; impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(m) and 36 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(n), 11 and 33 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable
- Note 2(o), 2(p), and 41(a) – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the Note 39.

(b) Business combination

Business combinations (other than common control business combinations) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in other equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

(c) Financial instrument

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

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivable) is recognised initially at fair value plus or minus s transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in Statement of Profit and Loss.

Subsequent measurement

On initial recognition, a financial asset is classified as measured at:
- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (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.

Financial asset at amortised cost

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.

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Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVPL 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 FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

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Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company 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.

(d) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and or accumulated impairment loss, if any.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2019, measured as per the Indian GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see note 44).

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Effective 1 April 2020, the Company changed its method of computing depreciation from WDV methods to the straight-line method. Based on Ind AS-16, Property, plant and equipment, the Company determined that the change in depreciation method from written down value method to a straight-line method is a change in accounting estimate. A change in accounting estimate is to be applied prospectively.

The change is considered preferable because the straight-line method will more accurately reflect the pattern of usage and the expected benefits of such assets and provide greater consistency with the depreciation methods used by other companies in the Company's industry. The net book value of assets acquired prior 1 April 2020, with useful lives remaining will be depreciated using the straight-line method prospectively. As a result of the change to the straight-line method of depreciating Property, plant and equipment, depreciation expense

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decreased by INR 36.61 million for the period ended 31 March 2021 and the increase in Profit by INR 36.61 million.

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	30 Years
Office equipment	5 Years	3 - 5 Years
Plant and equipment	3 - 15 Years	3-15 Years
Electrical installations	10 Years	10 Years
Vehicles	10 Years	10 Years
Furniture and fittings	10 Years	10 Years
Computer and Printer	5 Years	5 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation on leasehold land and improvements carried out on buildings taken on lease is provided over the period of the lease or useful life of assets, whichever is lower.

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(e) Leases

The Company has applied Ind AS 116 w.e.f. 01 April 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

Leases in which the Company is a lessee

The Company's lease asset classes primarily consist of leases for buildings and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. Modified retrospective approach has been applied to contracts existing and entered on or after 1 April 2019 and accordingly there has been no adjustment in the opening balance of retained earnings as on 1 April 2019.

The Company elected to use the following practical expedients on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. 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 asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

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The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

Amendments to Ind AS 116

On 24 July 2020, Ministry of Corporate Affairs notified amendments to Ind AS 116 – Leases, introducing an optional practical expedient for leases in which the Company is a lessee wherein the Company is not required to assess whether eligible rent concessions, to payments originally due on or before 30 June 2021, which are direct consequences of the COVID-19 pandemic are lease modifications. The Company has elected to apply the practical expedient consistently to lease contracts.

(f) Other Intangible assets

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful life computer software for the current and comparative periods is 5 years.

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(g) Inventories

Inventories are valued at lower of cost or net realisable value. The method of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Traded goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.
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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(h) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

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Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made 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 amortization, if no impairment loss had been recognized.

(i) Revenue from contract with customers

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when billings are in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

<u>Use of significant judgements in revenue recognition:</u>

a) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Company uses judgement to determine an appropriate selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct product or service promised in the contract.

d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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The Company has adopted Ind AS 115 from 1 April 2019 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on 1 April 2019. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(j) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(k) Government grant

Government grants related to capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in Statement of Profit and Loss as other income on a systematic basis.

Grants that compensate the Group for expenses incurred are recognised in Statement of Profit and Loss as other income on a systematic basis in the periods in which such expenses are recognised.

(l) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured on an undiscounted basis. A liability is recognised for the amount expected to be paid e.g., salaries, wages and bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state

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insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

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(m) Borrowing costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

(n) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Measurement at the reporting date

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. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in the Statement of profit and loss.

(o) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(p) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) Contingent liabilities and contingent assets

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 usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed where an inflow of economic benefits is probable.

Contingent liabilities and contingent assets are reviewed at each reporting date and adjusted to reflect the current best estimates.

(r) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Commitments are reviewed at each reporting date.

(s) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(t) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three

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months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(u) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(v) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(w) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

(x) Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating these amendments on its financial statements and will give effect to the same as required by law.

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(Amount in INR millions, except for share data unless otherwise stated)

Note 3a - Property, plant and equipment

Gross carrying amount

Particulars	Freehold land	Leasehold land	Building	Plant and equipment	Electrical equipments and installation	Vehicles	Furniture and fixtures	Office equipment	Computer and printer	Total	Capital work-in-progress
Balance as at 1 April 2019 (refer note a)	57.48	-	304.75	353.89	30.91	4.12	22.21	2.98	2.59	778.93	-
Additions	-	-	12.78	14.52	1.78	0.67	9.55	0.24	1.22	40.76	-
Disposals /other adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	**57.48**	**-**	**317.53**	**368.41**	**32.69**	**4.79**	**31.76**	**3.22**	**3.81**	**819.69**	**-**
Balance as at 1 April 2020	57.48	-	317.53	368.41	32.69	4.79	31.76	3.22	3.81	819.69	-
Additions	-	-	0.97	31.86	0.31	-	1.07	0.02	0.78	35.01	72.64
Acquisition of business on account of slump sale*	-	19.38	4.83	27.48	1.45	32.44	2.59	0.35	0.78	89.30	-
Disposals /other adjustments	-	-	-	(3.46)	-	-	-	-	-	(3.46)	-
Balance as at 31 March 2021	**57.48**	**19.38**	**323.33**	**424.29**	**34.45**	**37.23**	**35.42**	**3.59**	**5.37**	**940.54**	**72.64**

Accumulated depreciation

Particulars	Freehold land	Leasehold land	Building	Plant and equipment	Electrical equipments and installation	Vehicles	Furniture and fixtures	Office equipment	Computer and printer	Total	Capital work-in-progress
Balance as at 1 April 2019 (refer note a)	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	30.10	54.94	4.85	1.09	4.77	0.62	1.01	97.38	-
Disposals /other adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	**-**	**-**	**30.10**	**54.94**	**4.85**	**1.09**	**4.77**	**0.62**	**1.01**	**97.38**	**-**
Balance as at 1 April 2020	-	-	30.10	54.94	4.85	1.09	4.77	0.62	1.01	97.38	-
Depreciation for the year	-	-	10.51	29.41	4.71	0.58	3.73	1.14	1.99	52.07	-
Acquisition of business on account of slump sale*	-	-	0.48	4.37	0.22	4.62	0.26	0.04	0.22	10.21	-
Disposals /other adjustments	-	-	-	(2.09)	-	-	-	-	-	(2.09)	-
Balance as at 31 March 2021	**-**	**-**	**41.09**	**86.63**	**9.78**	**6.29**	**8.76**	**1.80**	**3.22**	**157.57**	**-**

Carrying amounts (net)

Particulars	Freehold land	Leasehold land	Building	Plant and equipment	Electrical equipments and installation	Vehicles	Furniture and fixtures	Office equipment	Computer and printer	Total	Capital work-in-progress
As at 01 April 2019	57.48	-	304.75	353.89	30.91	4.12	22.21	2.98	2.59	778.93	-
As at 31 March 2020	57.48	-	287.43	313.47	27.84	3.70	26.99	2.60	2.80	722.31	-
As at 31 March 2021	57.48	19.38	282.24	337.66	24.67	30.94	26.66	1.80	2.15	782.97	72.64

* Refer note 42

Notes:

a. The Company has elected Ind AS 101 exemption to continue with the carrying value for all of its property, plant and equipment at deemed cost as at the date of transition. Also, refer to note 44.

b. Refer note 17 for information on property, plant and equipment pledged as security by the Company.

c. Refer note 41(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

d. The Company has capitalized the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	1.59	-
Power and fuel	2.10	-
	3.69	-

e. Plant and equipment includes INR 7.77 (31 March 2020: INR 8.36 and 01 April 2019 : INR 9.57) of capitalization towards research and development.

f. Leasehold land includes leasehold land of INR 19.38 (31 March 2020: INR Nil, 1 April 2019: INR Nil) situated at Plot no. 81-B, EPIP Phase I, Jharmagri, Baddi, Solan for which the Company is in the process of completing the formalities for transferring the title deed in its own name.

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(Amount in INR millions, except for share data unless otherwise stated)

Note 3b - Other intangible assets

Gross carrying amount

Particulars	Computer software
Balance as at 1 April 2019 (refer note a)	6.06
Acquired	0.26
Balance as at 31 March 2020	6.32
Balance as at 1 April 2020	6.32
Acquired	2.98
Balance as at 31 March 2021	9.30
Accumulated amortization	
Balance as at 1 April 2019 (refer note a)	-
Additions	2.33
Balance as at 31 March 2020	2.33
Balance as at 1 April 2020	2.33
Additions	2.53
Balance as at 31 March 2021	4.86
Carrying amounts (net)	
As at 01 April 2019	6.06
As at 31 March 2020	3.99
As at 31 March 2021	4.44

Note:

a. The Company has elected Ind AS 101 exemption to continue with the carrying value for all of its other intangible assets at deemed cost as at the date of transition. Also, refer to note 44.

b. As at 31 March 2021, the estimated remaining amortization period for other intangible assets are as follows:

Computer Software	0.5 - 5 years

Note 4 - Right-of-use assets and lease liabilities

The Company has entered into agreements for leasing office premises on lease. The leases typically run for a period of 6 years after which the lease is subject to termination at the option of lessee or lessor.

a. Information about leases for which the Company is a lessee is presented below :

Right-of-use assets - building	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance as at beginning of the year	5.25	-	-
Additions	-	6.30	-
Depreciation for the year	(1.26)	(1.05)	-
Balance as at end of the year	3.99	5.25	-

b. The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

c. Set out below are the carrying amounts of lease liabilities and the movements during the year :

Lease liabilities included in the balance sheet	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current	1.18	0.95	-
Non-current	3.53	4.71	-
Total	4.71	5.66	-
Balance as at beginning of the year	5.66	-	-
Additions	-	6.30	-
Accreditation of interest	0.58	0.55	-
Payment of lease liabilities	(1.53)	(1.20)	-
Balance as at end of the year	4.71	5.66	-

d. As at year end date, the Company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

e. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Less than one year	1.64	1.53	-
After one year but not longer than three years	3.99	5.63	-
More than three years	-	-	-
Total	5.63	7.16	-

f. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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g. The Company has also taken certain office premises and residential premises (used as guest house) on lease with contract terms within one year. These leases are short-term. The Company has elected not to recognize right-of-use-assets and lease liabilities for these leases. The expenses relating to short-term leases for which the recognition exemption has been applied have been charged to the Statement of Profit and Loss on straight line basis.

h. The table below provides details regarding amounts recognized in the Statement of Profit and Loss:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses relating to short-term leases	0.87	0.75
Interest on lease liabilities	0.58	0.55
Depreciation expense	1.26	1.05
Total	**2.71**	**2.35**

i. The following are the amounts recognized in the Statement of Cash Flow:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases including short term leases	2.40	1.95

j. For the transitional impact of Ind AS 116 and accounting policy, refer note 2(d) of the financials statement.

k. The weighted average incremental borrowing rate applied to lease liabilities as at the date of origination of lease (initial recognition date 1 June 2019) is

Note 5: Investments	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Non-current investments			
Investments in equity shares			
Unquoted equity shares (at cost)			
- Shivalik Solid Waste Management Limited 250 (31 March 2020: Nil, 01 April 2019: Nil) equity shares of INR 10 each fully paid-up	-	-	-
	-	-	-
	-^	-	-
Aggregate book value of unquoted investments	-	-	-
Aggregate amount of impairment in value of non-current investments	-	-	-

^ The total value of shares in absolute value was INR 2,500/- but for reporting rounded upto INR 0.00 million

Note 6 - Loans *(unsecured considered good, unless otherwise*	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Non-current	Current	Non-current	Current	Non-current	Current
Security deposit	34.95	-	8.19	-	11.27	-
	34.95	-	8.19	-	11.27	-
Break-up of security details						
Loan receivables considered good - unsecured	34.95	-	8.19	-	11.27	-
Total	34.95	-	8.19	-	11.27	-

Note 7 - Income tax assets (net)	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax and tax deducted at source	13.32	-	-
	13.32	-	-

Note 8 - Other non-current assets *(unsecured considered good, unless otherwise stated)*	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Capital advances	79.23	0.30	0.88
	79.23	0.30	0.88

Note 9 - Inventories *(At lower of cost and net realizable value)*	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials #	554.92	391.58	219.05
Stores and spares	1.86	1.72	1.63
Work-in-progress	99.72	83.81	57.27
Finished goods #	110.77	97.18	46.10
Stock-in-trade	0.28	0.60	0.58
Packing material #	146.90	79.97	62.59
	914.45	654.86	387.22

Notes:

# Includes goods-in-transit			
- Raw material	109.03	107.69	34.48
- Finished goods	18.29	5.60	13.99
- Packing material	6.49	2.44	0.18

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Note 10 - Trade receivables
(unsecured considered good, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables	1,047.00	708.61	771.05
Trade receivables from related party (refer note 37)	343.17	159.08	137.24
Less: expected credit loss allowance	(4.64)	-	-
	1,385.53	867.69	908.29
Break-up for security details:			
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	1,385.53	867.69	908.29
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	4.64	-	-
	1,390.17	867.69	908.29
Less: expected credit loss allowance	(4.64)	-	-
Total trade receivables	1,385.53	867.69	908.29

Movement in expected credit loss allowance of trade receivables	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance at the beginning of the year	-	-	-
Additions during the year	4.64	-	-
Balance at the end of the year	4.64	-	-

Note 11 - Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with bank:			
- In current accounts	0.57	9.31	0.13
Cheques on hand	47.23	12.81	7.30
Cash on hand	0.15	0.21	0.07
	47.95	22.33	7.50

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with bank:			
- In current accounts	0.57	9.31	0.13
Cheques on hand	47.23	12.81	7.30
Cash on hand	0.15	0.21	0.07
	47.95	22.33	7.50

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:
The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

Note 12 - Bank Balance other than above

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Bank deposits with original maturity of more than three months but less than twelve months #	70.99	29.49	10.79
	70.99	29.49	10.79

These deposits include restricted bank deposits INR 71.00 (31 March 2020: INR 29.49 and 01 April 2019: INR 10.79) pledged as margin money.

Note 13 - Other financial assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Interest accrued not due on fixed deposits	6.30	2.64	1.28
Export Incentive recoverable	15.93	5.65	9.57
	22.23	8.29	10.85

Note 14 - Other current assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with government authorities	247.08	109.75	103.50
Advances to suppliers	8.79	14.18	0.95
Advances to employees	4.65	1.48	2.37
Prepaid expenses	2.95	2.53	0.93
	263.47	127.94	107.75

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Note 15 - Equity share capital

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Authorized			
1,200,000 (31 March 2020: 1,200,000, 01 April 2019: 1,200,000) equity shares of INR 100 each	120.00	120.00	120.00
	120.00	120.00	120.00
Issued, subscribed and paid-up			
1,200,000 (31 March 2020: 1,200,000, 01 April 2019: 1,200,000) equity shares of INR 100 each fully paid up	120.00	120.00	120.00
	120.00	120.00	120.00

a) Rights, preferences and restrictions attached to equity shares

As per the memorandum of association, the Company's authorized share capital consist of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,200,000	120.00	1,200,000	120.00	1,200,000	120.00
Balance at the end of the year	1,200,000	120.00	1,200,000	120.00	1,200,000	120.00

c) Details of shareholders holding more than 5 percent equity shares in the Company:

	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Manoj Kumar Lohariwala	475,900	39.66	475,900	39.66	475,900	39.66
Vinay Kumar Lohariwala	243,900	20.33	243,900	20.33	243,900	20.33
Gian Parkash Aggarwal	479,800	39.98	479,800	39.98	479,800	39.98

d) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2021.

During the five years immediately preceding 31 March 2021 ('the year'), neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash

Note 16 - Other equity

	As at 31 March 2021	As at 31 March 2020
a Capital reserve		
Balance at the beginning of the year	-	-
Add: Addition on acquisition of business on account of slump sale (also refer to note 42)	0.44	-
Balance at the end of the year	0.44	-
b Retained earnings		
Balance at the beginning of the year	983.54	704.86
Add: Profit for the year	345.00	278.86
Add: Other comprehensive (loss) for the year (remeasurement of defined benefit plans, net of tax)	(0.77)	(0.19)
Balance at the end of the year	1,327.76	983.54
Total	1,328.20	983.54

Nature of reserves:

a. **Retained earnings**
Retained earnings are the profits that the Company has earned till date, less any dividends or other distributions paid to shareholders.

b. **Capital reserve**
Capital reserve represents the accumulated excess of the fair value of net assets acquired under business combination over the aggregate consideration transferred.

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Note 17 - Borrowings

A. Non-current borrowings	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Secured:				
From banks				
Term Loan	(a)	116.00	172.09	319.52
Total non-current borrowings (including current maturities)		116.00	172.09	319.52
Less : Current maturities of non-current borrowings (refer note 21)*		(56.00)	(56.00)	(56.00)
		60.00	116.09	263.52

Notes:

(a) Terms and conditions of outstanding borrowings are as follows:

Term loan from State Bank of India amounting to INR 86.00 (31 March 2020: INR 122.09, 1 April 2019: INR 249.52) carrying floating interest rate of 1.75% above MCLR (presently 7.85% per annum) present effective rate being 9.60% per annum is secured by way of pari passu charge over entire property, plant and equipment (excluding land and building), equitable mortgage of factory land and Building of Innova Captab Ltd at Khasra No. 1281/1, Hill top Industrial Estate, Near EPIP Phase-I, Jharmajri, Baddi, Himachal Pradesh, ad measuring 21.17 bighas, equitable Mortgage of Factory land and building of Innova Captab Limited at Hill top Jharmajri, Bhatoli Kalan, Baddi, Himachal Pradesh, and measuring 14 bighas and pledge of unencumbered shares amounting to INR 36.41 of the Manoj Kumar Lahoriwala, Vinay Kumar Lahoriwala and Gian Prakash Aggarwal, which has been released subsequent to the year end and the personal guarantee of promoters of the Company. The loan is to be repaid in 29 monthly installments as per the repayment schedule in equal monthly installments commencing from 01 September 2017. The last installment would be repaid on 01 August 2023.

Term loan from Yes Bank amounting to INR 30.00 (31 March 2020: INR 50.00, 1 April 2019: INR 70.00) carrying floating interest rate ranging from 6.8 % to 9.7% per annum is secured by way of pari passu Charge on entire moveable property, plant and equipment (both present and future) of the Company, pari passu charge on factory land and building at Hilltop, Jharmajri, Baddi, Village Bhatoli Kalan admeasuring 14 bigha, pari passu charge on factory land and building owned by Innova Captab Limited admeasuring 21.17 bighas, Bhatoli Kalan, Solan, Himachal Pradesh and pari passu charge on pledge 30% promoter shares of the borrowing entity and irrevocable and unconditional personal guarantee of Manoj Kumar Lahoriwala, Vinay Kumar Lahoriwala and Gian Prakash Aggarwal, to remain valid during the tenor of the facilities. The loan is to be repaid in 18 monthly installments as per the repayment schedule in equal monthly installments commencing from 14 October 2017. The last instalment would be repaid on 14 September 2022.

B. Current borrowings	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Secured				
From Banks				
Cash credit limit	(b)	263.35	255.55	269.72
Unsecured:				
From Others				
Deposits from directors (refer note 37)	(c)	70.91	107.48	131.30
		334.26	363.03	401.02

Notes:

(b) The Company has taken the working capital limits from State Bank of India which are secured against pari passu first charge by way of hypothecation on entire current assets of the firm with Yes Bank including raw material, work-in-process, finished goods and book debts/receivables etc. (both present and future) and equitable Mortgage of Factory land and Building of Innova Captab Ltd at Hill top Jharmajri, Bhatoli Kalan, Baddi, Himachal Pradesh, and measuring 14 bighas and personal guarantee by Manoj Kumar Lahoriwala, Vinay Kumar Lahoriwala, Gian Prakash Aggarwal to remain valid during the tenor of the facilities .The facilities availed from State Bank of India carries floating rate of interest of 1.50% above MCLR (presently 7.85% per annum) present effective rate being 9.35% per annum (1.00% above MCLR (presently 8.55% per annum) present effective rate being 9.55% per annum for the year ended 31 March 2020).

The Company has taken the working capital limits from Yes Bank Limited which are secured against entire current assets (both present and future of borrower), pari passu Charge on factory land and building at Hilltop, Jharmajri, Baddi, Village Bhatoli Kalan admeasuring 14 bigha, pari passu Charge on factory land and building owned by Innova Captab Limited admeasuring 21.17 bighas, Bhatoli Kalan, Solan, Himachal Pradesh and Pari Passu Charge on pledge 30% promoter shares of the borrowing entity and irrevocable and unconditional personal guarantee by Manoj Kumar Lahoriwala, Vinay Kumar Lahoriwala, Gian Prakash Aggarwal to remain valid during the tenor of the facilities. The facilities availed from Yes Bank Limited carries floating rate of interest@ spread of 0.00% per annum over and above Banks' 1 year MCLR (0.50% per annum over and above Banks' 3 month MCLR per annum for the year ended 31 March 2020).

The Company has taken the working capital limits from HSBC which are secured against first Pari Passu charge on entire fixed assets (moveable and immoveable) (present and future) (with State Bank of India & Yes Bank) including first Pari Passu charge on industrial property (land and building) at Innova Captab Limited admeasuring 21.17 bigha, Bhatoli Kalan, Solan, Himachal Pradesh, first Pari Passu charge on industrial property (land and building) at Hilltop Jharmajri, Baddi, Village Bhatoli Kalan, admeasuring 14 bigha, personal guarantee from Manoj Kumar Lahoriwala, Vinay Kumar Lahoriwala, Gian Prakash Aggarwal, & Property Owners for INR 100.00/- each, first Pari Passu charge on entire current assets of the firm (present and future) (with State Bank of India & Yes Bank ,first Pari passu charge on factory L&B at plot no. 81 - B, EPIP Phase I, Jharmajri, Baddi Solan (held in the name of Innova Captab (partnership firm)), First Pari passu charge on residential property at 707, Sector 6, Panchkula, Haryana. The facilities availed from HSBC carries floating rate of interest @ spread of 0.05% per annum over and above Banks overnight MCLR (Nil for the year ended 31 March 2020).

(c) Deposits from directors carry interest rate of 10.5% per annum and are repayable on demand.

C. Reconciliation of movements of liabilities to cash flows arising from financing activities	As at 31 March 2021	As at 31 March 2020
Borrowings at the beginning of the year (current and non-current borrowings)	535.12	720.54
Proceeds from non-current borrowings	20.00	15.21
Repayments of non-current borrowings	(112.66)	(186.46)
Proceeds from/ repayments of current borrowings (net)	7.80	(14.17)
Borrowings at the end of the year (current and non-current borrowings)	450.27	535.12

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Note 18 - Provisions	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
A. Non-current			
Provision for employee benefits:			
Provision for compensated absences	2.14	1.23	1.03
Provision for gratuity (refer note 36)	10.20	4.37	3.12
	12.34	5.60	4.15
B. Current			
Provision for employee benefits:			
Provision for compensated absences	1.24	0.90	0.77
Provision for gratuity (refer note 36)	3.11	2.10	1.68
	4.35	3.00	2.45
Others:			
Provision for litigation (refer note (a))	0.99	-	-
	17.68	8.60	6.60
a) Provision for litigation			
Balance at the commencement of the year	-	-	-
Add: Provision made during the year	0.99	-	-
Less: Provision utilised/reversed during the year	-	-	-
Balance at the end of the year	0.99	-	-

Note 19 - Other non current liabilities	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred government grant	1.29	1.71	2.14
	1.29	1.71	2.14

Note 20 - Trade payables	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total outstanding dues of micro and small enterprises	34.82	24.58	20.95
Total outstanding dues of creditors other than micro and small enterprises #	1,087.51	692.50	595.15
	1,122.33	717.08	616.10

Also, the Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. Refer note 38 for the disclosure in respect of amounts payable to such enterprises as at year end that has been made in the financial statements based on information available with the Company.

Refer note 37

Note 21 - Other financial liabilities	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current maturities of non current borrowings (refer note 17)	56.00	56.00	56.00
Interest accrued but not due on borrowings	6.16	2.77	3.20
Employee related payables	27.07	26.58	21.83
Capital creditors	6.58	4.36	6.23
Payable on acquisition of business on account of slump sale #	542.50	-	-
	638.31	89.71	87.26

* Refer note 38 for disclosures required under MSMED Act.
# Refer note 42

Note 22 - Other current liabilities	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Contract liabilities	44.92	20.40	7.41
Statutory dues	4.76	4.85	5.00
Deferred government grant	0.43	0.43	0.43
	50.11	25.68	12.84

Note 23 - Current tax liabilities (net)	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for income tax (net of advance tax of INR Nil (31 March 2020: INR 90.67, 01 April 2019: INR 50.45)	-	3.48	3.04
	-	3.48	3.04

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Note 24 - Revenue from operations	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of finished goods	3,834.91	3,527.19
Sale of traded goods	233.55	172.17
Sale of services	27.18	23.20
Other operating revenues		
- Export incentives	10.05	9.49
- Scrap sales	0.93	1.15
	4,106.62	3,733.20

Notes:

a. Reconciliation of revenue recognized with the contract price is as follows:		
Contract price	4,104.86	3,729.72
Adjustments for:		
- Discounts and rebates	(9.22)	(7.16)
Revenue recognized	4,095.64	3,722.56

b. Contract Balances		
Receivables, which are included in 'trade receivables'*	1,385.53	867.69
Contract liability, which are included in 'other current liabilities' **	44.92	20.40
	1,430.45	888.09

* includes contract assets of INR 11.13 (previous year: INR 25.66)
** Considering the nature of business of the Company, the above contract liability are generally materialized as revenue within the same operating cycle.

c. Revenue from sale of products disaggregated by primary geographical market		
India	3,697.73	3,418.55
Outside India	397.91	304.01
Total revenue from contracts with customers	4,095.64	3,722.56

Note 25 - Other income	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- on bank deposits	2.35	1.98
Amortisation of government grant	0.43	0.43
Net profit on sale of property, plant and equipment	1.50	-
Exchange gain on foreign exchange fluctuation (net)	4.47	10.27
Miscellaneous income	4.96	0.32
	13.71	13.00

Note 26- Cost of materials consumed	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw material	2,637.77	2,285.80
Packing material	376.83	601.10
	3,014.60	2,886.90

Movement of raw materials consumption (including purchased components and packing material consumed)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	473.27	283.27
Add: Purchases	3,075.06	3,076.90
Add: Inventory on acquisition of business on account of slump sale (refer note 42)	169.95	-
Less: Inventory at the end of the year	703.68	473.27
	3,014.60	2,886.90

Note 27- Purchase of stock-in-trade	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of stock in trade	75.99	28.58
	75.99	28.58

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Note 28 - Changes in inventories of finished goods, work-in-progress and stock- in -trade	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance		
- Finished goods	97.18	46.10
- Work-in-progress	83.81	57.27
- Stock-in-trade	0.60	0.58
Add: Inventory on acquisition of business on account of slump sale (refer note 42)		
- Finished goods	9.94	-
- Work-in-progress	35.59	-
Closing balance		
- Finished goods	110.77	97.18
- Work-in-progress	99.72	83.81
- Stock-in-trade	0.28	0.60
	16.35	(77.64)

Note 29 - Employee benefits expense	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	200.89	182.49
Contribution to provident and other funds (refer note 36)	16.28	13.47
Staff welfare expenses	6.17	6.43
	223.34	202.39

Note 30 - Finance costs	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost :		
- on borrowings	23.36	40.38
- on lease liabilities	0.58	0.55
Interest to others	11.92	2.79
Other borrowing cost	3.41	2.55
	39.27	46.27

Note 31 - Depreciation and amortization expense	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer to note 3a)	52.07	97.37
Amortization of other intangible assets (refer to note 3b)	2.53	2.33
Depreciation on right-of-use assets (refer to note 4)	1.26	1.05
	55.86	100.75

Note 32 - Other expenses	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	54.78	55.41
Stores and spares consumed	17.09	11.83
Sub contracting charges	9.33	4.33
Packing charges	35.44	31.17
Lab consumables	9.73	4.91
Repairs and maintenance		
- Plant and machinery	6.82	5.58
- Building	0.83	2.15
- Others	12.19	8.77
Commission on sales	15.51	5.65
Freight charges	6.27	2.70
Rates, fees and taxes	9.65	13.81
Legal and professional fee (refer note (a) below)	5.71	1.51
CSR expenditure (refer note (b) below)	2.56	4.06
Travelling and conveyance	9.49	9.65
House keeping expense	6.85	5.47
Security Expenses	5.97	4.63
Printing and stationery	5.25	4.67
Rent	0.87	0.75
Expected credit loss on trade receivables	4.64	-
Bad debts written off	1.92	-
Insurance	6.44	1.34
Director sitting fees	0.25	-
Miscellaneous expenses	3.89	5.26
	231.48	183.65

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(Amount in INR millions, except for share data unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Payment to auditors (excluding goods and services tax)		
As auditor:		
- Statutory audit	2.25	0.19
- Reimbursement of expenses	0.11	-
Total	2.36	0.19
(b) Details of CSR expenditure:		
Amount required to be spent by the Company during the year	4.98	4.06
Actual spent during the year:		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than above: - in cash	4.98	1.66

Note 33 - Tax expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Amount recognised in Statement of Profit and Loss:		
Current tax:		
- Current year	114.98	92.46
Deferred tax:		
- Attributable to origination and reversal of temporary differences	3.20	3.91
Total tax expense recognized	118.19	96.37
b. Reconciliation of effective tax rate		
Profit before tax	463.44	375.30
Tax at India's statutory tax rate of 25.17%	116.65	94.46
Tax effect of non-deductible expenses	1.79	1.98
Income tax expense recognized in the statement of profit and loss	118.44	96.44
c. Income tax expense recognized in other comprehensive income		
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	0.26	0.07
Total income tax recognized in other comprehensive income	0.26	0.07
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	0.26	0.07
	0.26	0.07

d. Deferred tax balances reflected in the Balance Sheet:	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax asset	4.86	3.84	6.13
Deferred tax liability	24.12	19.90	18.28
Deferred tax liability (net)	19.26	16.06	12.15

e. Movement in deferred tax balances

	As at 1 April 2020	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March 2021
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over books	13.44	7.88	-	21.32
Contract asset	6.46	(3.66)	-	2.80
Deferred tax liability (A)	19.90	4.22	-	24.12
Deferred tax asset				
Expenses allowable on payment basis	3.20	(0.38)	0.26	3.08
Expected credit loss allowance on trade receivables	-	1.17	-	1.17
Lease liabilities	0.10	0.08	-	0.18
Deferred income on grants	0.54	(0.11)	-	0.43
Deferred tax asset (B)	3.84	0.76	0.26	4.86
Deferred tax liability (net) (A-B)	16.06	3.46	(0.26)	19.26

	As at 1 April 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March 2020
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over books	17.69	(4.25)	-	13.44
Contract asset	0.59	5.87	-	6.46
Deferred tax liability (A)	18.28	1.62	-	19.90
Deferred tax asset				
Expenses allowable on payment basis	3.00	0.13	0.07	3.20
Expected credit loss allowance on trade receivables	-	-	-	-
Lease liabilities	-	0.10	-	0.10
Mat credit entitlement	2.38	(2.38)	-	-
Deferred income on grants	0.75	(0.21)	-	0.54
Deferred tax asset (B)	6.13	(2.36)	0.07	3.84
Deferred tax liability (net) (A-B)	12.16	3.98	(0.07)	16.06

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Note 34 - Earnings per share	For the year ended 31 March 2021	For the year ended 31 March 2020
i. Profit for basic diluted earning per share of face value of INR 100 each		
Profit for the year	345.00	278.86
ii. Calculation of Weighted average number of equity shares for (basic and diluted)		
Number of equity shares at the beginning and end of the year	1,200,000	1,200,000
Weighted average number of equity shares outstanding during the year	1,200,000	1,200,000
Basic and diluted earnings per share (face value of INR 100 each)	**287.50**	**232.39**

Note 35 - Segment Information

The Board of Directors monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified " Drugs and pharmaceutical products" as single operating segment.

a. **Information about products and services**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from drugs and pharmaceutical products	4,095.64	3,722.56
Total	4,095.64	3,722.56

b. **Information about geographical areas**

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Company's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

Revenue from customers	For the year ended 31 March 2021	For the year ended 31 March 2020
India	3,697.73	3,418.55
Outside India	397.91	304.01
	4,095.64	3,722.56

Trade receivables	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
India	1,243.85	768.78	796.30
Outside India	141.68	98.91	111.99
	1,385.53	867.69	908.29

iii) Non-current assets

The Company has common non-current assets for business in domestic and overseas markets. Hence, separate figures for non-current assets/ additions to property, plant and equipment have not been furnished.

c. **Information about major customers (from external customers)**

For year ended 31 March 2021, two customer of the Company constituted more than 10% of the total revenue of Company amounting to INR 1,255.00, (31 March 2020: two customer of the Company constituted more than 10% of the total revenue of Company amounting to INR 1,128.83).

Note 36 - Employee benefits

a. **Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund and Employee State Insurance Scheme ('ESI') which are collectively defined as defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund and ESI are as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Provident Fund	10.97	8.89
ESI contribution	2.35	2.51
	13.32	11.40

b. **Defined benefit plans**

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognized immediately in the Other Comprehensive Income (OCI).

This is an unfunded benefit plan for qualifying employees. This scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

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Salary inflation risk:
The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic risk:
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
i. Reconciliation of present value of defined benefit obligation			
Balance at the beginning of the year	6.47	4.80	4.61
Interest cost	0.44	0.37	-
Current service cost	5.59	1.16	0.90
Past service cost	-	-	-
Benefits paid	(0.22)	(0.12)	(0.11)
Actuarial loss recognized in other comprehensive income			
- from changes in financial assumptions	-	0.11	-
- from changes in demographic assumptions	-	-	-
- from experience adjustments	1.03	0.15	(0.60)
Balance at the end of the year	**13.31**	**6.47**	**4.80**

	For the year ended 31 March 2021	For the year ended 31 March 2020
ii. Amount recognized in statement of profit and loss		
Interest cost	0.44	0.37
Current service cost	1.65	1.16
Past service cost	-	-
	2.09	1.53
iii. Remeasurements recognized in other comprehensive income		
Actuarial loss for the year on defined benefit obligation	1.03	0.26
	1.03	0.26

iv. Actuarial assumptions

(i) Economic assumptions

The principal assumptions are the discount rate and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Discount rate (per annum)	6.76%	6.76%	7.66%
Future salary growth rate (per annum)	5.30%	5.30%	5.30%
Expected average remaining working lives (years)	28.01	28.39	28.82

(ii) Demographic assumptions

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Retirement age (years)	58	58	58
Mortality rate	100% (IALM) (2012-14)	100% (IALM) (2012-14)	100% (IALM) (2006-08)
Attrition rate (per annum)	47%	47%	47%

v. Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Increase		
Discount rate (0.5% movement)	0.09	0.06
Future salary growth rate (0.5% movement)	0.09	0.07
Decrease		
Discount rate (0.5% movement)	0.09	0.07
Future salary growth rate (0.5% movement)	0.09	0.07

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi. Expected maturity analysis of the defined benefit plan in future years

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Within 1 year (next annual reporting period)	3.03	2.10	1.68
Between 1 to 6 years	5.85	3.85	2.69
Beyond 6 years	0.55	0.52	0.43
Total expected payments	9.43	6.47	4.80

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vii. Weighted average duration of the defined benefit plans

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Weighted average duration of the defined benefit plan (in years)	1.54	1.53	1.54

Note 37 - Related parties

A. List of related parties and nature of relationship with whom transactions have taken place during the current/previous year

Description of Relationship	Name of the Party
('KMP')	Mr. Vinay Kumar Lohariwala (Whole Time Director)
	Mr. Manoj Kumar Lohariwala (Whole Time Director)
	Mrs. Chhavi Lohariwala (Executive Director)
	Mr. Gian Prakash Aggarwal (Non-executive Director)
	Mr. Pradosh Kumar (Non Executive Independent Director)
	Mr. Anup Agarwal (Non Executive independent Director)
	Mr. Jayant Vasudeo Rao (Whole Time Director)
	Mr. Mukesh Kumar (Chief Financial officer)
	Ms. Shikha Kanwar (Company Secretary) (w.e.f 16 October 2020)
	Ms. Anita Khurana (Company Secretary) (Upto 15 October 2020)
Entities in which KMP and/or their relatives have significant influence	Univentis Medicare Limited
	Azine Healthcare Private Limited
	Pharmatech Healthcare
	DMS Electronics Private Limited
	Nugenic Pharma Private Limited
	Shubh Packaging
	Innova Captab (partnership firm) (upto 31 March 2021)

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant years

Nature of transaction	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
1 Revenue from operations (net of returns)			
Univentis Medicare Private Limited	Entities in which KMP and/or their relatives have significant influence	674.30	509.57
Azine Healthcare Private Limited	Entities in which KMP and/or their relatives have significant influence	5.84	2.74
Pharmatech Healthcare	Entities in which KMP and/or their relatives have significant influence	5.45	8.67
DMS Electronics Private Limited	Entities in which KMP and/or their relatives have significant influence	21.82	-
Innova Captab (partnership firm)	Entities in which KMP and/or their relatives have significant influence	81.32	127.07
Nugenic Pharma Private Limited	Entities in which KMP and/or their relatives have significant influence	0.06	-
2 Purchase			
Univentis Medicare Private Limited	Entities in which KMP and/or their relatives have significant influence	4.61	3.42
Shubh Packaging	Entities in which KMP and/or their relatives have significant influence	19.26	-
Nugenic Pharma Private Limited	Entities in which KMP and/or their relatives have significant influence	267.09	233.33
3 Loans repaid during the year			
Manoj Kumar Lohariwala	Key management personnel	48.64	6.93
Vinay Kumar Lohariwala	Key management personnel	7.93	2.10
Gian Prakash Aggarwal	Key management personnel	-	30.00
4 Loans received during the year			
Manoj Kumar Lohariwala	Key management personnel	20.00	-
Vinay Kumar Lohariwala	Key management personnel	-	7.80
Gian Prakash Aggarwal	Key management personnel	-	7.41
5 Finance costs			
Manoj Kumar Lohariwala	Key management personnel	1.62	-
Vinay Kumar Lohariwala	Key management personnel	5.56	-
6 Sitting fees			
Non Executive Independent Director	Key managerial personnel	0.25	-
7 Employee benefits expenses			
Vinay Kumar Lohariwala	Key managerial personnel	-	4.80
Manoj Kumar Lohariwala	Key managerial personnel	-	4.80
Jayant Vasudeo Rao	Key managerial personnel	1.16	1.14
Shikha Kanwar	Key managerial personnel	0.15	-
Mukesh Kumar	Key managerial personnel	1.33	1.24
Anita Khurana	Key managerial personnel	0.14	0.25

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(Amount in INR millions, except for share data unless otherwise stated)

vii. Weighted average duration of the defined benefit plan:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Weighted average duration of the defined benefit plan (in years)	1.54	1.53	1.54

* Break-up of compensation of key managerial personnel of the Company	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits	2.78	12.22
Post-employment benefits	0.29	0.28
Total compensation paid to key management personnel	**3.07**	**12.51**

The amount disclosed above in the table are the amounts recognized as expense during the reporting period related to key management personnel

C. Balances outstanding at year end

Nature of transaction	Name of related party	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
1 Borrowings				
Manoj Kumar Lohariwala	Key managerial personnel	20.05	48.69	55.62
Vinay Kumar Lohariwala	Key managerial personnel	50.86	58.79	53.09
Gian Prakash Aggarwal	Key managerial personnel	-	-	22.59
2 Trade payables				
Univentis Medicare Limited	Entities in which KMP and/or their relatives have significant influence	0.32	-	-
Nugenic Pharma Private Limited	Entities in which KMP and/or their relatives have significant influence	85.55	48.63	73.83
3 Advance to supplier				
Shubh Packaging	Entities in which KMP and/or their relatives have significant influence	1.58	-	-
4 Trade receivables				
Pharmatech Healthcare	Entities in which KMP and/or their relatives have significant influence	11.22	10.02	9.66
DMS Electronics Private Limited	Entities in which KMP and/or their relatives have significant influence	21.82	-	-
Azine Healthcare	Entities in which KMP and/or their relatives have significant influence	5.63	7.21	11.14
Univentis Medicare Limited	Entities in which KMP and/or their relatives have significant influence	304.50	141.85	116.45
5 Payable on account of acquisition of business on account of slump sale				
Innova Captab (partnership firm)	Entities in which KMP and/or their relatives have significant influence	542.50	-	-
6 Employee related payables				
Manoj Kumar Lohariwala	Key managerial personnel	-	-	3.07
Vinay Kumar Lohariwala	Key managerial personnel	-	3.07	3.07
Jayant Vasudeo Rao	Key managerial personnel	0.10	0.10	0.09
Mukesh Kumar	Key managerial personnel	0.11	0.10	0.10
Shikha Kanwar	Key managerial personnel	0.02	-	-
Anila Khurana	Key managerial personnel	-	0.02	0.02
7 Interest accrued but not due on borrowings				
Manoj Kumar Lohariwala	Key managerial personnel	0.14	-	-
Vinay Kumar Lohariwala	Key managerial personnel	5.14	-	-

D. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 38 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
(i) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the each year			
- Principal amount remaining unpaid to any supplier as at the end of the year	34.82	24.58	20.95
- Interest due thereon remaining unpaid to any supplier as at the end of the year	4.84	3.02	1.14
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27of 2006), along with the amount of payment made to the supplier beyond the appointed day during the each year	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the each year) but without adding the interest specified under the MSMED act 2006.	4.84	3.02	-
(iv) The amount of interest accrued and remaining unpaid at the end of each year	4.84	3.02	1.14
(v) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	4.84	3.02	1.14

(Amount in INR millions, except for share data unless otherwise stated)

Note 39 - Financial instrument : fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company, other than those with carrying amounts that are reasonable approximations of fair values:

	Note	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
		Amortised Cost	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost	Fair value through OCI
Financial assets							
Investments	a	-	-	-	-	-	-
Loans	b	34.95	-	8.19	-	11.27	-
Trade receivables	c	1,385.53	-	867.69	-	908.29	-
Cash and cash equivalents	c	47.95	-	22.33	-	7.50	-
Bank balances other than above	c	70.99	-	29.49	-	10.79	-
Other financial assets	c	22.23	-	8.29	-	10.85	-
		1,561.65	-	935.99	-	948.70	-
Financial liabilities							
Borrowings	b	394.26	-	479.12	-	664.54	-
Trade payables	c	1,122.33	-	717.08	-	616.10	-
Other financial liabilities	c	638.31	-	89.71	-	87.26	-
		2,154.90	-	1,285.91	-	1,367.90	-

Notes:

a. The carrying value of investment in Shivalik Solid Waste Management Limited was INR 2,500/-. Fair value of this investment is not considered to be material.

b. The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, in accordance with amendment Ministry of Corporate Affairs notified in Ind AS 113 on 30 March 2019, fair value measurement of lease liabilities is not required. Fair value of other non-current loans has not been disclosed as there is no significant differences between carrying value and fair

c. Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

There are no transfers between level 1, level 2 and level 3 during the years presented.

Note 40 - Financial risk management

Risk management framework

The Company is exposed to market risk, credit risk and liquidity risk. The Company's board of director oversees the management of these risks. The Company's board of director is responsible to ensure that Company's financial risk activities which 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 board of directors reviews and agrees policies for managing each of these risks, which are summarized below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk financial instruments affected by market risk include trade receivables, trade payables and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(a) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings with floating interest rates. The Company is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The exposure of the Company's borrowing to floating interest rate as reported at the end of the reporting period are as follows:

	As at 31 March 2021	As at 31 March 2020
Floating rate borrowings	116.00	172.09
	116.00	172.09

Interest rate sensitivity

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2021				
Interest rate (0.5% movement)	0.58	(0.58)	0.15	(0.15)
Year ended 31 March 2020				
Interest rate (0.5% movement)	0.86	(0.86)	0.22	(0.22)

(b) Currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating activities.

The Company does not enter into trade financial instruments including derivate financial instruments for hedging its foreign currency risk.

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(Amount in INR millions, except for share data unless otherwise stated)

Exposure to currency risk :

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	Currency	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
		Amount in Foreign Currency	Amount in Indian Currency	Amount in Foreign Currency	Amount in Indian Currency	Amount in Foreign Currency	Amount in Indian Currency
Trade Receivable	USD	1.93	141.68	4.11	98.91	1.60	111.99
Trade payables	USD	0.73	53.66	0.41	29.54	0.57	40.96

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by a derivative instrument or otherwise.

Sensitivity analysis:

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against relevant foreign currencies 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the year end for 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity balance below would be negative. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2021				
USD 5% movement	(4.42)	4.42	(3.30)	3.30
As at 31 March 2020				
USD 5% movement	(13.87)	13.87	(10.38)	10.38
As at 1 April 2019				
USD 5% movement	(3.54)	3.54	(2.51)	2.51

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(a) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Statement of Profit and Loss within other expenses.

The ageing of trade receivables at the reporting date was:

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Not due	929.22	525.83	542.70
Less than 90 days	396.98	301.40	287.19
90-180 days	38.00	21.73	66.67
More than 180 days	21.33	18.73	11.73
Total	**1,385.53**	**867.69**	**908.29**

The movement in the allowance for impairment in respect of trade receivables is as follows

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Balance as at the beginning of the year	-	-	-
Provision made during the year	4.64	-	-
Amounts written back	-	-	-
Balance as at the end of the year	**4.64**	-	-

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Within India	1,259.93	778.56	836.42
Outside India	125.60	89.13	71.87
Total	**1,385.53**	**867.69**	**908.29**

The carrying amount of the Company's most significant customer is INR 304.49 (31 March 2020: INR 141.85 and 01 April 2019: INR 324.09).

(Amount in INR millions, except for share data unless otherwise stated)

(b) Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(c) Security deposits

The Company furnished security deposits as margin money deposits to bank. The Company considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Company expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

(iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimized cost.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2021	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings	450.26	70.91	319.35	60.00	-	450.26
Other financial liabilities	638.31	-	638.31	-	-	638.31
Trade payables	1,087.51	-	1,087.51	-	-	1,087.51
Lease liabilities	4.71	-	1.64	3.99	-	5.63
Total	**2,180.79**	**70.91**	**2,046.81**	**63.99**	-	**2,181.71**

As at 31 March 2020	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings	535.12	107.48	311.64	102.00	14.00	535.12
Other financial liabilities	89.71	-	89.71	-	-	89.71
Trade payables	692.50	-	692.50	-	-	692.50
Lease liabilities	6.30	-	1.53	5.63	-	7.16
Total	**1,323.63**	**107.48**	**1,095.37**	**107.63**	**14.00**	**1,324.49**

As at 1 April 2019	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings	720.54	131.30	417.16	158.09	14.00	720.54
Other financial liabilities	87.26	-	87.26	-	-	87.26
Trade payables	595.15	-	595.15	-	-	595.15
Lease liabilities	-	-	-	-	-	-
	1,402.95	**131.30**	**1,099.57**	**158.09**	**14.00**	**1,402.96**

(iv) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(v) Risk related to COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these audited financial statements including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these audited financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The Company continues to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity.

Note 40- Capital risk management

(i) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, business strategies and future commitments. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade payables and borrowings, less cash and cash equivalents.

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Innova Captab Limited
Notes to the Financial Statements for the year ended 31 March 2021
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade payables (Refer note 20)	1,087.51	692.50	595.15
Borrowings (Refer note 17)	450.26	535.12	720.54
Less: cash and cash equivalents (Refer note 11)	47.95	22.33	7.50
Net debt	**1,489.82**	**1,205.29**	**1,308.19**
Equity share capital (Refer note 15)	120.00	120.00	120.00
Other equity (Refer note 16)	1,328.21	983.54	704.86
Total capital	**1,448.21**	**1,103.54**	**824.86**
Capital and net debt	2,938.03	2,308.83	2,133.05
Gearing ratio	**50.71%**	**52.20%**	**61.33%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to maintain investor, creditor and market confidence and to sustain future development of the business

Note 41 - Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Income tax matters	0.06	13.79	13.79
	0.06	**13.79**	**13.79**

(i) For assessment year 2017-2018, the Income tax Assessing Officer had raised the demand of INR 13.09 vide order dated 15 December 2019. On 19 July 2021, the Assistant Commissioner of Income Tax reduced the demand to INR 0.06. The Company is of the view that the demand of INR 0.06 has been raised erroneously and accordingly, the Company has filed an application for rectification with the Dy. Commissioner of Income Tax to contest the demand. No tax expense has been accrued in financial statements for the tax demand raised as the Company is contesting the demand and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

(ii) For assessment year 2016-2017, the Income tax Assessing Officer had raised the demand of INR 0.07 vide order dated 11 January 2017. The Company has accepted the demand and accordingly accrued tax expense for the tax demand raised in the financial statements. Subsequent to the year end, the demand has been deposited with the tax authorities.

(b) Other Commitments

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for	173	-	-
	173	-	-

Note 42 - Business combination

The Board of directors approved a Business Transfer Agreement (BTA) between the Company and Innova Captab, a partnership firm on 31 March 2021. Pursuant to the said BTA, the partnership firm has transferred its assets and liabilities to company on a going concern basis by way of slump sale, with effect from closing of business hours of 31 March 2021 for a purchase consideration of Rs. 542.50. The assets and liabilities were transferred at fair value as at 31 March 2021.

This being a business purchase has been accounted for in accordance with the Ind AS 103 "Business Combinations" and the information about fair valuation of acquired assets and assumed liabilities, is as follows:

Particulars	Amount
Assets	
Property, plant and equipment	79.12
Loans	29.30
Inventories	215.49
Trade Receivables	448.69
Cash and cash equivalents	0.05
Bank balances other than above	28.52
Other financial assets	8.24
Other current assets	124.49
Total Assets (A)	**933.89**
Liabilities	
Borrowings	72.21
Provisions	4.42
Trade payable	306.50
Other current liabilities	7.82
Total Liabilities (B)	**390.96**
Net assets acquired (A-B)	542.94
Capital reserve	(0.44)
Total consideration	**542.50**

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(Amount in INR millions, except for share data unless otherwise stated)

Revenue from operations and profit before tax for the year ended 31 March 2021 includes INR Nil and INR Nil respectively pertaining to acquisition of business through slump sale made during the year. If the acquisitions had happened at the beginning of the year, management estimates that the reported revenue from operations for the year ended 31 March 2021 would have been higher by INR 1,664.60 and profit before tax for the year higher by INR 155.83. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2020.

Note 43: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Investments:			
(i) Investment in equity shares: Shivalik waste management system			
Balance as at the year end ^	0.00	0.00	0.00
Maximum amount outstanding at any time during the year ^			

^ The total value of shares in absolute value was INR 2,500/- but for reporting rounded upto INR 0.00 million

Note 44 - First time adoption

The balance sheet of the Company as at 31 March 2021, the Statement of profit and loss, the Statement of changes in equity and the Statement of cash flows for the period ended 31 March 2021 have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

I. Exemptions applied:

1. Mandatory exceptions:

a) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:
- Determination of the discounted value for financial instruments carried are amortised cost.
- Impairment of financial assets based on the expected credit loss model.

b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

2. Optional exemptions:

a) Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2019. For the purpose of financial statements for the year ended 31 March 2021, 31 March 2020 and 1 April 2019 the Company has provided the depreciation based on the estimated useful life of respective years.

b) Leases

The Company has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (1 April 2019) when applying Ind AS 116 initially:
i) lease liability is recognized. for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
ii) a right-of-use assets is recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Statement of assets and liabilities immediately before the date of initial application.

The Company also applied the available practical expedients wherein it:
a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

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Innova Captab Limited

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

(Amount in INR million, unless otherwise stated)

1. Reconciliation between previous GAAP and Ind AS

Particulars	Note	As at 01 April 2019			As at 31 March 2020		
		Previous GAAP#	Transition to Ind AS	Restated Ind AS	Previous GAAP#	Transition to Ind AS	Restated Ind AS
Assets							
Non-current assets							
(a) Property, plant and equipment		778.93	-	778.93	722.31	-	722.31
(b) Right to use asset	a	-	-	-	-	5.25	5.25
(c) Other intangible assets		6.06	-	6.06	3.99	-	3.99
(d) Financial assets							
(i) Loans		11.27	-	11.27	8.19	-	8.19
(e) Other non-current assets		0.88	-	0.88	0.30	-	0.30
Total non-current assets		797.14	-	797.14	734.79	5.25	740.04
Current assets							
(a) Inventories	e,f,i	331.93	55.29 *	387.22	599.10	55.76 *	654.86
(b) Financial assets							
(i) Trade receivables	c,e	919.95	(11.66) *	908.29	847.70	19.99 *	867.69
(ii) Cash and cash equivalents		7.50	-	7.50	22.33	-	22.33
(iii) Bank balances other than (ii) above		10.79	-	10.79	29.49	-	29.49
(iv) Other financial assets		10.85	-	10.85	8.29	-	8.29
(c) Other current assets		107.75	-	107.75	127.94	-	127.94
Total current assets		1,388.77	43.63	1,432.40	1,634.85	75.75	1,710.60
Total assets		2,185.91	43.63	2,229.54	2,369.64	81.00	2,450.64
Equity and liabilities							
Equity							
(a) Equity share capital		120.00	-	120.00	120.00	-	120.00
(b) Other equity		700.46	4.40 *	704.86	958.56	24.98 *	983.54
Total equity		820.46	4.40	824.86	1,078.56	24.98	1,103.54
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		263.52	-	263.52	116.09	-	116.09
(ii) Lease liabilities		-	-	-	-	4.71	4.71
(b) Provisions	h	7.40	(3.25) *	4.15	9.32	(3.72) *	5.60
(c) Deferred tax liability	k	15.68	(3.52) *	12.16	11.42	4.64 *	16.06
(d) Other non current liabilities	b	-	2.14	2.14	-	1.71	1.71
Total non-current liabilities		286.60	(4.63)	281.97	136.83	7.34	144.17
Current liabilities							
(a) Financial liabilities							
(i) Borrowing		401.02	-	401.02	363.03	-	363.03
(ii) Lease liabilities	a	-	-	-	-	0.95	0.95
(iii) Trade payables							
- total outstanding dues of micro and small enterprises	j	19.81	1.14 *	20.95	21.56	3.02 *	24.58
- total outstanding dues of creditors other than micro and small enterprises	f	560.72	34.43 *	595.15	658.38	34.12 *	692.50
(iv) Other financial liabilities	g	83.55	3.71	87.26	85.61	4.10	89.71
(b) Other current liabilities	b	12.41	0.43	12.84	25.26	0.42	25.68
(c) Provisions	h	-	2.45 *	2.45	-	3.00 *	3.00
(d) Current tax liabilities (net)		1.34	1.70	3.04	0.41	3.07	3.48
Total current liabilities		1,078.85	43.86	1,122.71	1,154.25	48.68	1,202.93
Total liabilities		1,365.45	39.23	1,404.68	1,291.08	56.02	1,347.10
Total equity and liabilities		2,185.91	43.63	2,229.54	2,369.64	81.00	2,450.64

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

* includes impact of prior year restatement. Also, refer to note 41(IV)(e).

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(Amount in INR millions, except for share data unless otherwise stated)

II. Reconciliation of total comprehensive income between previous GAAP and Ind AS

	Particulars	Note	For the year ended 31 March 2020		
			Previous GAAP#	Transition to Ind AS	Restated Ind AS
I	Revenue from operations	c,e	3,701.55	31.65 *	3,733.20
II	Other income	b	12.57	0.43	13.00
III	**Total income (I + II)**		**3,714.12**	**32.08**	**3,746.20**
IV	**Expenses**				
	Cost of materials consumed		2,886.90	-	2,886.90
	Purchase of stock in trade		28.58	-	28.58
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	c	(76.88)	(0.75) *	(77.64)
	Employee benefits expense	e	202.18	0.21 *	202.39
	Finance costs	a,e	43.84	2.43 *	46.27
	Depreciation	a	99.70	1.05	100.75
	Other expenses	a	184.85	(1.20)	183.65
	Total expenses (IV)		**3,369.17**	**1.73**	**3,370.90**
V	**Profit before tax (III-IV)**		**344.95**	**30.35**	**375.30**
VI	**Tax expense:**				
(i)	Current tax		91.09	1.37	92.46
(ii)	Deferred tax	f	(4.25)	8.23 *	3.98
	Total tax expense		**86.84**	**9.60**	**96.44**
VII	**Profit for the year (V-VI)**		**258.11**	**20.75**	**278.86**
VIII	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
(i)	Remeasurement (losses) on defined benefit plans	d	-	(0.26)	(0.26)
	Income tax relating to items that will not be reclassified to profit or loss	f	-	0.07	0.07
	Total other comprehensive income		-	**(0.19)**	**(0.19)**
IX	**Total comprehensive income for the year (VII+VIII)**		**258.11**	**20.56**	**278.67**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.
* includes impact of prior year restatement. Also, refer to note 41(IV)(e).

III. Statement of Cash Flow

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented.

IV. Notes to Reconciliation

a. Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognized a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

The impact arising from the change is as follows:	Increase/ (decrease)
Statement of Profit and Loss	**For the year ended 31 March 2020**
Rent expense	1.20
Interest expense on financial liabilities measured at amortised cost - on lease liabilities	(0.55)
Depreciation expense	(1.05)
Adjustment before income tax - Profit / (loss)	**(0.41)**

	Increase/ (decrease)	
Balance Sheet	**As at 31 March 2020**	**As at 1 April 2019**
Assets: Right-of-use assets	5.25	-
Liabilities: Lease liabilities (borrowings)	(5.66)	-
Equity: Retained earnings (other equity)	0.41	-

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(Amount in INR millions, except for share data unless otherwise stated)

b. Government Grant

Under previous GAAP, the government grants relating to property, plant and equipment were recognized as capital reserve. Under Ind AS, such grants are recognized as deferred government grant and credited to Statement of Profit and Loss on a systematic basis over the useful life of asset. As at the date of transition, such grants have been adjusted against retained earnings.

The impact arising from the change is as follows:	Increase/ (decrease)
Statement of Profit and Loss	**For the year ended 31 March 2020**
Amortisation of government grant	0.43
Adjustment before income tax - Profit / (loss)	**0.43**

	Increase/ (decrease)	
Balance Sheet	**As at 31 March 2020**	**As at 1 April 2019**
Liabilities: Deferred government grant (other non current and current liabilities)	(2.14)	(2.57)
Equity: Retained earnings (other equity)	2.14	2.57

c. Revenue from contracts with customers:

Under Previous GAAP, revenue is recognised when the seller has transferred the property in goods. Under Ind AS 115, Revenue from sale of goods is recognised over time for the contracts where the performance obligation is completed as the goods that are made to the specification of the customer and the seller is entitled to reimbursement of the costs incurred to date along with a reasonable margin if the contract is terminated by the customer. Uninvoiced amounts are presented as contract assets.

The impact arising from the change is as follows:	Increase/ (decrease)
Statement of Profit and Loss	**For the year ended 31 March 2020**
Revenue from operations	23.62
Adjustment before income tax - Profit / (loss)	**23.62**

	Increase/ (decrease)	
Balance Sheet	**As at 31 March 2020**	**As at 1 April 2019**
Assets: Trade receivables	25.66	2.04
Equity: Retained earnings (other equity)	(25.66)	(2.04)

d. Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the Company recognized remeasurement of defined benefit plans under Statement of Profit and Loss. Under Ind AS, remeasurement of defined benefit plans are recognized immediately in the financial statements with a corresponding debit or credit to retained earnings through OCI.

e. Under its previous GAAP, the Company discovered that certain adjustments pertaining to cut off of revenue and purchase at year end, overhead loading in inventories, accrual of bonus, accrual of interest towards MSME vendors and estimate of long term employee benefits on the basis of acturial valuation were erroneously omitted. This resulted in an adjustment to the affected financial statement line items for prior years that is not the result of a change in accounting policy.

The impact arising from the change is as follows:	Increase/ (decrease)
Statement of Profit and Loss	**For the year ended 31 March 2020**
Revenue form operations	8.03
Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.75
Employee benefits expense	(0.21)
Finance cost	(1.88)
Adjustment before income tax - Profit / (loss)	**6.69**

	Increase/ (decrease)	
Balance Sheet	**As at 31 March 2020**	**As at 1 April 2019**
Assets: Inventories	55.76	55.29
Assets: Trade receivables	(5.67)	(13.70)
Liabilities : Provisions	0.72	0.80
Liabilities: Trade payable	(37.14)	(35.58)
Liabilities : Other financial liabilities	(4.10)	(3.71)
Equity: Retained earnings (other equity)	(9.56)	(3.11)

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(Amount in INR millions, except for share data unless otherwise stated)

f. **Deferred tax liabilities (net)**

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

The impact arising from the change is as follows: **Increase/ (decrease)**

Statement of Profit and Loss	For the year ended 31 March 2020
Tax adjustment	
Current tax	(1.37)
Deferred tax	(7.86)
Adjustment after income tax - Profit / (loss)	**(9.23)**
Deferred tax	0.07
Adjustment other comprehensive income	**0.07**

Increase/ (decrease)

Balance Sheet	As at 31 March 2020	As at 1 April 2019
Liabilities: Deferred tax liability (net)	(4.64)	3.53
Liabilities: Current tax liabilities (net)	(1.37)	(1.70)
Equity: Retained earnings (other equity)	6.01	(1.82)

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

For and on behalf of Board of Directors of
Innova Captab Limited

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kaawar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

INNOVA CAPTAB LIMITED
1281/1, Hilltop Industrial Estate, Near EPIP,
Phase-I, Jharmajri, Baddi, Dist. Solan
(H.P.)-173205 India.
Phone : +91-1795-650820

innova CAPTAB

DIRECTORS' REPORT

To the Members,

The Board of Directors presents this 18th Annual Report of Innova Captab Limited ("the Company" or "ICL") together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2022.

1. FINANCIAL SUMMARY:

(Rs. In Million)

Particulars	Standalone		Consolidated*
	31st March 2022	31st March 2021	31st March 2022
Revenue from Operations	7,854.55	4,106.62	8,005.26
Other Income	28.56	13.71	28.83
Total Income	7,883.11	4,120.33	8,034.09
Total Expenses	6,996.77	3,656.89	7,176.89
Profit before tax	886.34	463.44	857.20
Total Tax expenses	224.56	118.44	217.67
Profit for the year	661.78	345.00	639.53

*As on March 31, 2021 the Company was not required to prepare the Consolidated Financial Statements.

2. STATE OF COMPANY'S AFFAIRS AND REVIEW OF OPERATIONS:

Standalone revenue from operations of Rs. 7,854.55million in FY 2021-22 which was 91.14% higher than the revenue of Rs. 4,106.62 in FY 2020-21. The profit before and after tax for FY 2021-22 were at Rs. 886.34 million and Rs. 661.78 million, respectively as compared to the profit before and after tax of Rs. 463.44 million and Rs. 345.00 million, respectively for FY 2020-21.

Consolidated revenue from operations of Rs. 8,005.26 million in FY 2021-22 and the profit before and after tax for the FY 2021-22 were at Rs. 857.20 million and Rs. 639.53 million, respectively.

3. TRANSFER TO RESERVES:

The Company did not transfer any amount to any reserve of the Company during the year under review.

4. DIVIDEND:

In order to conserve the resources for the future business requirements of the Company, your Directors have decided not to recommend any dividend for the Financial Year ended 31stMarch 2022.

5. SHARE CAPITAL:

The paid up equity share capital of the Company as on31st March 2022was Rs.12,00,00,000/- divided into 12,00,000 Equity Shares of Rs.100/- each. During the year under review the Company has not issued any further shares and accordingly there was no change in the paid-up share capital of the Company as on 31stMarch 2022.

However, after the closure of Financial Year, following changes have occurred in the Capital Structure of the Company:

a. Sub-division of face value of Equity Shares

Pursuant to the resolution passed by the Shareholders of the Company on 04th April 2022, the Company has sub-divided its Equity Shares of face value of Rs. 100/- (Rupees Hundred Only) each into Equity shares Rs. 10/- (Rupees Ten Only) each and the existing clause V of the Memorandum of Association was accordingly amended to reflect the sub-division of the nominal value of equity shares of the company from the existing nominal value of Rs. 100 each to nominal value of Rs. 10 each..

Hence, shares have now been adjusted on account of sub-division of share done by the Company.

b. Increase in Authorised Share Capital

i. Pursuant to the resolution passed by the Shareholders on 04thApril 2022, the Authorised Share Capital of the Company was increased from Rs. 12,00,00,000/- (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 64,00,00,000/- (Rupees Sixty-Four Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) equity shares of Rs. 10/- (Rupees Ten Only) each.

ii. There was a further increase in the Authorised Share Capital of the Company pursuant to resolution passed by the Shareholders on June 15th, 2022from existing Rs. 64,00,00,000/- (Rupees Sixty-Four Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 66,00,00,000/- (Rupees Sixty-Six Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) equity shares of Rs. 10/- (Rupees Ten Only) each and 20,00,000 (Twenty Lakhs) Preference Shares of Rs. 10/- each.

c. Bonus issue of shares

Pursuant to the resolution passed by the Shareholders and Board of Directors on 04th April 2022 and 27 April 2022 respectively, the Company had issued and allotted 3,60,00,000(Three Crores Sixty Lacs) bonus shares of Rs. 10/- each in the ratio of 3 (Three) equity shares for every 1 (One) existing fully paid up equity share held by the existing members of the Company by capitalisation of free reserves.

d. Issue of Compulsorily Convertible Preference Shares

The Shareholders of the Company vide its resolution passed on 14th July 2022 approved the issue of 14,12,430 Compulsorily Convertible Preference Shares of face value of Rs. 10/- each at an issue price of Rs. 354/- (including premium of Rs. 344/-) per share aggregating to Rs. 500,000,220/- to UTI Multi Opportunities Fund Ion a private placement basis.

As on the date the Authorised Share Capital of the Company is Rs. 66,00,00,000/- (Rupees Sixty-Six Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) equity shares of Rs. 10/- (Rupees Ten Only) each and 20,00,000 (Twenty Lakhs) Preference Shares of Rs. 10/- each and paid up share capital of the Company is Rs. 49,41,24,300/- (Forty Nine Crores Forty One Lacs Twenty Four thousand Three Hundred Equity shares only) divided into 4,80,00,000 equity shares of face value of Rs. 10/- each and 14,12,430 Compulsorily Convertible Preference Shares of face value of Rs. 10/- each.

6. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:

1) During the year under review the Company has acquired entire stake in Univentis Medicare Limited ("UML")w.e.f. 31st December 2021.As on 31stMarch 2022, UML is the wholly owned subsidiary of the Company. UML is currently engaged in the business of marketing and sale of pharmaceutical products.

2) Univentis Foundation was set up as a trust through a trust deed dated June 14th, 2021, and provisionally registered on December 31, 2021. Its settlors are our Company and UML, and its trustees are Mr. Manoj Kumar Lohariwala and Mr. Vinay Kumar Lohariwala.

Univentis Foundation was set up to carry out the corporate social responsibility activities of our Company and UML, including towards relief for the poor, education, and medical relief.

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of Financial Statements of the Company's subsidiary(s) in Form No. AOC-1 is appended as Annexure A to the Board's Report.

Further, pursuant to the provisions of Section 136 of the Act, the Audited Financial Statements of the Company and Audited Financial Statements in respect of subsidiary, are available on the Company's website at http://www.innovacaptab.com.

7. UPDATE ON INITIAL PUBLIC OFFER:

The Board of Directors and the Shareholders of the Company vide their resolution dated 19th June, 2022 and 24th June, 2022, respectively, had approved the proposal for undertaking an initial public offer of the equity shares of face value of Rs. 10 each of the Company, comprising of a fresh issue of Equity Shares aggregating up to Rs. 4,000.00 million (Fresh Issue) and an offer for sale of up to 9,600,000 Equity Shares by the Selling Shareholders of the Company.

Accordingly, the Draft Red Herring Prospectus of the Company comprising of a fresh issue and an offer for sale, was filed with the Securities and Exchange Board of India on 29th June, 2022. The Company has appointed ICICI Securities Limited and JM Financial Limited as the BRLMs to the Offer. Further, Khaitan & Co was appointed as the Legal Counsel to the Company, IndusLaw as the Legal Counsel to the BRLMs as to Indian Law and Dentons US LLP as the International Legal Counsel to the BRLMs. Equity shares of the Company are proposed to be listed on BSE Limited and the National Stock Exchange of India Limited (NSE). Your Company is awaiting clearance from SEBI on the DRHP and has received in-principle approval for the proposed listing of its shares from National Stock Exchange of India Ltd and from BSE Ltd.

8. CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY:

There was no change in the nature of business of the Company during the Financial Year under review.

9. PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014 and hence there were no outstanding deposits and no amount remaining unclaimed with the Company as on 31st March 2022.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Directors retiring by rotation:

Pursuant to the provisions of Section 152(6) of the Act, Mr. Jayant Vasudeo Rao (DIN: 03627850) Whole-Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offered himself for re-appointment.

In compliance with Secretarial Standards – 2 on General Meetings, brief details of Mr. Jayant Vasudeo Rao is provided as an Annexure to the Notice of the Annual General Meeting.

Your Directors recommend the re-appointment of Mr. Jayant Vasudeo Rao for your approval.

ii. Directors and Key Managerial Personnel of the Company appointed and resigned during the year and up to the date of signing of this report:

As on 31st March 2022, the Board of Directors of the Company comprises of 7 (Seven)Directors, consisting of 2 (Two) Whole-Time Directors, 1 (One) Managing Director,2 (two) Non-Executive Independent Directors and2 (Two) Non-Executive Directors. The constitution of the Board of the Company is in accordance with the provisions of the Companies Act, 2013.

During the year under review:

- the Company has reappointed Mr. Manoj Kumar Lohariwala as the Whole-Time Director of the Company for a period of five years with effect from March 18th , 2022 vide resolution passed by the Board of Directors and shareholders at their respective meeting held on March14th, 2022 and March 16th , 2022.

- the Company has appointed Mr. Vinay Kumar Lohariwala as the Managing Director of the Company for a period of five years with effect from March 18th, 2022 vide resolution passed by the Board of Directors & shareholders of the Company at their respective meeting held on 14th March 2022 and 16th March , 2022.

Subsequent to the Financial Year ended 31st March 2022, the following changes have taken place in the composition of the Board of Directors of the Company.

a. Cessation of Mr. Gian Parkash Aggarwal & Ms. Chhavi Lohariwala as Non-Executive Directors w.e.f. 1st April 2022 due to personal and unavoidable circumstances;

b. Cessation of Mr. Anup Aggarwal & Mr Pradosh Kumar as Independent Directors w.e.f1st April 2022 due to personal and unavoidable circumstances;

c. Appointment of Mr. Sudhir Kumar Bassi, Ms. Priyanka Dixit Sibal, Mr. Mahender Korthiwada, and Mr. Shirish Gundopant Belapure as the Independent Directors w.e.f1st April 2022, vide resolution passed by the Board of Directors & Shareholders of the Company on 1st April 2022 and 4th April 2022, respectively;

d. Appointment of Mr. Archit Aggarwal as Non-Executive Director w.e.f 1st April 2022, vide resolution passed by the Board of Directors and Shareholders of the Company on April 1st , 2022 and 4th April 2022, respectively.

Your Directors place on record sincere appreciation for the valuable contribution made by Mr. Gian Parkash Aggarwal, Ms. Chhavi Lohariwala, Mr. Anup Aggarwal and Mr Pradosh Kumar during their tenure as a Director of the Company.

As on the date of this report, below is the composition of the Board of Directors of the Company:

Name of the Director	Designation
Mr. Manoj Kumar Lohariwala	Chairman & Whole Time Director
Mr. Vinay Kumar Lohariwala	Managing Director
Mr. Jayant Vasudeo Rao	Whole Time Director
Mr. Archit Aggarwal	Non-Executive Non-Independent Director
Mr. Sudhir Kumar Bassi	Non-Executive Independent Director
Ms. Priyanka Dixit Sibal	Non-Executive Independent Director
Mr. Mahender Korthiwada	Non-Executive Independent Director
Mr. Shirish Gundopant Belapure	Non-Executive Independent Director

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Act.

a) <u>Change in Key Managerial Personnel:</u>

There have been following changes regarding the Key Managerial Personnel of the Company during the year under review.

- Mr. Mukesh KumarSiyaram Singh has resigned as Chief Financial Officer of the Company w.e.f. 1st April 2022 and has continued to be in employment of the Company.
- Mr. Rishi Gupta has been appointed as Chief Financial Officer of the Company w.e.f. 1stApril 2022.
- Ms. Shikha Kanwar has resigned as the Company Secretary of the Company w.e.f. 24th January 2022.
- Mr. Rajveer Singh has been appointed as the Company Secretary of the Company w.e.f.25thJanuary2022.
- Mr. Rajveer Singh has resigned as the Company Secretary of the Company w.e.f. 1stApril 2022.
- Ms. Neeharika Shukla has been appointed as the Company Secretary of the Company w.e.f.9th May 2022.

iii. Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on the date of this report are:

Name of the Key Managerial Personnel	Designation
Mr. Manoj Kumar Lohariwala	Chairman & Whole Time Director
Mr. Vinay Kumar Lohariwala	Managing Director
Mr. Jayant Vasudeo Rao	Whole Time Director
Mr. Rishi Gupta	Chief Financial Officer
Ms. Neeharika Shukla	Company Secretary & Compliance Officer

iv. Declaration by Independent Directors:

In terms of Section 149, 152 read with Schedule IV and all other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are appointed for a term of 5 years and are not liable to retire by rotation.

The Company has received declarations from Mr. Sudhir Kumar Bassi,Ms. Priyanka Dixit Sibal, Mr. Mahender Korthiwada, and Mr. Shirish Gundopant Belapure, Independent Directors, confirming that they meet with the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the non-executive independent directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them, if any for the purpose of attending meetings of the Board / Committees of the Company. The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs as required vide Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In the opinion of the Board of Directors, the Independent Directors of the Company possess integrity, expertise and experience (including the proficiency) appointed during the year.

11. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for appointment and remuneration of Directors, Senior Management Personnel including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013. The detailed policy is available on the Company's website athttp://www.innovacaptab.com.

12. PARTICULARS OF REMUNERATION:

i. DETAILS OF TOP 10 EMPLOYEES OF THE COMPANY:

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii. REMUNERATION PAID TO THE DIRECTORS AND KMPs OF THE COMPANY:

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Further, no director was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197, Schedule V of the Companies Act, 2013. Further, the remuneration of Directors and Key Managerial Personnel is as follows:

(Rs. In Million)

Name of Director/KMP	Designation	Remuneration paid
Mr. Manoj Kumar Lohariwala	Chairman & whole Time director	4.80
Mr. Vinay Kumar Lohariwala	Managing Director	4.80
Mr. Jayant Vasudeo Roa	Whole Time Director	1.34
Mr. Mukesh Kumar Singh	Chief Financial Officer*	1.62
Ms. Shikha Kanwar	Company Secretary**	0.30
Mr. Rajveer Singh	Company Secretary#	0.19

*Resigned as the Chief Financial Officer w.e.f. 1st April 2022

**Resigned as the Company Secretary w.e.f. 24th January 2022

#Resigned as the Company Secretary w.e.f. 1st April 2022

13. EXTRACT OF THE ANNUAL RETURN:

The copy of Annual Return in prescribed Form MGT 7 pursuant to the provisions of Section 92 of the Companies Act, 2013 (Act) read with Rule 11 of the Companies (Management and administration) Rules, 2014 is available on the website of the Company viz. http://www.innovacaptab.com.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) of the Act, the Board of Directors state and confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategies apart from other urgent business matters. The date of meetings of the Board of Directors and Committee are informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent meeting of the Board of Directors.

Usually, meetings of the Board are held at the corporate address of the Company. The notice and agenda of the Board/ Committee meetings is circulated in accordance with the provisions of the Secretarial Standard on meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Number of meeting	Date of Board meeting
01/2021-22	10th April 2021
02/2021-22	06th May 2021
03/2021-22	21st June 2021
04/2021-22	04th September 2021
05/2021-22	28th September 2021
06/2021-22	30th November 2021
07/2021-22	04th December 2021
08/2021-22	26th December 2021
09/2021-22	25th January 2022
10/2021-22	25th February 2022
11/2021-22	03rd March 2022
12/2021-22	14th March 2022
13/2021-22	22nd March 2022

The intervening gap between two consecutive meetings was within the maximum period mentioned under Section 173 of the Companies Act, 2013.

The attendance of Directors at the Meeting of Board of Directors for Financial Year 2021-22is as under:

Sr. No.	Name of Directors	Designation	No. of Board meeting Held/ entitled to attend	No. of Board meeting Attended
1	Mr. Manoj Kumar Lohariwala	Chairman & Whole-Time Director	13	12
2	Mr. Vinay Kumar Lohariwala	Managing Director	13	13
3	Mr. Jayant Vasudeo Rao	Whole-Time Director	13	13
4	Mr. Gian Parkash Aggarwal	Non-Executive Director	13	13
5	Ms. Chhavi Lohariwala	Non-Executive Director	13	13
6	Mr. Anup Agarwal	Independent Director	13	13
7	Mr. Pradosh Kumar	Independent Director	13	13

16. ANNUAL EVALUATION OF PERFORMANCE OF BOARD:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

17. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the code of Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on15thOctober 2021to review, among other things, the performance of non-Independent Directors and the Board as a whole, evaluation of the performance of the Chairman and the flow of communication between the Board and the management of the Company.

18. COMMITTEES OF THE BOARD:

During the year under review, there was no change in the composition of the Committees of the Board. However, consequent to the changes in the Board of Directors, the Committees of the Board were constituted/re-constituted, in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on the date of this Report, the following are the Committees of the Board:

a. Audit Committee
b. Nomination and Remuneration Committee
c. Corporate Social Responsibility Committee
d. Stakeholders Relationship Committee
e. Risk Management Committee
f. IPO Committee

The composition of various Committees and meetings held is detailed below:

a. AUDIT COMMITTEE:

The Audit Committee is duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee met six times during the Financial Year 2021-22 viz. on:

i. 05th May2021;
ii. 30th November 2021;
iii. 04th December 2021;
iv. 27th December2021;
v. 14thMarch 2022;and
vi. 22ndMarch2022.

The composition of Audit Committee as on March 31st, 2022:

Name of Member	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Anup Agarwal	Member	Non-Executive Independent Director
Mr. Pradosh Kumar	Member	Non-Executive Independent Director

The composition of Audit Committee as on the date of report:

Name of Members	Designation	Category
Mr. Sudhir Kumar Bassi	Chairman	Non-Executive Independent Director
Mr. Mahender Korthiwada	Member	Non-Executive Independent Director
Mr. Shirish Gundopant Belapure	Member	Non-Executive Independent Director
Mr. Vinay Kumar Lohariwala	Member	Managing Director

The Company Secretary of the Company acts as a Secretary to the Committee.

During the year under review, the Board has accepted all recommendations of the Audit Committee and accordingly, no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

b. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is duly constituted in accordance with provisions of Section 178 of the Companies Act, 2013.During the Financial Year 2021-22, the Nomination and Remuneration Committee met three times viz. on:

i. 30th November 2021;
ii. 25th January 2022; and
iii. 14th March2022

The composition of Nomination and Remuneration Committee as on March 31st2022:

Name of Members	Designation	Category
Mr. Gian Parkash Aggarwal	Chairman	Non-Executive Director
Mr. Anup Agarwal	Member	Non-Executive Independent Director
Mr. Pradosh Kumar	Member	Non-Executive Independent Director

The composition of Nomination and Remuneration Committee as on the date of this report:

Name of Members	Designation	Category
Mr. Sudhir Kumar Bassi	Chairman	Non-Executive Independent Director
Ms. Priyanka Dixit Sibal	Member	Non-Executive Independent Director
Mr. Mahender Korthiwada	Member	Non-Executive Independent Director
Mr. Archit Agarwal	Member	Non-Executive Director

The Company Secretary of the Company acts as a Secretary to the Committee.

c. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee is duly constituted in accordance with the provision of Section 135 of the Companies Act, 2013. During the Financial Year 2021-22, the CSR Committee met two times viz. on:

i. 30thNovember2021; and
ii. 03rdMarch 2022.

The composition of CSR Committee as on 31stMarch 2022.

Name of Members	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Whole-Time Director
Mr. Pradosh Kumar	Member	Non-Executive Independent Director

The composition of CSR Committee as on the date of this report.

Name of Members	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Whole-Time Director
Mr. Sudhir Kumar Bassi	Member	Non-Executive Independent Director

d. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was duly constituted as per the provisions of Section 178 of the Companies Act, 2013 and to ensure compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of Stakeholders Relationship Committee as on the date of this report:

Name of Members	Designation	Category
Mr. Sudhir Kumar Bassi	Chairman	Non-Executive Independent Director
Mr. Vinay Kumar Lohariwala	Member	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Chairman & Whole Time Director

e. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee was duly constituted pursuant the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

The composition of Risk Management Committee as on the date of this report:

Name of Members	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Chairman &Whole-Time Director
Mr. Sudhir Kumar Bassi	Member	Non-Executive Independent Director

f. IPO COMMITTEE:

The IPO Committee was duly constituted by the Board of Directors of the Company on 09thMay 2022, for the purpose of giving effect to the proposed initial public offering of the equity shares of the Company.

The composition of IPO Committee as on the date of this report:

Name of Members	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Chairman &Whole-Time Director
Mr. Jayant Vasudeo Rao	Member	Whole-Time Director

19. AUDITORS:

Statutory Auditors:

During the year under review, M/s Garg Sanjeev and Associates, Chartered Accountants (FRN No. 011326N) had resigned as the Statutory Auditors of the Company with effect from05thMay 2021.Based on the recommendation of Audit Committee, the Board of Directors and the Shareholders of the Company at their meeting held on 06thMay 2021 and 08thMay 2021, respectively, had appointed M/s B S R &Co. LLP, Chartered Accountants, (FRN No. 101248W/W-100022)as statutory auditors of the Company with effect from May 08, 2021 to hold office till the conclusion of the 17thAnnual General Meeting.

Accordingly, M/s. B S R & Co. LLP, Chartered Accountants were reappointed as Statutory Auditors of the Company, for a term of five consecutive years to hold office from the conclusion of 17thAGM of the Company held on 30thNovember 2021 till the conclusion of 22nd AGM to be held in the Financial Year 2025-26 at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Company and the Auditors.

Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed thereunder, the Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. There were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditor in their Report. The Notes to the Financial Statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the Financial Statements in the Annual Report.

Cost Auditors:

Pursuant to the provisions of Section 148 of the Act, read with Companies (Cost Record and Audit) Rules, 2014 and on recommendation of the Audit Committee, the Board of Directors appointed M/s Gurvinder Chopra & Co., Cost Accountant, New Delhi(FRN No. 100260) as Cost Auditor of the Company to conduct audit of cost records of the Company for the Financial Year 2022-23at a remuneration of Rs. 35,000/- p.a. (Rupees thirty-five thousand Only) plus applicable taxes and out of pocket expenses, subject to approval of members in the ensuing AGM.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as recommended by the Audit Committee, M/s Jaspreet Dhawan & Associates, Company Secretaries (FCS No. 9372), are appointed as the Secretarial Auditors of the Company to undertake the Secretarial audit of the Company for Financial year2021-22. The Secretarial Audit Report received from M/s Jaspreet Dhawan & Associates, Company Secretaries (FCS No. 9372) for the year ended 31stMarch 2022, is annexed as "Annexure B" and forms part of this report.

Internal Auditors:

Pursuant to the provisions of Section 138 of the Act, read with Companies (Accounts) Rules, 2014, M/s Goel Anish & Associates, Chartered Accountants (Firm's Registration No. 036505N) was appointed as an Internal Auditor of the Company for the Financial Year 2021-22.

20. INTERNAL FINANCIAL CONTROL:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company Policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Audit Committee evaluates the efficiency and adequacy of Financial Control system in the Company, its compliance with operating systems, accounting procedures at all locations of the Company and strives to maintain a high Standard of Internal Financial Control.

21. DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:

Pursuant to Section 143(12) of the Companies Act, 2013, during the year under review there were no frauds reported by the Statutory Auditors and Secretarial Auditors of the Company to the Audit Committee or the Board of Directors. Hence, there is nothing to report under Section 134(3)(ca) of the Companies Act, 2013.

22. VIGIL MECHANISM POLICY:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards the Company encourages the employees to raise their genuine concerns without fear of criticism. Therefore, it has built in and set up the Vigil Mechanism, wherein all the employees and Directors of the Company are eligible to make disclosures in relation to matters concerning the Company.

The Vigil Mechanism Policy is available on the website of the Company http://www.innovacaptab.com.

23. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:

Pursuant to the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee and has framed Company's CSR Policy. As part of its initiatives under CSR, the Company has identified various projects. These projects are in accordance with Schedule VII of the Act. The Policy on Corporate Social Responsibility is available on the website of the Companyviahttp://www.innovacaptab.com

The Annual Report on CSR activities is annexed as "Annexure C" and forms part of this report.

24. MAINTENENCE OF THE COST RECORDS:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained by the Company.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure D" and forms part of this Report.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

In accordance with the provisions of Section 186 of the Act, the details of Loans, Guarantees and Investments made by the Company as at 31stMarch 2022 are provided in the notes to the Financial Statements.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions are presented to the Audit Committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee, mentioning the nature, value and terms and conditions of transactions.

The details of related party transactions are provided in the accompanying Financial Statements. As all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length's basis, Form AOC-2 is not applicable to Company.

28. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report, except as disclosed in this Report.

29. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company or will have bearing on company's operations.

30. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company is not required to transfer any amount of unpaid/unclaimed dividend or any other amount to the Investor Education and Protection Fund during the year under review.

31. RISK AND AREAS OF CONCERN:

The Company has laid down a well-defined Risk Management Policy to mitigate its risks, covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is carried out by the employees designated by Board to identify, evaluate, manage and monitor both business and non-business risk. In this regard, your Company continues to exercise prudence in its inventory control and hedging policies. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The following are the key risks faced by the Company and mitigation plans for each of those risks:

Risk	Mitigation Plan
Competition risk	The Company on a regular basis track upcoming changes in the area of manufacturing and try to mitigate competition by expansion of new facilities equipped with better technologies and know-how.
Regulatory risk	The Company has established strong quality assurance mechanism and compliance monitoring network to ensure regulatory compliance. It also organizes regular training for its employees to update them on new developments.
Foreign Exchange Risk	The Company does meticulous monitoring of foreign exchange volatility and works to mitigate risk.

32. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and has complied with all the applicable provisions of the during the year under review.

33. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The Company did not receive any complaint of sexual harassment during the year 2021-22.

34. OTHER INFORMATION:

a. Green Initiative:

To support the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), to contribute towards a greener environment, the Company has already initiated/ implemented the same. As permitted, delivery of notices, documents, annual reports etc. are being sent to shareholders via electronic mode.

b. General:

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1) Issue of equity shares with differential rights as to dividend, voting or otherwise.
2) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
4) There was no instance of onetime settlement with any Bank or Financial Institution.

35. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the continuous co-operation, assistance and support extended by all stakeholders, Government Authorities, Financial Institutions, Banks, Customers, Dealers, Suppliers etc. of the Company. Your Directors also acknowledges and appreciates the contribution made by dedicated and loyal employees at all levels particularly during the pandemic.

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-Time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 30th September 2022
Place: Panchkula

INNOVA CAPTAB LIMITED
1281/1, Hilltop Industrial Estate, Near EPIP,
Phase-I, Jharmajri, Baddi, Dist. Solan
(H.P.)-173205 India.
Phone : +91-1795-650820

innova CAPTAB

ANNEXURE A
FORM NO. AOC.1
Statement containing salient features of the Financial Statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Amount in millions)

Name of the Subsidiary Company	Univentis Medicare Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2022
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Reporting currency: INR Exchange rate: N.A.
Share capital	1.50
Reserves & surplus	418.94
Total assets	883.92
Total Liabilities	463.48
Investments	NIL
Turnover	1,687.77
Profit before taxation	161.42
Provision for taxation	41.69
Profit after taxation	119.73
Proposed Dividend	NIL
% of shareholding	100
Date on which it became the Subsidiary of the Company	31st December, 2021

(Amount in rupees)

Name of the Subsidiary Company	Univentis Foundation*
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2022
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Reporting currency: INR Exchange rate: N.A.
Share capital	N.A.
Reserves & surplus (Accumulated Fund)	3,518
Total assets	2,23,518
Total Liabilities	2,20,000
Investments	NIL
Turnover	NIL
Profit before taxation	3,518
Provision for taxation	NIL
Profit after taxation	3,518
Proposed Dividend	-
% of shareholding	N.A.
Date on which it became the Subsidiary of the Company	June 14, 2021

*Univentis Foundation is a Trust and hence the details provided in the table has to be constructed accordingly.

Part "B": Associates and Joint Ventures

Not Applicable as the Company does not have any Associate and Joint Venture.

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-Time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 30th September 2022
Place: Panchkula

INNOVA CAPTAB LIMITED
1281/1, Hilltop Industrial Estate, Near EPIP,
Phase-I, Jharmajri, Baddi, Dist. Solan
(H.P.)-173205 India.
Phone : +91-1795-650820

ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Giving back to the society is embedded in the value system of Innova and we believe and aim to bring about a positive change in the nation. For the past 1(One) decade, Innova has been at the forefront in conducting impactful camps and driving numerous workshops for different sections of the Society. As an integral part of our commitment to Good Corporate Citizenship, we at Innova Captab Limited, believe in actively assisting in improvement of the quality of life of people in our communities. We believe, we not only exist for doing good business but also, for ensuring the betterment of the society.

We actively contribute to ensure that the people living in local areas around our business operations lead a good quality life. Towards achieving long-term stakeholder value, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and the marginalized.

The CSR Policy ('the Policy') of the Company as approved by the Board is available on the Company's website. The Company's CSR is in alignment with the initiatives undertaken by it. The foundation set up by the Committee is empowering & developing young girls who are below poverty line and providing reproductive health education to the masses. Also, various skills are being provided for financial independence and imparting knowledge and training to the underprivileged.

For details of the CSR Policy along with projects and programs, kindly refer to the following weblink at http://www.innovacaptab.com.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vinay Kumar Lohariwala	Chairman, Managing Director	2	2
2.	Mr. Manoj Kumar Lohariwala	Member, Whole-Time Director	2	2
3.	Mr. Pradosh Kumar#	Member, Non-executive, Independent Director	2	2
4.	Mr. Sudhir Kumar Bassi*	Member, Non-executive, Independent Director	2	N.A.

*Mr. Sudhir Kumar Bassi was appointed as a member in CSR committee from 1st April 2022 onwards.
Mr. Pradosh Kumar has ceased to be a member in CSR committee from 1st April 2022 onwards.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

- Composition of the CSR committee is available on the Company's website on: http://www.innovacaptab.com
- CSR policy: http://www.innovacaptab.com

• CSR projects on: Currently there are no ongoing projects.

4. <u>Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):</u>

As the total outlay of the CSR does not exceeds Rs. 10,00,00,000/- (Rupees Ten Crores Only) in preceding three Financial Year and none of the independent project with outlay of Rs. 1,00,00,000/- (Rupees One Crore Only) is completed during last one year the company is not required to get its project assessed from independent agency.

5. (a) Average net profit of the Company as per section 135(5): **Rs. 35,12,72,943/-**

(b) 2% of average net profit of the Company as per section 135(5): **Rs. 70, 25,459/-**

(c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years: NIL

(d) Amount required to be set-off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year [(b) +(c)-(d)]: **Rs. 70, 25,459/-**

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**

- Currently there are no ongoing projects.
- Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the Project		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Promoting health care	(i)	No	Rajasthan	Churu	8,16,478	Yes	-	-
2.	Promoting health care	(i)	No	Delhi	Delhi	2,00,000	No	Federation of Pharma Entrepreneurs	CSR00016504
3.	Promoting health care	(i)	No	Haryana	Panchkula	17,00,000	Yes	-	-
4.	Promoting health care	(i)	No	Chandigarh	Chandigarh	1,28,000	Yes	-	-
5.	Education for girl child	(ii)	No	Uttarakhand	Udham Singh Nagar	18,00,000	No	Shri Dudiya Baba Sanyash	CSR00008559

6.	Animal welfare	(iv)	No	Rajasthan	Churu	5,00,000	No	Ashram Go Siva Shivir Goshala Smiti	CSR00017655
7.	Promoting Health care	(i)	No	Haryana	Panchkula	75,000	Yes	-	-
8.	Promoting Health care	(i)	No	Haryana	Panchkula	1,00,000	Yes	-	-
9.	Promoting education	(ii)	No	Delhi	Delhi	20,00,000	No	Moga Devi Minda charitable rust	CSR00000499
	Total					73,19,478			

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NA

(d) Total amount spent for the Financial Year [(a) + (b) +(c)]: Rs. 73, 19,478/

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (inRs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
73,19,478	NIL	-	-	NIL	-

(f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (In INR.)
(1)	(2)	(3)
1)	Two percent of average net profit of the company as per section 135(5)	70,25,459/-
2.	Total amount spent for the Financial Year	73,19,478 /-
3.	Excess amount spent for the financial year [(ii)-(i)]	2,94,019 /-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,94,019 /-

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spend in succeeding financial years
				Amount (in Rs)	Date of transfer	
-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: NA

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 30th September, 2022
Place: Panchkula

INNOVA CAPTAB LIMITED
1281/1, Hilltop Industrial Estate, Near EPIP,
Phase-I, Jharmajri, Baddi, Dist. Solan
(H.P.)-173205 India.
Phone : +91-1795-650820

ANNEXURE D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

(Disclosure under Section 134 (3) (m) of the Companies Act, 2013 Read with Rule 8 (3) of Companies (Accounts) Rules, 2014)

A) CONSERVATION OF ENERGY

(i)	The steps taken or impact on conservation of energy	a) Retrofitting with LED lights in existing light fixtures done in phased manner across all locations. All new purchases of lights are done of LED lights primarily. b) Installation of Variable speed drive (VSD) technology for HVAC, dust collectors, pumps various process machines etc. implemented across all sites. VSD incorporated in new purchases of energy related equipment at procurement stage only. c) Targeted zero leakage and implemented well-structured utility leakages management program across all locations. d) Per Unit Energy Cost Reduction Program: • Fuel switch over from High Speed Diesel to Light Diesel Oil for steam generation having facilities of Furnace Oil and Agro Based Bracket. • Maintaining unit power factor across all locations. This has helped reduce the power demand and improve life of electrical switchgears. e) Operationalized precise control of environmental condition of manufacturing area. f) Automation system: i. Interlocking of dust collectors with HVAC ii. Installed occupancy sensors for low man movement area iii. Installed proximity sensors for air curtains iv. Potable water pump operated from feedback and VSD v. Seasonal set point optimization of chillers vi. Auto water level sensors fixed to ETP, STP, drinking water RO plant & underground &overhead water tanks etc. vii. Ensured best possible automation to reduce electricity wastage. viii. Installed energy efficient air blower for aeration at ETP. g) Re-utilizing steam condensate to pre heat the feed water.

		Impact of above measures: (i) Reduction in energy consumption and cost. (ii) Reduction in carbon foot print. (iii) Reduction in per unit production cost. (iv) Availability of utilities for additional user points. (v) Increase in operational efficiencies.
(ii)	The steps taken by the company for utilizing alternate sources of energy	Company continued its steps to adopt green energy utilization as an alternate source of energy and took various initiatives in this regard.
(iii)	The capital investment on energy conservation equipment	Company has invested substantial amounts on energy conservation equipment across all units.

(B) TECHNOLOGY ABSORPTION:

(i)	The efforts made towards technology absorption	The company has continued its efforts on technology up-gradation in the area of manufacturing of Pharmaceutical products.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	1. The quality of Pharmaceutical products 2. Reduction in costs 3. Increase in exports
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	N.A
	(c) whether the technology been fully absorbed	N.A
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
(iv)	The expenditure incurred on Research and Development	The Company is engaged in the process research for new products and continuous improvement of existing products. However, the Company is primarily engaged in the business of contract manufacturing.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in Million)

Particulars	FY 2021-22	FY 2020-21
Expenditure in foreign currency	361.88	426.79
Earnings in foreign currency	750.49	397.91

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-Time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 30th September, 2022
Place: Panchkula

Jaspreet Singh Dhawan
B.Com (Hons.), FCS

JASPREET DHAWAN & ASSOCIATES
COMPANY SECRETARIES
H. No. 705, Phase-10, Sector 64, Mohali, Punjab-160062
cell : +91 98885-15184, 75891-58266
Off. : +91 98142-49418
e-mail : jaspreetsdhawan1@gmail.com
dhawan_jaspreet@hotmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Innova Captab Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INNOVA CAPTAB LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **INNOVA CAPTAB LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **INNOVA CAPTAB LIMITED** ("the Company") for the financial year ended on **March 31, 2022,** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(iv) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923 etc as per the representation given by the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit Period the Company has not undertaken any specific event/ actions that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Jaspreet Dhawan & Associates
Company Secretaries

Date: 30/09/2022
Place: Mohali

Jaspreet Singh Dhawan
M. No. 9372
CP.NO: 8545
Peer Review Certificate No. 1335/2021
(UDIN: F009372D001095798)

B S R & Co. LLP
Chartered Accountants

Unit No. A505 (A),
5th Floor, Plot No.178-178A,
Industrial & Business Park,
Phase -1, Chandigarh-160002

Telephone: +91 172 664 4000
Fax: +91 172 664 4004

Independent Auditor's Report

To the Members of Innova Captab Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Innova Captab Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company and Board of trustees of the trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies and the Board of trustees of the trust included in the Group are responsible for assessing the ability of each company/trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors and Board of Trustees either intends to liquidate the Company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies and the Board of trustees of the trust included in the Group are responsible for overseeing the financial reporting process of each company/trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and the subsidiary company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter(s)

a. We did not audit the financial statements of a subsidiary, Univentis Foundation, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 0.22 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 0.00 and net cash flows (before consolidation adjustments) amounting to Rs. 0.22 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2022, 1 April 2022, 20 April 2022 and 21 April 2022 taken on record by the Board of Directors of the Holding Company and the Subsidiary Company incorporated in India, none of the directors of the Holding Company and the Subsidiary Company incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 43 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2022.

d (i) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 49 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 49 to the consolidated financial statements, no funds have been received by the Holding Company or subsidiary company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The Holding Company and its subsidiary company, have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. No remuneration has been paid by the Subsidiary Company to its directors during the year. The remuneration paid/payable to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

GAURAV MAHAJAN Digitally signed by GAURAV MAHAJAN Date: 2022.09.30 22:22:08 +05'30'

Gaurav Mahajan

Partner

Membership No.: 507857

ICAI UDIN:22507857AXPVKQ6374

Place: Panchkula

Date: 30 September 2022

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Innova Captab Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Innova Captab Limited	U24246MH2005PLC150371	Holding Company	(i)(c), (ii)(b), (vii)(a), (vii)(b)
2	Univentis Medicare Limited	U24232HP2015PLC000992	Subsidiary Company	(ii)(b) and (vii)(b)

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

GAURAV MAHAJAN Digitally signed by GAURAV MAHAJAN Date: 2022.09.30 22:22:49 +05'30'

Gaurav Mahajan

Partner

Place: Panchkula

Date: 30 September 2022

Membership No.: 507857

ICAI UDIN:22507857AXPVKQ6374

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Innova Captab Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of Innova Captab Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Innova Captab Limited for the year ended 31 March 2022 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

GAURAV MAHAJAN Digitally signed by GAURAV MAHAJAN Date: 2022.09.30 22:24:00 +05'30'

Gaurav Mahajan

Partner

Place: Panchkula

Date: 30 September 2022

Membership No.: 507857

ICAI UDIN:22507857AXPVKQ6374

Innova Captab Limited
Consolidated Balance sheet as at 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	Notes	As at 31 March 2022
Assets		
(1) Non-current assets		
(a) Property, plant and equipment	3a	1,565.60
(b) Right-of-use assets	4	93.28
(c) Capital work-in-progress	3a	0.31
(d) Goodwill	3b	166.94
(e) Other intangible assets	3b	4.53
(f) Financial assets		
(i) Investments	5	0.00
(ii) Loans	6	2.19
(iii) Other financial assets	7	7.75
(g) Deferred tax assets (net)	35	2.20
(h) Income tax assets (net)	8	40.26
(i) Other non-current assets	9	81.18
Total non-current assets		1,964.24
(2) Current assets		
(a) Inventories	10	1,283.86
(b) Financial assets		
(i) Trade receivables	11	2,126.86
(ii) Cash and cash equivalents	12	1.52
(iii) Bank balances other than (ii) above	13	22.87
(iv) Loans	14	2.97
(v) Other financial assets	15	43.02
(c) Other current assets	16	309.41
Total current assets		3,790.51
Total assets		5,754.75
Equity and liabilities		
(1) Equity		
(a) Equity share capital	17	120.00
(b) Other equity	18	1,966.06
Total equity		2,086.06
Liabilities		
(2) Non- current liabilities		
(a) Financial liabilities		
(i) Borrowings	19	673.52
(ii) Lease liabilities	4	5.90
(b) Provisions	20	22.66
(c) Deferred tax liabilities (net)	35	20.57
(d) Other non-current liabilities	21	0.85
Total non-current liabilities		723.50
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	19	1,308.30
(ii) Lease liabilities	4	3.96
(iii) Trade payables	22	
-total outstanding dues of micro and small enterprises		14.31
-total outstanding dues of creditors other than micro and small enterprises		1,433.73
(iv) Other financial liabilities	23	93.26
(b) Other current liabilities	24	78.46
(c) Provisions	20	3.50
(d) Current tax liabilities (net)	25	9.67
Total current liabilities		2,945.19
Total liabilities		3,668.69
Total equity and liabilities		5,754.75
Significant accounting policies	2	
Notes to the financial statements	3-50	

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

GAURAV MAHAJAN Digitally signed by GAURAV MAHAJAN Date: 2022.09.30 22:25:09 +05'30'

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Panchkula
Date: 30 September 2022

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Lohariwala Digitally signed by Manoj Lohariwala Date: 2022.09.30 21:23:09 +05'30'

Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

VINAY LOHARIWALA Digitally signed by VINAY LOHARIWALA Date: 2022.09.30 21:41:29 +05'30'

Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

NEEHARIKA SHUKLA Digitally signed by NEEHARIKA SHUKLA Date: 2022.09.30 21:21:40 +05'30'

Neeharika Shukla
Company Secretary
Membership No. A42724

RISHI GUPTA Digitally signed by RISHI GUPTA

Rishi Gupta
Chief Financial Officer

Place: Panchkula
Date: 30 September 2022

Innova Captab Limited
Consolidated Statement of Profit and Loss for year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

Particulars		Notes	For the year ended 31 March 2022
I	Revenue from operations	26	8,005.26
II	Other income	27	28.83
III	**Total income (I + II)**		8,034.09
IV	**Expenses**		
	Cost of materials consumed	28	5,736.37
	Purchase of stock-in-trade	29	387.80
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	54.89
	Employee benefits expense	31	404.59
	Finance costs	32	56.80
	Depreciation and amortization expense	33	75.03
	Other expenses	34	461.41
	Total expenses (IV)		7,176.89
V	**Profit before tax (III-IV)**		857.20
VI	**Tax expense:**		
(i)	Current tax	35	218.15
(ii)	Deferred tax charge		(0.48)
	Total tax expense (VI)		217.67
VII	**Profit for the year (V-VI)**		639.53
VIII	**Other comprehensive income/(loss)**		
	Items that will not be reclassified to profit or loss		
	Remeasurement of defined benefit obligation		(2.25)
	Income tax relating to items that will not be reclassified to profit or loss		0.57
	Total other comprehensive (loss)/income for the year (net of tax)		(1.68)
IX	**Total comprehensive income for the year (VII+VIII)**		637.85
	Earnings per equity share		
	Basic and diluted [nominal value of INR 10 per share]	35	13.32

Significant accounting policies	2
Notes to the financial statements	3-50

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

GAURAV MAHAJAN Digitally signed by GAURAV MAHAJAN Date: 2022.09.30 22:26:39 +05'30'

Gaurav Mahajan
Partner
Membership Number : 507857

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Lohariwala Digitally signed by Manoj Lohariwala Date: 2022.09.30 21:23:59 +05'30'

Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

VINAY LOHARIWALA Digitally signed by VINAY LOHARIWALA Date: 2022.09.30 21:42:22 +05'30'

Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

NEEHARIKA SHUKLA Digitally signed by NEEHARIKA SHUKLA Date: 2022.09.30 21:20:59 +05'30'

Neeharika Shukla
Company Secretary
Membership No. A42724

RISHI GUPTA Digitally signed by RISHI GUPTA Date: 2022.09.30 21:13:09 +05'30'

Rishi Gupta
Chief Financial Officer

Place: Panchkula
Date: 30 September 2022

Place: Panchkula
Date: 30 September 2022

Innova Captab Limited
Consolidated Statement of Cash Flow for the year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	For the year ended 31 March 2022
A Cash flows from operating activities	
Profit before tax for the year	**857.20**
Adjustments for:	
Depreciation and amortization expense	75.03
Expected credit loss on trade receivables	6.91
Bad debts written off	1.19
Net profit/(loss) on sale of property, plant and equipment	0.07
Unrealized foreign exchange (gain)	(4.39)
Unrealized profit and gain on Inventory	18.46
Amortisation of government grant	(0.43)
Finance costs	56.80
Transaction costs related to borrowings	(0.90)
Provision for obsolete inventory	2.57
Provision for litigation written off	(0.99)
Interest income	(1.41)
Operating cash flows before working capital changes	**1,010.11**
Working capital adjustments	
(Increase) in inventories	(114.31)
(Increase) in trade receivables	(178.87)
Decrease in trade payables	125.13
(Increase)in loans	(0.37)
Decrease in other financial assets	4.24
(Increase) in other current assets	(10.51)
(Decrease) in other current liabilities	(56.43)
Decrease in other financial liabilities	12.96
Decrease in provisions	5.45
Cash generated from operating activities	**797.40**
Income tax paid (net)	(208.42)
Net cash generated from operating activities (A)	**588.98**
B Cash flows from investing activities	
Purchase of property, plant and equipment and intangible assets	(798.83)
Proceeds from sale of property, plant and equipment	0.84
Interest income received	7.51
Payments made for acquisition of business on account of slump sale *	(542.50)
Payments made for acquisition of subsidiary **	(600.00)
Movement in other bank balances	49.53
Net cash (used in) investing activities (B)	**(1,883.45)**
C Cash flows from financing activities	
Payment of lease liabilities (including interest)	(3.11)
Interest paid	(60.00)
Repayments of non-current borrowings	(390.63)
Proceeds from non-current borrowings	1,085.50
Proceeds from/ repayments of current borrowings	613.98
Net cash generated from financing activities (C)	**1,245.74**
Net (decrease) in cash and cash equivalents (A+B+C)	**(48.73)**
Cash and cash equivalents acquired	
- on acquisition of subsidiary *	2.30
Cash and cash equivalents at the beginning of the year	47.95
Cash and cash equivalents at the end of the year	**1.52**

* refer note 45

Innova Captab Limited
Consolidated Statement of Cash Flow for the year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

Notes:

1. Components of cash and cash equivalents

Cash on hand	1.45
Cheque on hand	-
Balances with banks - in current accounts	0.07
	1.52

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

3. For reconciliation of movements of liabilities to cash flows arising from financing activities refer note 4(c) for lease liabilities and 18(E) for borrowings.

Significant accounting policies	2
Notes to the financial statements	3-50

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

GAURAV MAHAJAN Digitally signed by GAURAV MAHAJAN Date: 2022.09.30 22:29:40 +05'30'
Gaurav Mahajan
Partner
Membership Number : 507857

Place: Panchkula
Date: 30 September 2022

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Lohariwala Digitally signed by Manoj Lohariwala Date: 2022.09.30 21:24:47 +05'30'
Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

VINAY LOHARIWALA Digitally signed by VINAY LOHARIWALA Date: 2022.09.30 21:43:08 +05'30'
Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

NEEHARIKA SHUKLA Digitally signed by NEEHARIKA SHUKLA Date: 2022.09.30
Neeharika Shukla
Company Secretary
Membership No. A42724

RISHI GUPTA Digitally signed by RISHI GUPTA Date: 2022.09.30 21:13:51 +05'30'
Rishi Gupta
Chief Financial Officer

Place: Panchkula
Date: 30 September 2022

Innova Captab Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

A Equity share capital (refer note 16)

Particulars	As at 31 March 2022 Number of shares	Amount
Balance at the beginning of the reporting year	12,00,000	120.00
Changes in equity share capital during the current year	-	-
Balance at the end of the reporting year	**12,00,000**	**120.00**

B Other equity (refer note 17)

Particulars	Capital reserve	Reserves and surplus: Retained earnings	Total
Balance as at 1 April 2021	0.44	1,327.77	1,328.21
Add : Profit for the year	-	639.53	639.53
Add : Other comprehensive (loss) (net of tax) for the year	-	(1.68)	(1.68)
Total comprehensive income for the year	-	637.85	637.85
Balance as at 31 March 2022	0.44	1,965.62	1,966.06

Significant accounting policies	2
Notes to the financial statements	3-50

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

GAURAV MAHAJAN Digitally signed by GAURAV MAHAJAN Date: 2022.09.30 22:30:45 +05'30'
Gaurav Mahajan
Partner
Membership Number : 507857

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Lohariwala Digitally signed by Manoj Lohariwala Date: 2022.09.30 21:25:27 +05'30'
Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

VINAY LOHARIWALA Digitally signed by VINAY LOHARIWALA Date: 2022.09.30 21:44:09 +05'30'
Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

NEEHARIKA SHUKLA Digitally signed by NEEHARIKA SHUKLA
Neeharika Shukla
Company Secretary
Membership No. A42724

RISHI GUPTA Digitally signed by RISHI GUPTA Date: 2022.09.30 21:14:42 +05'30'
Rishi Gupta
Chief Financial Officer

Place: Panchkula
Date: 30 September 2022

Place: Panchkula
Date: 30 September 2022

Note 1. Corporate Information

Innova Captab Limited ("the Company" or "the Holding Company"), a Company domiciled in India with its registered situated at Office No. 606, Ratan Galaxie-6th Floor, J.N. Road, Plot No. 1, Mulund (W), Mumbai, MH 400080, India, was incorporated in Mumbai on 3 January 2005 as a private limited company. The Company was initially incorporated with the name of "Harun Healthcare Private Limited" and later the name was changed to "Innova Captab Private Limited". The Company was converted to a Public Limited Company w.e.f 26 July 2018. After conversion, the name of the Company is "Innova Captab Limited".

The Consolidated Financial Statement comprise the financial information of the Company and its subsidiary (referred to collectively as the "Group").

The Group is engaged in the business of manufacturing and trading of drugs and pharmaceuticals

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

The "Consolidated Financial Statement" of the Group comprise of Consolidated Balance sheet of the Group as at 31 March 2022 the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for each of the period ended 31 March 2022 and Other Consolidated Financial Information (together referred as "Consolidated Financial Information").

The consolidated financial Statement of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the consolidated financial statements and other relevant provisions of the Act.

The Consolidated Financial Statement have been compiled by the Group from:

1. Audited consolidated financial statements of the Group as for the period ended 31 March 2022 prepared in accordance with recognition and measurement principles under Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III to the Companies Act, 2013 which have been approved by the Board of Directors at their meeting held on 30 September 2022.

These consolidated financial Statement were approved for issue by the Company's Board of Directors on 30 September 2022.

Functional and presentation currency
The functional currency of the Company is the Indian rupee. These consolidated financial Statement are presented in Indian rupees. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated.

Basis of measurement
The Consolidated Financial Statement has been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Financial assets and liabilities acquired under business combination	Fair value
Defined benefits liability	Present value of defined benefits obligations

(ii) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Balance sheet based on current/non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

(iii) Use of estimates and judgments

In preparation of the Consolidated Financial Statement, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the Consolidated Financial Statement. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the Consolidated Financial Statement is included in the following notes:

- Note 2 (a)(iv) – Fair value measurement (including fair value of consideration transferred on business combination and fair value of the assets acquired and liabilities assumed)
- Note 2(c) and 3a – Assessment of useful life and residual value of property, plant and equipment
- Note 2(d) and 4 – Lease Classification and assessment of lease term, useful life of right-to-use asset, discount rate
- Note 2(e) and 3b – Assessment of useful life of intangible assets
- Note 2(f) – Valuation of inventories
- Note 2(g) – Impairment of financial assets; impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(k) and 37 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 2(n) and 34 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable

- Note 2(o), 2(p), and 42(a) – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

(iv) Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing the Consolidated Financial Statement is included in the Note 40.

(v) Principles of consolidation

The Consolidated Financial Statement comprises the financial statement of the Group, and the entities controlled by the Group including its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The Consolidated Financial Statement is prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statement for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statement to ensure conformity with the Group's accounting policies.

The detail of consolidated entity as follows:

Name of subsidiary	Country of incorporation	Percentage of ownership #
		As at 31 March 2022
Univentis Medicare Limited #	India	100%
UML Foundation ##	India	100%

The Group has invested in Univentis Medicare Limited on 31 December 2021

Incorporated on 14 June 2021

Consolidation procedure

The Consolidated Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated summary statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated summary statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- 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.

Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. In case of leases acquired as part of business combination, the Group measures a right-of-use asset at the same amount as the lease liability. However, if the lease terms are favorable or unfavorable when compared with market terms, then the right-of-use asset is adjusted by the fair value of the off-market terms. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Consolidated Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Consolidated Statement of Profit and Loss.

(b) Financial instrument

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

Initial recognition and measurement

Trade receivables 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 (except trade receivable) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in Consolidated Statement of Profit and Loss.

Subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (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.

Financial asset at amortised cost

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.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

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.

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 such 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).

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's Consolidated Balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVPL 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 FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated 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

(c) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and or accumulated impairment loss, if any.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Advances paid towards acquisition of PPE outstanding at each period/year end date, are shown under other non-current assets and cost of assets not ready for intended use before the period/year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Consolidated Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Consolidated Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	30 Years
Office equipment	5 Years	3 - 5 Years
Plant and equipment	3 - 15 Years	3-15 Years
Lab Equipments	10 Years	10 Years
Electrical installations	10 Years	10 Years
Vehicles	10 Years	10 Years
Furniture and fittings	10 Years	10 Years
Computer and Printer	3 - 6 Years	6 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation on leasehold land and improvements carried out on buildings taken on lease is provided over the period of the lease or useful life of assets, whichever is lower.

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss.

(d) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

Leases in which the Group is a lessee

The Group's lease asset classes primarily consist of leases for buildings and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. Modified retrospective approach has been applied to contracts existing and entered on or after 1 April 2018 as initially adopted on the transition date i.e 1 April 2019 while preparing the Consolidated Financial Statement for the year ended 31 March 2019.

The Group elected to use the following practical expedients on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. 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 asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and

Consolidated Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in Consolidated Statement of Profit and Loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

(e) Intangible assets

Goodwill arising on business combinations is disclosed separately in the Consolidated Balance sheet and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets (other than goodwill) that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each period/year end date, are shown under other non-current assets and cost of assets not ready for intended use before the period/ year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Consolidated Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Consolidated Statement of Profit and Loss.

The estimated useful life computer software for the current and comparative periods is 5 years.

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(f) Inventories

Inventories are valued at lower of cost or net realisable value. The method of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Traded goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Group reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(g) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- The breach of contract such as a default or being past due for 90 days or more;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance for expected credit losses

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made 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 amortization, if no impairment loss had been recognized.

(h) Revenue from contract with customers

Under Ind AS 115, the Group recognized revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when billings are in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography.

<u>Use of significant judgments in revenue recognition:</u>

a) The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Group uses judgement to determine an appropriate selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct product or service promised in the contract.

d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

g) Right of return - Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(i) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(j) Government grant

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in Consolidated Statement of Profit and Loss as other income on a systematic basis.

Grants that compensate the Group for expenses incurred are recognised in Consolidated Statement of Profit and Loss as other income on a systematic basis in the periods in which such expenses are recognised.

Grants related to income are deducted in reporting the related expense in the statement of profit and loss. Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(k) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured on an undiscounted basis. A liability is recognised for the amount expected to be paid e.g., salaries, wages and bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

<u>Defined contribution plans</u>

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

<u>Defined benefit plans</u>

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits

<u>Compensated absences</u>

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit credit method.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Consolidated Statement of Changes in Equity and in the Consolidated Balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Consolidated Statement of Profit and Loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(l) Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(m) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

Measurement at the reporting date

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. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in the Consolidated Statement of profit and loss.

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period/ year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(o) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Contingent liabilities and contingent assets

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 usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed where an inflow of economic benefits is probable.

Contingent liabilities and contingent assets are reviewed at each reporting date and adjusted to reflect the current best estimates.

(q) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Commitments are reviewed at each reporting date.

(r) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial Statement is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(s) Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Consolidated Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(u) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period/ year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/ year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period/ year attributable to equity shareholders and the weighted average number of shares outstanding during the period/ year are adjusted for the effects of all dilutive potential equity shares.

(v) Standards / amendments issued

The Group has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated 24 March 2021 in the Consolidated Financial Statement, wherever applicable.

(w) Standards issued but not yet effective

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- **Ind AS 103 – Reference to Conceptual Framework**

  The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

- **Ind AS 16 – Proceeds before intended use**

  The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its Consolidated financial statements.

- **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

  The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its Consolidated financial statements.

- **Ind AS 109 – Annual Improvements to Ind AS (2021)**

  The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its Consolidated financial statements.

- **Ind AS 116 – Annual Improvements to Ind AS (2021)**

  The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Group does not expect these amendments to have any significant impact in its Consolidated Financial statements.

Innova Captab Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

Note 3a - Property, plant and equipment

Particulars	Freehold land	Building	Plant and equipment	Lab Equipments	Electrical equipments and installation	Vehicles	Furniture and fixtures	Office equipment	Computer and printer	Total	Capital work-in-progress
Gross carrying amount											
Balance as at 1 April 2021	57.48	323.33	424.29	-	34.45	37.23	35.43	3.59	5.36	921.16	72.64
Additions	112.09	214.35	373.30	63.06	49.54	1.77	19.26	0.78	4.48	838.63	564.34
Acquisition of subsidiary [Refer note 44]	-	32.99	0.66	-	1.82	3.60	0.45	1.69	1.19	42.40	-
Disposals	-	-	(1.17)	-	-	-	-	-	-	(1.17)	(636.67) #
Balance as at 31 March 2022	169.57	570.67	797.08	63.06	85.81	42.60	55.14	6.06	11.03	1,801.02	0.31
Accumulated depreciation											
Balance as at 1 April 2021	-	41.08	86.63	-	9.78	6.29	8.76	1.80	3.22	157.56	-
Depreciation for the year	-	12.89	38.62	1.80	6.27	3.55	4.57	1.20	1.52	70.42	-
Acquisition of subsidiary [Refer note 44]		4.74	0.18	-	0.60	0.89	0.10	0.78	0.41	7.70	
Disposals	-	-	(0.26)	-	-	-	-	-	-	(0.26)	-
Balance as at 31 March 2022	-	58.71	125.17	1.80	16.65	10.73	13.43	3.78	5.15	235.42	-
Carrying amounts (net)											
As at 31 March 2022	169.57	511.96	671.91	61.26	69.16	31.87	41.71	2.28	5.88	1,565.60	0.31

Represents capital work in progress capitalised during the respective year.

Notes:
a. Refer note 18 for information on property, plant and equipment pledged as security by the Holding Company.
b. Refer note 42(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c. Plant and equipment includes INR 7.44 of capitalization towards research and development assets

(Amount in INR millions, except for share data unless otherwise stated)

d. The Company has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of these amounts:

Particulars	As at 31 March 2022
Employee benefits expense	12.16
Finance costs	22.91
(Interest expense on financial liabilities measured at amortised cost - on borrowings)	
Other expenses	3.90
Total	38.97

Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation relating to general borrowings was INR 10.24 at 4.69. %

e. Capital work in progress (CWIP) ageing schedule:

Particulars	**Amount in CWIP for a period of**				
	<1 year	**1-2 years**	**2-3 years**	**> 3 years**	**Total**
Projects in progress as at 31 March 2022	0.31	-	-	-	0.31

Note 3b - Goodwill and Other intangible assets

Gross carrying amount		
Particulars	**Goodwill (Refer note (b) below)**	**Other intangible - Computer software**
Balance as at 1 April 2021	-	9.30
Additions - acquired	-	1.93
Additions - on acquisition of subsidiary*	166.94	0.16
Balance as at 31 March 2022	166.94	11.39
Accumulated amortization		
Balance as at 1 April 2021	-	4.86
Additions	-	1.90
Additions - on acquisition of subsidiary*	-	0.10
Balance as at 31 March 2022	-	6.86
Carrying amounts (net)		
As at 31 March 2022	166.94	4.53

* Refer note 44

Note:

a. As at 31 March 2022, the estimated remaining amortization period for other intangible assets are as follows:
Computer Software 0.5 - 5 years

b. For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The entire goodwill of INR 166.94 has been allocated to the purchase of business of Univentis Medicare Limited.

The recoverable amount of the above cash generating units was based on its value in use. The value in use of these units was determined to be higher than the carrying amount and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections for five years are based on past experience, actual operating results and the future business plan.
ii. The terminal growth rate is 6.10% representing management view on the future long-term growth rate.
iii. Post-tax discount rate of 17.61% was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on the weighted average cost of capital.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

(Amount in INR millions, except for share data unless otherwise stated)

Note 4 - Right-of-use assets and lease liabilities

The Group has entered into agreements for leasing land and office premises. Land leases typically run for a period of 22 - 77 years. The leases for office premises typically run for a period of 6 years after which the lease is subject to termination at the option of lessee or lessor.

a. Information about leases for which the Group is a lessee is presented below :

Right-of-use assets - building	**As at 31 March 2022**
Balance as at beginning of the year	3.99
Additions	-
Additions on acquisition of subsidiary (Refer note 44)	3.46
Depreciation for the year	(1.69)
Balance as at end of the year (A)	5.76

Right-of-use assets - land*	**As at 31 March 2022**
Balance as at beginning of the year	19.38
Additions	55.16
Additions on acquisition of subsidiary (Refer note 44)	14.00
Depreciation for the year	(1.02)
Balance as at end of the year (B)	87.52
Right-of-use assets (C=(A)+(B))	93.28

* Leasehold land includes leasehold land of INR 19.38 situated at Plot no. 81-A & 81-B, EPIP Phase I, Jharmajri, Baddi, Solan which was acquired as part of acquisition of business on account of slump sale on 31 March 2021 for which the Holding Company is in the process of completing the formalities for transferring the lease deed in its own name. The existing title deed holder is not a promoter, director or relative of promoter/director or employee of promoter/director.

b. The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

c. Set out below are the carrying amounts of lease liabilities and reconciliation of movements to cash flows arising from financing activities during the year :

Lease liabilities included in the balance sheet	**As at 31 March 2022**
Current	3.96
Non-current	5.90
Total	9.86
Balance as at beginning of the year	4.71
Additions	3.04
Additions on acquisition of subsidiary (Refer note 44)	4.55
Accreditation of interest	0.67
Payment of lease liabilities	(3.11)
Balance as at end of the year	9.86

d. As at year end date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

e. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows	**As at 31 March 2022**
Less than one year	4.27
After one year but not longer than three years	3.76
More than three years	8.52
Total	16.55

(Amount in INR millions, except for share data unless otherwise stated)

f. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

g. The Group has also taken certain office premises and residential premises (used as guest house) on lease with contract terms within one year. These leases are short-term. The Company has elected not to recognize right-of-use-assets and lease liabilities for these leases. The expenses relating to short-term leases for which the recognition exemption has been applied have been charged to the Statement of Profit and Loss on straight line basis.

h. The table below provides details regarding amounts recognized in the Statement of Profit and Loss:

	For the year ended 31 March 2022
Expenses relating to short-term leases	0.81
Interest on lease liabilities	0.67
Depreciation expense	2.71
Total	4.19

i. The following are the amounts recognized in the Statement of Cash Flow:

	For the year ended 31 March 2022
Total cash outflow for leases (including short term leases)	3.92

j. For the transitional impact of Ind AS 116 and accounting policy, refer note 2(d) of the financial statements.

k. The weighted average incremental borrowing rate applied to lease liabilities as at the date of origination of lease is 11.05% - 11.36%

Note 5: Investments

	As at 31 March 2022
Non-current investments	
Investments in equity shares	
Unquoted equity shares (at cost)	
- Shivalik Solid Waste Management Limited 250 equity shares of INR 10 each fully paid-up	0.00^
	0.00^
Aggregate book value of unquoted investments	0.00^

^ The total value of shares in absolute value was INR 2,500/- but for reporting rounded upto INR 0.00 million

Note 6 - Loans- Non current

(unsecured considered good, unless otherwise stated)	As at 31 March 2022
Loan to employees	2.19
	2.19

Note 7 -Other non-current financial asset

(unsecured considered good, unless otherwise stated)	As at 31 March 2022
Security deposit	7.13
Balance with banks-deposits accounts with original maturity more than 12 months #	0.62
	7.75

These deposits include restricted bank deposits INR 0.27 pledged as margin money.

Break-up of security details	
Security deposit considered good - unsecured	7.13
Total	7.13

Note 8 - Income tax assets (net)

	As at 31 March 2022
Advance income tax and tax deducted at source (net of provision for income tax of INR 159.65)	40.26
	40.26

Note 9 - Other non-current assets

(unsecured considered good, unless otherwise stated)	As at 31 March 2022
Capital advances	79.02
Prepaid expenses	2.16
	81.18

(Amount in INR millions, except for share data unless otherwise stated)

Note 10 - Inventories *(At lower of cost and net realizable value)*	**As at 31 March 2022**
Raw materials #	666.83
Stores and spares	0.49
Work-in-progress	117.94
Finished goods #	82.64
Stock-in-trade #*	231.22
Packing material #	184.74
	1,283.86

Notes:

# Includes goods-in-transit	
- Raw material	26.89
- Finished goods	37.45
- Stock-in-trade	0.29
- Packing material	1.64

*Includes provision for slow moving inventory INR 2.57

Note 11 - Trade receivables *(unsecured considered good, unless otherwise stated)*	**As at 31 March 2022**
Trade receivables	1,970.36
Trade receivables from related party (refer note 35)	168.06
Less: expected credit loss allowance	(11.56)
	2,126.86

Break-ups	**As at 31 March 2022**
Trade receivables considered good - secured	-
Trade receivables considered good - unsecured	2,138.42
Trade receivables which have significant increase in credit risk	-
Trade receivables - credit impaired	-
	2,138.42
Less: expected credit loss allowance	
- Trade receivables considered good - secured	-
- Trade receivables considered good - unsecured	(3.48)
- Trade receivables which have significant increase in credit risk	(8.08)
- Trade receivables - credit impaired	-
Total trade receivables	2,126.86

Movement in expected credit loss allowance of trade receivables:	**As at 31 March 2022**
Balance at the beginning of the year	4.64
Additions during the year	6.92
Balance at the end of the year	11.56

Trade receivable aging:

			Outstanding for following periods from due date of payment							
	Unbilled revenue	**Not Due**	**< 6 months**	**6 months to 1 year**	**1 year to 2 years**	**2 year to 3 years**	**> 3 years**	**Gross trade receivables**	**Expected credit loss**	**Net trade receivables**
As at 31 March 2022										
Undisputed trade receivable - considered good	6.64	1,480.16	618.40	24.05	1.37	-	-	2,130.62	(5.78)	2,124.84
Undisputed trade receivable - considered doubtfu	-	-	-	-	-	-	1.18	1.18	(1.18)	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	2.29	2.29	(2.29)	-
Disputed trade receivable - considered doubtful	-	-	-	0.69	2.49	1.15	-	4.33	(2.31)	2.02
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Total	6.64	1,480.16	618.40	24.74	3.86	1.16	3.47	2,138.42	(11.56)	2,126.86

(Amount in INR millions, except for share data unless otherwise stated)

Note 12 - Cash and cash equivalents	As at 31 March 2022
Balances with bank:	
- In current accounts	1.45
Cash on hand	0.07
	1.52
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:	
Balances with bank - In current accounts	1.45
Cash on hand	0.07
	1.52

Note 13 - Bank Balance other than above	As at 31 March 2022
Bank deposits with original maturity of more than three months but less than twelve months #	22.87
	22.87

These deposits include restricted bank deposits INR 15.64 pledged as margin money.

Note 14 - Loans *(unsecured considered good, unless otherwise stated)*	As at 31 March 2022
Loan to employees	2.97
	2.97

Note 15 - Other current financial assets	As at 31 March 2022
Interest accrued but not due on fixed deposits	0.26
Export incentive recoverable	15.34
Security deposit	7.79
Recoverable from others	7.38
IPO expenses recoverable *#	12.14
Advance to employees	0.11
	43.02

Note 16 - Other current assets	As at 31 March 2022
Balances with government authorities	276.90
Advances to suppliers	1.61
Advances to employees	1.90
Right to return asset	8.26
Prepaid expenses *#	20.74
	309.41

* On 28 June 2022, the Holding Company has filed the Draft Red Herring Prospectus with SEBI in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Holding Company by way of fresh issue and an offer for sale by the existing shareholders. Accordingly, expenses incurred by the Holding Company in connection with filing of Draft Red Herring Prospectus amounting to INR 12.14 have been shown under "other current financial assets" as it is shall be partly recovered from the existing shareholders (as per the offer agreement) and INR 12.14 under "other current assets" as it is shall be partly adjusted towards the securities premium.

# Includes Auditor's Remuneration related to proposed IPO	
- Fees	9.58
- Reimbursement of expenses	0.48
	10.06

(Amount in INR millions, except for share data unless otherwise stated)

Note 17 - Equity share capital

	As at 31 March 2022
Authorized	
1,200,000 equity shares of INR 100 each	120.00
	120.00
Issued, subscribed and paid-up	
1,200,000 equity shares of INR 100 each fully paid up	120.00
	120.00

a) **Rights, preferences and restrictions attached to equity shares**
As per the memorandum of association, the Holding Company's authorized share capital consist of equity shares. All equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Holding Company. On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

	As at 31 March 2022	
	No. of shares	Amount
Balance at the beginning of the year	12,00,000	120.00
Balance at the end of the year	12,00,000	120.00

c) **Details of shareholders holding more than 5 percent equity shares in the Group:**

	As at 31 March 2022	
	No. of shares	% holding in the class
Manoj Kumar Lohariwala	4,75,900	39.66
Vinay Kumar Lohariwala	3,60,900	30.08
Gian Parkash Aggarwal	3,62,800	30.23

d) **Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2022.**
During the five years immediately preceding 31 March 2022 ('the year'), neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

e) **Promoter Shareholding**

Promoter's name	No. of shares	% of total shares	% change during the year
	As at 31 March 2022		
Manoj Kumar Lohariwala	4,75,900	39.66	-
Vinay Kumar Lohariwala	3,60,900	30.08	9.76

f) On 28 June 2022 , the Company has filed the Draft Red Herring Prospectus with SEBI in connection with the proposed Initial Public Offer ('IPO') of equity shares of the holding Company by way of fresh issue and an offer for sale by the existing shareholders. Separately, Gian Parkash Aggarwal,Archit Aggarwal,Veena Devi,Vandana Lohariwala and Chhavi Lohariwala represented to the Company on 19 March 2022, 15 March 2022, 15 March 2022, 10 March 2022 and 5 March 2022 respectively that they never intended to / do not intend to be identified as a promoters of the holding Company in regulatory filings with authorities, as applicable and Gian Parkash Aggarwal will hold not more than 20.50% in the post-offer shareholding. Consequently, Gian Parkash Aggarwal and Chhavi Lohariwala also resigned as non-executive directors of the Company on 1 April 2022. Further, the Board of Directors has taken on record the above declaration basis which the Company has revised its annual return filings for the year ended 31 March 2021 and has not identified Gian Parkash Aggarwal,Archit Aggarwal,Veena Devi,Vandana Lohariwala and Chhavi Lohariwala as promoter shareholders.

Note 18 - Other equity

	As at 31 March 2022
a Capital reserve	
Balance at the beginning of the year	0.44
Add: Addition on acquisition of business on account of slump sale (also refer note 44)	-
Balance at the end of the year	0.44
b Retained earnings	
Balance at the beginning of the year	1,327.77
Add: Profit for the year	639.53
Add: Other comprehensive (loss) for the year (remeasurement of defined benefit plans, net of tax)	(1.68)
Balance at the end of the year	1,965.62
Total	1,966.06

Nature of reserves:

a. **Capital reserve:** Capital reserve represents the accumulated excess of the fair value of net assets acquired under business combination over the aggregate consideration transferred.

b. **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any dividends or other distributions paid to shareholders.

Innova Captab Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

Note 19 - Borrowings

A. Non-current borrowings

		As at 31 March 2022
Secured:		
From banks		
Term Loan	(I)	510.99
Unsecured:		
From Others		
Deposits from directors (refer note 35)	(II)	269.90
Less : Current maturities of non-current borrowings		(107.37)
		673.52

B. Current borrowings

	Notes	As at 31 March 2022
Secured		
From Banks		
Cash credit ('CC') limit	(I)	980.15
Term loan: current maturities of non current borrowings		107.37
Unsecured:		
From Others		
Deposits from directors (refer note 35)	(II)	220.78
		1,308.30

(I) Notes:

Bank Name	Nature of facility *	Rate of interest % (per annum)	Repayment terms	Security	Non- Current As at 31 March 2022	Current As at 31 March 2022
State Bank of India	Term Loan	3 Month MCLR + 0.4%	102 monthly instalments from September 2017 after initial moratorium of 18 months (till August 2017) and having first 6 monthly instalments of INR 1.88, next 95 instalments of INR 3.00 and last instalment of INR 3.75	As per Note No. 1	50.00	-
	CC limit	3 Month MCLR + 0.40%		As per Note No. 1	-	448.56
Yes Bank Limited	Term Loan	3 Month MCLR + 0.05%	78 monthly instalments from December 2021 after initial moratorium period of 6 months (till November 2021) from the date of first disbursement amounting INR 2.55 per month and last instalment of INR 3.65	As per Note No. 2	189.47	-
		3 Month MCLR + 0.15%	60 monthly instalments from April 2023 after initial moratorium period of 18 months (till March 2023) from the date of first disbursement	As per Note No. 3	69.87	-
		1 Month MCLR + 0.2%	60 monthly instalments from October 2017 after initial moratorium period of 12 months (till September 2017) from the date of first disbursement	As per Note No. 2	10.00	-
	CC limit	1 Month MCLR + 0.35%		As per Note No. 2	-	218.84
	Export packing credit limit	5.95%		As per Note No. 2	-	150.00
HDFC Bank	Credit Card				-	4.66
	CC limit	1 Month MCLR + 0.35%		As per Note No. 5	-	100.49
The Hongkong and Shanghai Banking Corporation Limited ("HSBC Ltd")	Term Loan	TBLR + 3.23%	84 monthly instalments from December 2021 after initial moratorium period of 6 months (till November 2021)	As per Note No. 4	131.53	-
		TBLR + 3.23%	78 monthly instalments from March 2022 till August 2028	As per Note No. 4	60.12	-
	CC limit	Overnight MCLR + 0.05%		As per Note No. 4	-	57.60
					510.99	980.15

* *all facilities are denominated in INR*

Note No. 1: The following security has been created for the above mentioned facilities:

B. For term loan, Pari passu charge on reciprocal basis with Yes Bank Limited and HSBC Ltd.
(i) Registered/ Equitable mortgage (first charge) of factory land and building comprised in Khata Khatauni no. 117 min/ 136, Khasra no 2123/1281, situated at Hill top Industrial Estate, near EPIP, Phase-I, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 14 bigha, registered in the name of the Holding Company.

(ii) Registered/ Equitable mortgage (first charge) of factory land and building comprised in Khata Khatauni no. 301/341 min, Khasra no 1955/1286 & 1358, admeasuring 02 bigha 07 biswa, Khata Khatauni no. 296/336 min, Khasra no 1952/1286 & 1287, admeasuring 15 bigha 16 biswa, Khata Khatauni no. biswa, situated at Hill top Industrial Estate, near EPIP, Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 21 bigha 17 biswa, registered in the name of the Holding Company.

(iii) Hypothecation of entire movable fixed assets created out of bank finance.
C. For cash credit limit and export packing credit limit, Pari passu charge on reciprocal basis with Yes Bank Limited and HSBC Ltd
(i) Registered/ Equitable mortgage (first charge) of factory land and building comprised in Khata Khatauni no. 117 min/ 136, Khasra no 2123/1281, situated at Hill top Industrial Estate, near EPIP, Phase-I, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 14 bigha, registered in the name of the Holding Company.
(ii) Registered/ Equitable mortgage (first charge) of factory land and building comprised in Khata Khatauni no. 301/341 min, Khasra no 1955/1286 & 1358, admeasuring 02 bigha 07 biswa, Khata Khatauni no. 296/336 min, Khasra no 1952/1286 & 1287, admeasuring 15 bigha 16 biswa, Khata Khatauni no.306/346 min, Khasra no 1953/12 & 86, admeasuring 02 bigha 02 biswa, Khata Khatauni no. 305/345 min, Khasra no 1954/12 & 86, admeasuring 01 bigha 12 biswa, situated at Hill top Industrial Estate, near EPIP, Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 21 bigha 17 biswa, registered in the name of the Holding Company.
(iii) Land and Building situated at Plot No. 81 A, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh admeasuring 2000 sq. meters owned by Innova Captab (Partnership firm) (acquired by the Holding Company in slump sale on 31 March 2021) and 81 B, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh admeasuring 2000 sq. meters owned by Innova Captab (Partnership firm) (acquired by the Holding Company in slump sale on 31 March 2021).
(iv) Hypothecation of stocks of Raw Material, Stock in Process, Finished Goods including stocks in transit and receivables arising there from both present and future, for cash credit limit and export packing credit limit.

Note No. 2: The following security has been created for the above mentioned facility:
A. First Pari Passu charge on:
(i) Land and building comprised in Khata Khatauni no.117 min/ 136, Khasra no 2123/1281, situated at Hill Top Industrial Estate, near EPIP, Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 14 bigha, registered in the name of the Holding Company.
(ii) Land and building comprised in Khata Khatauni no. 301/341 min, Khasra no 1955/1286 & 1358, admeasuring 02 bigha 07 biswa, Khata Khatauni no.296/336 min, Khasra no 1952/1286 & 1287, admeasuring 15 bigha 16 biswa, Khata Khatauni no. 306/346 min, Khasra no 1953/12 & 86, admeasuring 02 bigha 02 biswa, Khata Khatauni no. 305/345 min, Khasra no 1954/12 & 86, admeasuring 01 bigha 12 biswa, situated at Hill top Industrial Estate, near EPIP,Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 21 bigha 17 biswa, registered in the name of the Company.
(iii) Land and Building situated at Plot No. 81 A, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh admeasuring 2000 sq. meters owned by Innova Captab (Partnership firm) (acquired by the Holding Company in slump sale on 31 March 2021) and 81 B, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh admeasuring 2000 sq. meters owned by Innova Captab (Partnership firm) (acquired by the Holding Company in slump sale on 31 March 2021).
B. Unconditional and Irrevocable Personal Guarantee from Manoj Kumar Lohariwala, Vinay Kumar Lohariwala, Gian Parkash Aggarwal, for INR
C. First Pari Passu charge by way of hypothecation on all movable fixed assets (present and future) for term loan facility and hypothecation on all current assets (present and future) for CC limit.

Note No. 3: The following security has been created for the above mentioned facility
A. Exclusive charge on Industrial Property located at Plot No. 320, Industrial Area, Phase- I, Panchkula, Haryana owned by the Holding Company.
B. Personal Guarantee of Manoj Kumar Lohariwala, Vinay Kumar Lohariwala and Gian Parkash Aggarwal of INR 300.

Note No. 4: The following security has been created for the above mentioned facilities:
A. First Pari Passu charge on:
(i) Land and building comprised in Khata Khatauni no.117 min/ 136, Khasra no 2123/1281, situated at Hill Top Industrial Estate, near EPIP, Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 14 bigha, registered in the name of the Holding Company.
(ii) Land and building comprised in Khata Khatauni no. 301/341 min, Khasra no 1955/1286 & 1358, admeasuring 02 bigha 07 biswa, Khata Khatauni no. 296/336 min, Khasra no 1952/1286 & 1287, admeasuring 15 bigha 16 biswa, Khata Khatauni no. 306/346 min, Khasra no 1953/12 & 86, admeasuring 02 bigha 02 biswa, Khata Khatauni no. 305/345 min, Khasra no 1954/12 & 86, admeasuring 01 bigha 12 biswa, situated at Hill top Industrial Estate, near EPIP,Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 21 bigha 17 biswa, registered in the name of the Holding Company.
(iii) Land and Building situated at Plot No. 81 A, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh admeasuring 2000 sq. meters owned by Innova Captab (Partnership firm) (acquired by the Holding Company in slump sale on 31 March 2021) and 81 B, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh admeasuring 2000 sq. meters owned by Innova Captab (Partnership firm) (acquired by the Holding Company in slump sale on 31 March 2021).

B. Personal Guarantee from Manoj Kumar Lohariwala, Vinay Kumar Lohariwala, Gian Parkash Aggarwal, for INR 300 each.

C. First Pari Passu charge by way of hypothecation on all movable fixed assets for term loan facility and hypothecation on all current assets (present and future) for CC limit.

Note No. 5: The following security has been created for the above mentioned facility:
A. Primary charge on stock and debtors.
B 100% Personal Guarantee from Manoj Kumar Lohariwala, Vinay Kumar Lohariwala, Chhavi Lohariwala and Vandana Lohariwala as collateral security.
C. Industrial property admeasuring 33,000 sq. meters situated at Plot No. 63 EPIP Phase I, Baddi, District Solan, Jharmajri, owned by the Subsidiary Company as collateral security.

(II) The Holding Company has taken deposits from directors carry interest rate of 7% per annum and are repayable on demand. Further, the Subsidiary Company has taken deposits from directors and their relatives carry interest rate of 7% per annum and are repayable on demand.

(Amount in INR millions, except for share data unless otherwise stated)

C. The group has filed quarterly returns/statement of current assets with banks for the below mentioned quarters and there are certain variances between the amounts reported and amounts as per the books of accounts which are shown below.

Innova Captab Limited

Quarter end date	Particulars	Amount as per books of account	State Bank of India		Yes Bank Limited		HSBC Ltd	
			Amount as reported	Amount of difference	Amount as reported	Amount of difference	Amount as reported	Amount of difference
30 June 2021	Inventory	1,200.97	1,131.75	69.22	1,131.75	69.22	1,131.75	69.22
	Trade Receivable	2,020.50	1,963.25	57.25	1,924.53	95.97	1,924.53	95.97
	Trade Payable	1,895.92	1,749.70	146.22	1,749.70	146.22	1,749.70	146.22
30 September 2021	Inventory	919.72	916.71	3.01	916.71	3.01	916.71	3.01
	Trade Receivable	1,795.04	1,793.33	1.71	1,680.74	114.30	1,680.74	114.30
	Trade Payable	1,230.29	1,186.05	44.24	1,186.05	44.24	1,186.05	44.24
31 December 2021	Inventory	1,169.99	1,058.88	111.11	1,058.88	111.11	1,058.88	111.11
	Trade Receivable	1,440.65	1,539.63	(98.98)	1,539.63	(98.98)	1,539.63	(98.98)
	Trade Payable	1,214.71	1,287.31	(72.60)	1,287.31	(72.60)	1,287.31	(72.60)
31 March 2022	Inventory	1,052.86	1,053.15	(0.29)	1,053.63	(0.77)	1,053.63	(0.77)
	Trade Receivable	1,738.53	1,738.08	0.45	1,738.08	0.45	1,738.08	0.45
	Trade Payable	1,404.31	1,401.92	2.39	1,401.92	2.39	1,401.92	2.39

Univentis Medicare Limited

Quarter end date	Particulars	HDFC Bank Limited		
		Amount as per books of account	Amount as reported	Amount of difference
30 June 2021	Inventory	226.85	226.44	0.41
	Trade Receivable	781.84	781.84	-
	Trade Payable	524.02	523.21	0.81
30 September 2021	Inventory	226.19	223.52	2.67
	Trade Receivable	717.38	717.19	0.19
	Trade Payable	410.72	409.93	0.79
31 December 2021	Inventory	277.48	246.64	30.84
	Trade Receivable	566.17	613.87	(47.70)
	Trade Payable	201.93	197.49	4.44
31 March 2022	Inventory	249.46	271.93	(22.47)
	Trade Receivable	519.32	521.45	(2.13)
	Trade Payable	174.72	174.70	0.02

The quarterly returns/statement of current assets as submitted to banks compared to books of accounts reflected material discrepancies in above mentioned quarters as the Holding Company and Subsidiary Company had not considered goods-in-transit while reporting the balance of inventories, had adjusted the advances from customers while reporting the balance of trade receivables and had adjusted advances to vendors while reporting the balance of trade payables as at respective quarter ends.

Further, the quarterly returns/statement of current assets submitted to banks were prepared before incorporating the impact of certain adjustments pertaining to cut off of revenue and purchase, overhead loading in inventories, accrual of interest towards MSME vendors and impact of Ind AS related adjustment/reclassification applicable as the Group did not have a formal quarterly closing process for its books of accounts. During the quarter ended 31 March 2022, the Group have improved its processes for better reporting and submission of such data, consequently, the variances between the amounts reported and amounts as per the books of accounts are not material significant.

D. Further, in the year ended 31 March 2022 the actual utilization of working capital remained within the bank sanction limits.

Innova Captab Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

E. Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities

	As at 31 March 2022
Borrowings at the beginning of the year	450.26
Proceeds from non-current borrowings	1,085.50
Repayments of non-current borrowings	(390.63)
Proceeds from/ repayments of current borrowings (net)	613.98
Acquired on account of business combination	223.58
Transaction costs related to borrowings	(0.90)
Borrowings at the end of the year	**1,981.79**

Note 20 - Provisions

	As at 31 March 2022
A. Non-current	
Provision for employee benefits:	
Provision for compensated absences	4.52
Provision for gratuity (refer note 39)	18.14
	22.66
B. Current	
Provision for employee benefits:	
Provision for compensated absences	1.55
Provision for gratuity (refer note 39)	1.95
	3.50
Others:	
Provision for litigation (refer note (a) below)	-
	3.50

Note:

(a) Provision for litigation	
Balance at the commencement of the year	0.99
Add: Provision made during the year	-
Less: Provision utilised/reversed during the year	(0.99)
Balance at the end of the year	-

Note 21 - Other non current liabilities

	As at 31 March 2022
Deferred government grant	0.85
	0.85

Note 22 - Trade payables

	As at 31 March 2022
Total outstanding dues of micro and small enterprises	14.31
Total outstanding dues of creditors other than micro and small enterprises #	1,433.73
	1,448.04

Also, the Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. Refer note 36 for the disclosure in respect of amounts payable to such enterprises as at year end that has been made in the Consolidated Financial statement based on information available with the Group.

Includes due to related parties (refer note 35)

Trade payables ageing schedule:

As at 31 March 2022	Outstanding for following periods from due date of payment						
	Unbilled	Not due	< 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total
Outstanding dues of micro and small enterprises	-	12.27	2.04	-	-	-	14.31
Outstanding dues of creditors other than micro and small enterprises	52.42	1,180.15	201.16	-	-	-	1,433.73
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	52.42	1,192.42	203.20	-	-	-	1,448.04

(Amount in INR millions, except for share data unless otherwise stated)

Note 23 - Other financial liabilities

	As at 31 March 2022
Interest accrued but not due on borrowings	5.09
Employee related payables	54.66
Capital creditors	
- Total outstanding dues of micro and small enterprises*	
- Total outstanding dues of other than micro and small enterprises	6.81
Security deposits	26.70
	93.26

* Refer note 36 for disclosures required under MSMED Act.
# Refer note 44

Note 24 - Other current liabilities

	As at 31 March 2022
Contract liabilities	35.83
Statutory dues	9.86
Refund liability	11.23
Deferred government grant	21.52
Advance from trustees	0.02
	78.46

Note 25 - Current tax liabilities (net)

	As at 31 March 2022
Provision for income tax [net of advance tax of INR 209.53]	9.67
	9.67

Note 26 - Revenue from operations

	For the year ended 31 March 2022
Sale of finished goods	7,452.52
Sale of traded goods	490.11
Sale of services	55.11
Other operating revenues	
- Export incentives	5.22
- Scrap sales	2.30
	8,005.26

Notes:

a. Reconciliation of revenue recognized with the contract price is as follows:

Contract price	8,001.07
Adjustments for discounts and rebates	(3.33)
Revenue recognized	7,997.74

b. Contract Balances

Contract liabilities, which are included in 'other current liabilities' *	35.83

* Considering the nature of business of the Group, the above unbilled revenue generally materializes as revenue within the same operating cycle.

(Amount in INR millions, except for share data unless otherwise stated)

c. Revenue from sale of goods and services disaggregated by primary geographical market	**For the year ended 31 March 2022**
India	7,202.15
Outside India	795.59
Total revenue from contracts with customers	7,997.74

Note 27 - Other income	**For the year ended 31 March 2022**
Interest income	
- on bank deposits	1.41
Amortisation of government grant	0.43
Exchange gain on foreign exchange fluctuation (net)	16.98
Miscellaneous income	10.01
	28.83

Note 28 Cost of materials consumed	**For the year ended 31 March 2022**
Raw material	4,851.87
Packing material	884.50
	5,736.37

Movement of raw materials consumption (including purchased components and packing material consumed)

Particulars	**For the year ended 31 March 2022**
Inventory at the beginning of the year	703.68
Add: Purchases	5,884.75
Less: Inventory at the end of the year	852.06
	5,736.37

Note 29 Purchase of stock-in-trade	**For the year ended 31 March 2022**
Purchase of stock in trade	387.80
	387.80

Note 30 - Changes in inventories of finished goods, work-in-progress and stock-in-trade	**For the year ended 31 March 2022**
Opening balance	
- Finished goods	110.77
- Work-in-progress	99.72
- Stock-in-trade	0.28
Add: Inventory on acquisition of subsidiary (refer note 44)	
- Stock-in-trade	277.44
- Right to return goods	9.31
Closing balance	
- Finished goods	82.64
- Work-in-progress	117.94
- Stock-in-trade	231.22
- Right to return goods	8.26
- Provision for obsolete inventory	2.57
	54.89

Note 31 - Employee benefits expense	**For the year ended 31 March 2022**
Salaries, wages and bonus	371.30
Contribution to provident and other funds (refer note 39)	23.72
Staff welfare expenses	9.57
	404.59

(Amount in INR millions, except for share data unless otherwise stated)

Note 32 - Finance costs

	For the year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost :	
- on borrowings	48.29
- on lease liabilities	0.68
Interest to others *	4.05
Other borrowing cost	3.78
	56.80

* Includes interest on shortfall of income tax of INR 1.35.

Note 33 - Depreciation and amortization expense

	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3a)	70.42
Amortization of other intangible assets (refer note 3b)	1.90
Depreciation on right-of-use assets (refer note 4)	2.71
	75.03

Note 34 - Other expenses

	For the year ended 31 March 2022
Power and fuel	79.14
Stores and spares consumed	37.85
Sub contracting charges	32.11
Packing charges	60.30
Lab consumables	14.93
Repairs and maintenance	
- Plant and machinery	5.62
- Building	0.32
- Others	31.82
Commission on sales	44.41
Sales promotion expense	9.29
Freight charges	15.64
Rates, fees and taxes	19.17
Legal and professional fee (refer note (a) below)	9.08
CSR expenditure	7.32
Travelling and conveyance	25.84
House keeping expense	14.83
Security expenses	7.74
Printing and stationery	6.90
Rent	0.81
Expected credit loss on trade receivables	6.91
Bad debts written off	1.19
Insurance	7.45
Net profit/loss on sale of property, plant and equipment	0.07
Director sitting fees	0.08
Provision for Obsolete Inventory	2.57
Miscellaneous expenses	20.02
	461.41

(a) Payment to auditors (excluding goods and services tax)

	For the year ended 31 March 2022
As auditor:	
- Statutory audit	2.44
- Certification	0.55
- Reimbursement of expenses	0.13
Total	**3.12**

Note 35 - Tax expense

	For the year ended 31 March 2022
a. Amount recognised in Statement of Profit and Loss:	
Current tax:	
- Current period	217.37
- Earlier year	0.78
Deferred tax:	
- Attributable to origination and reversal of temporary differences	(1.05)
Total tax expense recognized	**217.10**

(Amount in INR millions, except for share data unless otherwise stated)

b. Reconciliation of effective tax rate

	For the year ended 31 March 2022
Profit before tax	857.20
Tax at India's statutory tax rate of 25.17%	215.76
Tax effect of non-deductible expenses	1.92
Income tax expense recognized in the statement of profit and loss	217.67

c. Income tax expense recognized in other comprehensive income

Arising on income and expenses recognized in other comprehensive income	
Remeasurement of defined benefit obligation	0.57
Total income tax recognized in other comprehensive income	0.57
Bifurcation of the income tax recognized in other comprehensive income into:-	
Items that will not be reclassified to profit or loss	0.57
	0.57

d. Deferred tax balances reflected in the Balance Sheet:

	As at 31 March 2022
Deferred tax asset	2.20
Deferred tax liability	20.57
Deferred tax liability (net)	18.37

e. Movement in deferred tax balances

	As at 1 April 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Acquisition of subsidiary*	As at 31 March 2022
Deferred tax liability					
Excess depreciation as per Income tax Act, 1961 over books	21.32	15.31	-	0.84	37.47
Unbilled revenue	2.80	(2.45)	-	-	0.35
Deferred tax liability (A)	24.12	12.86	-	0.84	37.82
Deferred tax asset					
Expenses allowable on payment basis	3.08	6.09	0.57	0.45	10.19
Expected credit loss allowance on trade receivables	1.17	2.25	-	-	3.42
Lease liabilities	0.18	(0.19)	-	0.23	0.22
Deferred income on grants	0.43	(0.11)	-	-	0.32
Unrealised profit on stock	-	4.65	-	-	4.65
Provision for obsolete inventory	-	0.65	-	-	0.65
Deferred tax asset (B)	4.86	13.34	0.57	0.68	19.45
Deferred tax liability (net) (A-B)	19.26	(0.48)	(0.57)	0.16	18.37

* Refer note 45(a)

(Amount in INR millions, except for share data unless otherwise stated)

Note 36 - Related parties

A. List of related parties and nature of relationship with whom transactions have taken place during the current year.

Description of Relationship	Name of the Party
Subsidiary	Univentis Medicare Limited (with effect from 31 December 2021)
	Univentis foundation (incorporated on 14 June 2021)
Key management personnel ('KMP')	Mr. Vinay Kumar Lohariwala (Whole Time Director- till 17 March 2022)
	'Mr. Vinay Kumar Lohariwala (Managing Director- with effect from 18 March 2022)
	Mr. Manoj Kumar Lohariwala (Whole Time Director)
	Ms. Chhavi Lohariwala (Executive Director) (till 1 April 2022)
	Mr. Gian Parkash Aggarwal (Non-executive Director) (till 1 April 2022)
	Mr. Pradosh Kumar (Non Executive Independent Director) (till 1 April 2022)
	Mr. Anup Agarwal (Non Executive Independent Director) (till 1 April 2022)
	Mr. Purushottam Sharma (Executive Director)
	Mr. Jayant Vasudeo Rao (Whole Time Director)
	Mr. Mukesh Kumar (Chief Financial officer) (till 1 April 2022)
	Mr. Rajveer Singh(Company Secretary) (17 January 2022- 01 April 2022)
Relative of KMP	Ms. Vandana Lohariwala
	Ms. Sita Devi Lohariwala
Entities in which KMP and/or their relatives have significant influence	Univentis Medicare Limited (upto 31 December 2021)
	Azine Healthcare Private Limited
	Pharmatech Healthcare
	DMS Electronics Private Limited
	Nugenic Pharma Private Limited
	Shubh Packaging
	Signum Electrowave

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period

Nature of transaction	
1 Revenue from operations (net of returns)	
Univentis Medicare Limited	809.07
Azine Healthcare Private Limited	23.29
Pharmatech Healthcare	14.09
Nugenic Pharma Private Limited	0.13
2 Purchase of raw material and/or packing material	
Univentis Medicare Limited	5.36
Shubh Packaging	73.61
Nugenic Pharma Private Limited	418.77
3 Purchase of store and spares	
Nugenic Pharma Private Limited	3.35
Shubh Packaging	0.03
4 Loans repaid during the period	
Manoj Kumar Lohariwala	70.05
Vinay Kumar Lohariwala	151.46
Gian Parkash Aggarwal	45.00
5 Loans received during the period	
Manoj Kumar Lohariwala	154.00
Vinay Kumar Lohariwala	164.00
Gian Parkash Aggarwal	247.50
6 Finance costs	
Manoj Kumar Lohariwala	3.15
Vinay Kumar Lohariwala	3.86
Gian Parkash Aggarwal	6.55
7 Loans given to employees	
Mukesh Kumar	0.24
8 Loans repaid by employees	
Mukesh Kumar	0.14
9 Sitting fees	
Anup Agarwal	0.03
Pradosh Kumar	0.04
10 CSR contribution	
Vinay kumar Lohariwala	0.02
11 Employee benefits expenses *	
Vinay Kumar Lohariwala	4.80
Manoj Kumar Lohariwala	4.80
Jayant Vasudeo Rao	1.34
Rajveer Singh	0.19
Shikha Kanwar	0.30
Mukesh Kumar	1.62

Innova Captab Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2022
(Amount in INR millions, except for share data unless otherwise stated)

* Break-up of compensation of key managerial personnel of the Group

Short-term employee benefits	13.05
Post-employment benefits	1.97
Total compensation paid to key management personnel	**15.01**

The amount disclosed above in the table are the amounts recognized as expense during the reporting period related to key management personnel

C. **Balances outstanding at year end**

Nature of transaction	
1 **Non- current borrowings**	100.00
Gian Prakash Aggarwal	
2 **Current borrowings**	125.07
Manoj Kumar Lohariwala	163.11
Vinay Kumar Lohariwala	102.50
Gian Parkash Aggarwal	
3 **Trade payables**	105.44
Nugenic Pharma Private Limited	
4 **Trade receivables**	7.76
Pharmatech Healthcare	6.76
Azine Healthcare	153.54
Univentis Medicare Limited	
5 **Interest accrued but not due on borrowings**	0.33
Manoj Kumar Lohariwala	1.55
Vinay Kumar Lohariwala	
6 **Loan to employees**	0.10
Mukesh Kumar	
7 **Employee related payables**	0.30
Manoj Kumar Lohariwala	0.30
Vinay Kumar Lohariwala	0.10
Jayant Vasudeo Rao	0.11
Mukesh Kumar	0.08
Rajveer Singh	
8 **CSR contribution received in advance**	0.02
Vinay kumar Lohariwala	

D. **Terms and conditions of transactions with related parties**

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Refer Note 15 for IPO expenses recoverable.

Note 37 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the Consolidated Financial Information based on information available with the Group as under:

Particulars	**As at 31 March 2022**
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	
- Principal amount remaining unpaid to any supplier	14.31
- Interest due thereon remaining unpaid to any supplier	0.09
(ii) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-
(iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	0.11
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	5.04
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	5.04

(Amount in INR millions, except for share data unless otherwise stated)

Note 38 - Earnings per share

	For the year ended 31 March 2022
i. Profit for basic/diluted earning per share of face value of INR 10 each	
Profit for the year	639.53
ii. Calculation of Weighted average number of equity shares for (basic and diluted)	
Number of equity shares at the beginning and end of the year	12,00,000
Add: Adjustment for issue of bonus shares subsequent to year end	36,00,000
Add: Adjustment for share split subsequent to year end	4,32,00,000
Total number of shares	**4,80,00,000**
Basic and diluted earnings per share (face value of INR 10 each)	**13.32**

Note: The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for sub-division of shares and issue of bonus shares subsequent to 31 March 2022 in accordance with Ind AS 33 - Earnings per Share.

Note 39 - Segment information

The Board of Directors monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Information. For management purpose, the Group has identified " Drugs and pharmaceutical products" as single operating segment.

a. **Information about products and services**

	For the year ended 31 March 2022
Revenue from drugs and pharmaceutical products	7,997.74
Total	**7,997.74**

b. **Information about geographical areas**

The geographical information analyses the Group's revenues by the Holding Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

Revenue from customers	**For the year ended 31 March 2022**
India	7,202.15
Outside India	767.81
	7,969.96

Trade receivables	**As at 31 March 2022**
India	1,894.90
Outside India	231.96
	2,126.86

iii) Non-current assets

The Group has common non-current assets for business in domestic and overseas markets. Hence, separate figures for non-current assets/ additions to property, plant and equipment have not been furnished.

c. **Information about major customers (from external customers)**

For year ended 31 March 2022, none of the customer of the Group constituted more than 10% of the total revenue of the Group.

Note 40 - Employee benefits

a. **Defined contribution plans**

The Group makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund and Employee State Insurance Scheme ('ESI') which are collectively defined as defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund and ESI are as follows:

	For the year ended 31 March 2022
Provident fund	19.80
ESI contribution	3.92
	23.72

b. **Defined benefit plans**

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognized immediately in the Other Comprehensive Income (OCI).

This is an unfunded benefit plan for qualifying employees. This scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.
The above defined benefit plan exposes the Group to following risks:

(Amount in INR millions, except for share data unless otherwise stated)

Interest rate risk:
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:
The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
Demographic risk:
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	As at 31 March 2022
i. Reconciliation of present value of defined benefit obligation	
Balance at the beginning of the year	13.31
On account of business combination during the year	0.58
Interest cost	0.92
Current service cost	3.69
Past service cost	-
Benefits paid	(0.65)
Actuarial loss recognized in other comprehensive income	
- from changes in financial assumptions	(0.25)
- from changes in demographic assumptions	1.42
- from experience adjustments	1.08
Balance at the end of the year	**20.09**

	For the year ended 31 March 2022
ii. Amount recognized in statement of profit and loss	
Interest cost	0.92
Current service cost	3.69
Past service cost	-
	4.61
iii. Remeasurements recognized in other comprehensive income	
Actuarial loss for the period on defined benefit obligation	2.25
	2.25

iv. Actuarial assumptions
(i) Economic assumptions
The principal assumptions are the discount rale and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	As at 31 March 2022
Discount rate (per annum)	7.18%
Future salary growth rate (per annum)	5.00%
Expected average remaining working lives (years)	27.19-27.43

(ii) Demographic assumptions

	As at 31 March 2022
Retirement age (years)	58
Mortality rate	100% (IALM)
Attrition rate (per annum)	
Upto 30 years	27%-50%
From 31 to 44 years	16%-51%
Above 44 years	11%-29%

	As at 31 March 2022
Increase	
Discount rate (0.5% movement)	(0.49)
Future salary growth rate (0.5% movement)	0.51
Decrease	
Discount rate (0.5% movement)	0.52
Future salary growth rate (0.5% movement)	(0.50)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi. Expected maturity analysis of the defined benefit plan in future years

	As at 31 March 2022
Within 1 year (next annual reporting year)	2.95
Between 1 to 6 years	9.56
Beyond 6 years	7.59
Total expected payments	**20.10**

vii. Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2022
Weighted average duration of the defined benefit plan (in years)	2.13 - 3.82
Expected employers contribution for next year	6.22

(Amount in INR millions, except for share data unless otherwise stated)

Note 41 - Financial instrument : fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Group, other than those with carrying amounts that are reasonable approximations of fair values:

	Note	As at 31 March 2022	
		Amortised Cost	Fair value through OCI
Financial assets			
Investments	a	0.00	-
Trade receivables	c	2,126.86	-
Cash and cash equivalents	c	1.52	-
Bank balances other than above	c	22.87	-
Other financial assets	b,c	50.77	-
		2,202.02	-
Financial liabilities			
Borrowings	b	1,981.82	-
Lease liabilities	b	9.86	-
Trade payables	c	1,448.04	-
Other financial liabilities	c	93.26	-
		3,532.98	-

Notes:

a. The carrying value of investment in Shivalik Solid Waste Management Limited was INR 2,500/-. Fair value of this investment is not considered to be material.

b. The Group's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, in accordance with amendment Ministry of Corporate Affairs notified in Ind AS 113 on 30 March 2019, fair value measurement of lease liabilities is not required. Fair value of other non-current other financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

c. Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

There are no transfers between level 1, level 2 and level 3 during the year presented.

Note 42 (a) - Financial risk management

Risk management framework

The Group is exposed to market risk, credit risk and liquidity risk. The Holding Company's board of director oversees the management of these risks. The Holding Company's board of director is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are summarized below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk financial instruments affected by market risk include trade receivables, trade payables and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(a) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The exposure of the Group's borrowing to floating interest rate as reported at the end of the reporting year are as follows:

	As at 31 March 2022
Floating rate borrowings	1,404.94
Fixed rate borrowings	573.11
Total borrowings (gross of transaction cost)	1,978.05

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2022				
Interest rate (0.5% movement)	0.24	(0.24)	0.18	(0.18)

Innova Captab Limited
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(Amount in INR millions, except for share data unless otherwise stated)

(b) Currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating activities.

The Group does not enter into trade financial instruments including derivate financial instruments for hedging its foreign currency risk.

Exposure to currency risk :

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting

		As at 31 March 2022	
		Amount in Foreign Currency	Amount in Indian Currency
Trade Receivable	USD	3.06	231.91
	EUR	0.00	0.05
Trade payables	USD	1.80	136.57
	EUR	0.34	28.52

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by a derivative instrument or otherwise.

Sensitivity analysis:

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against relevant foreign currencies 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the year end for 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity balance below would be negative. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2022				
USD 5% movement	4.77	(4.77)	3.57	(3.57)
EURO 5% movement	(1.43)	1.43	(1.07)	1.07

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(a) Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Statement of Profit and Loss within other expenses.

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2022
Within India	1,894.90
Outside India	231.96
Total	2,126.86

The carrying amount of the Group's most significant customer is INR NIL.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables :

As at 31 March 2022	Gross carrying amount	Loss allowance	Weighted average loss rate	Whether credit-impaired
Not due	1,490.01	(1.34)	-0.09%	No
Less than 90 days	564.40	(1.39)	-0.25%	No
90-180 days	54.00	(0.95)	-1.77%	No
More than 180 days	30.01	(7.88)	-26.27%	No
Total	2,138.42	(11.56)		

(Amount in INR millions, except for share data unless otherwise stated)

(b) Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(c) Security deposits

The Group furnished security deposits as margin money deposits to bank. The Group considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Group expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

(iii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimized cost.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 March 2022	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings	1,981.82	220.78	1,087.52	467.11	206.41	1,981.82
Other financial liabilities	582.31	-	582.31	-	-	582.31
Trade payables	1,448.04	-	1,448.04	-	-	1,448.04
Lease liabilities	9.86	-	4.27	3.76	8.52	16.55
Total	4,022.03	220.78	3,122.14	470.87	214.93	4,028.72

(iv) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(v) Risk related to COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these audited financial statements including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these audited Consolidated Financial Information, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The Group continues to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity.

Note 42 (b)- Capital risk management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, business strategies and future commitments. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade payables and borrowings, less cash and cash equivalents.

Particulars	As at 31 March 2022
Trade payables (Refer note 21)	1,448.04
Borrowings (Refer note 18)	1,981.82
Less: cash and cash equivalents (Refer note 11)	1.52
Net debt	3,428.34
Equity share capital (Refer note 16)	120.00
Other equity (Refer note 17)	1,966.06
Total capital	2,086.06
Capital and net debt	5,514.40
Gearing ratio	62.17%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to maintain investor, creditor and market confidence and to sustain future development of the business.

(Amount in INR millions, except for share data unless otherwise stated)

Note 43 - Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the Group not acknowledged as debts	As at 31 March 2022
Income tax matters	0.71
	0.71

(i) For assessment year 2017-2018, the Income tax Assessing Officer had raised the demand of INR 13.09 vide order dated 15 December 2019. On 19 July 2021, the Assistant Commissioner of Income Tax reduced the demand to INR 0.6. The Holding Company is of the view that the demand of INR 0.6 has been raised erroneously and accordingly, the Holding Company has filed an application for rectification with the Dy. Commissioner of Income Tax to contest the demand. No tax expense has been accrued in Consolidated Financial statement for the tax demand raised as the Holding Company is contesting the demand and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Group's financial position and results of operations.

(ii) For assessment year 2016-2017, the Income tax Assessing Officer had raised the demand of INR 0.70 vide order dated 11 January 2017. The Holding Company has accepted the demand and accordingly accrued tax expense for the tax demand raised in the Consolidated Financial Information. During the year ended 31 March 2022, the demand has been deposited with the tax authorities.

(iii) For assessment year 2018-2019, the Income tax Assessing Officer had raised the demand of INR 0.11 vide order dated 15 December 2019. The subsidiary Company is of the view that the demand of INR 0.11 has been raised erroneously and accordingly, the Subsidiary Company has filed an appeal for rectification with the CIT(A) vide order no CPC/1819/U6/1978175616 to contest the demand. The same has been dismissed by the CIT(A) vide order no ITBA/NFAC/S/250/2022-23/1043627809(1). The Subsidiary Company has filed appeal in ITAT against for the CIT(A) for contesting the demand and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Group's financial position and results of operations.

(b) Other Commitments	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for	10.46
Export commitments against import of capital goods under EPCG scheme	126.54
	137.00

(Amount in INR millions, except for share data unless otherwise stated)

Note 44 - Other Information

a) During the year ended 31 March 2020, the Holding Company had received advance from customer amounting to USD 0.01 (INR 0.57). Further, during the year ended 31 March 2021, the Holding Company had received advance from customer amounting to GBP 0.05 (INR 4.74) and USD 0.01 (INR 0.96) respectively. However, these products were not eventually delivered and accordingly the entire amount continues to be outstanding in the books as at year-end. The Holding Company is evaluating the options available for the settlement of aforesaid advances subject to commercial feasibility and concurrence from the authorized dealer ('Banker') / Reserve Bank of India ('RBI'). The management believes that the same may not have a material impact and accordingly no provision for penalties etc. has been recognised in relation to the above in the financial statements.

b) As per the guidelines issued by the Reserve Bank of India (RBI), the Holding Company is required to realise foreign currency receivables within a stipulated time period. The Holding Company has foreign currency receivables amounting to INR 5.89 which are outstanding for a period of more than twelve months as on 31 March 2022. The management believes that the Holding Company will be able to obtain approvals from the authorities for realising such amounts without levy of any penalties as it had bonafide reasons that caused the delays in realisation and accordingly no provision for penalties etc. has been made in the financial statements.

Note 45 (a) Business combination

The Board of directors approved a Business Transfer Agreement (BTA) between the Holding Company and Innova Captab, a partnership firm on 31 March 2021. Pursuant to the said BTA, the partnership firm has transferred its assets and liabilities to company on a going concern basis by way of slump sale, with effect from closing of business hours of 31 March 2021 for a purchase consideration of INR 542.50. The assets and liabilities were transferred at fair value as at 31 March 2021. This being a business purchase has been accounted for in accordance with the Ind AS 103 "Business Combinations" and the information about fair valuation of acquired assets and assumed liabilities, is as follows:

Particulars	Amount
Assets	
Property, plant and equipment	59.71
Right-of-use assets	19.38
Inventories	215.49
Trade Receivables	448.69
Cash and cash equivalents	3.02
Bank balances other than above	28.52
Loans	1.16
Other financial assets	31.34
Other current assets	129.55
Total Assets (A)	936.86
Liabilities	
Borrowings	75.18
Provisions	4.42
Trade payable	306.50
Other financial liabilities	4.64
Other current liabilities	3.18
Total Liabilities (B)	393.92
Net assets acquired (A-B)	542.94
Capital reserve	(0.44)
Total consideration	542.50

Revenue from operations and profit before tax for the year ended 31 March 2021 includes INR Nil and INR Nil respectively pertaining to acquisition of business through slump sale made during the year. If the acquisitions had happened at the beginning of the year, management estimates that the reported revenue from operations for the year ended 31 March 2021 would have been higher by INR 1,664.60 and profit before tax for the year higher by INR 155.83. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2020.

(Amount in INR millions, except for share data unless otherwise stated)

Note 45 (b) Business combination

The Group acquired 100% equity shares in Univentis Medicare Limited vide Share Purchase Agreement dated 31 December 2021 for a purchase consideration of INR 600.

This being a business purchase has been accounted for in accordance with the Ind AS 103 "Business Combinations" and price allocation as at 31 December 2021 and certain information about fair valuation of acquired assets and liabilities is as follows:

Particulars	Amount
Assets	
Property, plant and equipment	34.70
Right-of-use assets	17.46
Other intangible assets	0.06
Income tax assets (net)	26.99
Inventories	277.48
Trade Receivables	566.17
Cash and cash equivalents	2.30
Bank balances other than above	2.00
Loans	0.14
Other financial assets	3.34
Other current assets	42.24
Total Assets (A)	972.88
Liabilities	
Borrowings	223.58
Lease liabilities	4.55
Deferred tax liabilities (net)	0.16
Provisions	1.77
Trade payable	201.93
Other financial liabilities	44.14
Other current liabilities	63.69
Total Liabilities (B)	539.82
Net assets acquired (A-B)	433.06
Goodwill	166.94
Total consideration	600.00

Revenue from operations and profit/(loss) before tax for the year ended 31 March 2022 includes INR 376.55 and INR (10.68) respectively pertaining to acquisition of subsidiary made during the year. If the acquisitions had happened at the beginning of the year, management estimates that the reported revenue from operations for the year ended 31 March 2022 would have been higher by INR 1311.18 and profit before tax for the year higher by INR 172.10. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2021.

Note 46: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2022
Investments:	
(i) Investment in equity shares: Shivalik waste management system	
Balance as at the period end ^	0.00
Maximum amount outstanding at any time during the period ^	0.00

^ The total value of shares in absolute value was INR 2,500/- but for reporting rounded upto INR 0.00 million.

(Amount in INR millions, except for share data unless otherwise stated)

Note 47 - Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of Consolidated Financial Information' of Division II of Schedule III

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit after tax		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive	Amount	As % of consolidated total comprehensive	Amount
As at 31 March 2022								
Parent								
Innova Captab Limited	101.06%	2,108.27	103.48%	661.78	102.34%	(1.72)	103.48%	660.06
Subsidiary								
Univentis Medicare Limited	20.15%	420.44	-1.32%	(8.44)	-2.97%	0.05	-1.32%	(8.39)
Univentis Foundation	0.00%	0.00	0.00%	0.00	-	-	0.00%	0.00
Elimination	-21.22%	(442.65)	-2.16%	(13.80)	0.64%	(0.01)	-2.17%	(13.82)
Total	**100.00%**	**2,086.06**	**100.00%**	**639.53**	**100.00%**	**(1.68)**	**100.00%**	**637.85**

Note 48 - Subsequent events

a. Sub-division of equity shares
Subsequent to year end, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 4 April 2022, the Holding Company has approved sub-division of 1,200,000 equity share having face value of INR 100 each into 12,000,000 equity shares having face value of INR 10 each as on the record date of 4 April 2022

b. Bonus issue of equity shares

Subsequent to year end, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 4 April 2022, the Holding Company issued and allotted fully paid-up "bonus shares" at par in proportion of 3 new equity share of INR 10 each for every one existing fully paid up equity share of INR 10 each held as on the record date of 22 April 2022.

c. Private placement of Compulsorily Convertible Preference Shares

Subsequent to year end, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 14 July 2022, the Holding Company issued and allotted 1,412,430 fully paid-up 0.01% Compulsorily Convertible Preference Shares ("CCPS") aggregating to INR 500.00 at an issue price of INR 354/- per share on 19 July 2022.

Note 49: Other Statutory Information

(i) The Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(ii) The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

(iii) The Group has not declared wilful defaulter by any bank or financial institution or other lender.

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

(v) The Group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(vi) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Group does not have any transactions/outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(viii) - No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 50: No comparative information
Pursuant to the acquisition of Univentis Medicare Limited as explained in note 45(b) above, 100% equity shares of Univentis Private Limited were acquired with effect from 31 December 2021, accordingly this is the first year of consolidation financial statement and hence no comparative information has been provided.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

GAURAV MAHAJAN
Digitally signed by GAURAV MAHAJAN
Date: 2022.09.30 22:32:47 +05'30'

Gaurav Mahajan
Partner
Membership Number: 507857

Place: Panchkula
Date: 30 September 2022

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Lohariwala
Digitally signed by Manoj Lohariwala
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Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

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Vinay Kumar Lohariwala
Managing Director
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NEEHARIKA SHUKLA
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Neeharika Shukla
Company Secretary
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Date: 2022.09.30 21:17:03 +05'30'

Rishi Gupta
Chief Financial Officer

Place: Panchkula
Date: 30 September 2022

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Manoj Kumar Lohariwala Mr. Vinay Kumar Lohariwala Mr. Jayant Vasudeo Rao Mr. Archit Aggarwal Mr. Sudhir Kumar Bassi Ms. Priyanka Dixit Sibal Mr. Mahendar Korthiwada Mr. Shirish Gundopant Belapure
STATUTORY AUDITORS	M/s. B S R & Co. LLP, Chartered Accountants (FRN No. 101248W/W-100022)
REGISTERED OFFICE	Office No. 606, Ratan Galaxie, 6th Floor JN Road, Plot No. 1 Mulund West, Mumbai, Maharashtra- 400080 Contact No.: 9218552185 Email: vinay@innovacaptab.com
REGISTRAR AND TRANSFER AGENT	KFin Technologies Limited Selenium Tower B, Plot No. 31 & 31, Financial District Nankramguda, Serilingampally, Hyderabad Rangareddy Telangana- 500032, India Website: www.kfintech.com
WEBSITE	https://innovacaptab.com/

INNOVA CAPTAB LIMITED
1281/1, Hilltop Industrial Estate, Near EPIP,
Phase-I, Jharmajri, Baddi, Dist. Solan
(H.P)-173205 India.
Phone : +91-1795-650820

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DIRECTORS' REPORT

To the Members,

The Board of Directors are pleased to present the 19th Annual Report of Innova Captab Limited ("the Company" or "ICL") together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2023.

1. FINANCIAL SUMMARY:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Revenue from Operations	8,586.73	7,854.55	9,263.80	8,005.26
Other Income	87.34	28.56	91.98	28.83
Total Income	8,674.07	7,883.11	9,355.78	8,034.09
Total Expenses	7,891.04	6,996.77	8,437.83	7,176.89
Profit before tax	783.03	886.34	917.95	857.20
Total Tax expenses	207.53	224.56	238.19	217.67
Profit for the year	575.50	661.78	679.76	639.53

2. STATE OF COMPANY'S AFFAIRS AND REVIEW OF OPERATIONS:

Standalone revenue from operations of ₹ 8,586.73 million in Financial Year 2022-23 which was 9.32 % higher than the revenue of ₹ 7,854.55 million in Financial Year 2021-22. The profit before tax and profit for the Year 2022-23 were at ₹ 783.03 million and ₹ 575.50 million, respectively as compared to the profit before tax and Profit after tax of ₹ 886.34 million and ₹ 661.78 million, respectively for Financial Year 2021-22.

Consolidated revenue from operations of ₹ 9,263.80 million in Financial Year 2022-23 which was 15.72 % higher than the revenue of ₹ 8,005.26 million in Financial Year 2021-22. The profit before tax and profit for the Year 2022-23 were at ₹ 917.95 million and ₹ 693.14 million, respectively as compared to the profit before tax and profit after tax of ₹ 857.20 million and ₹ 639.53 million, respectively for Financial Year 2021-22.

3. TRANSFER TO RESERVES:

The Company did not transfer any amount to any reserves of the Company during the Financial Year under review.

4. DIVIDEND:

In order to conserve the resources for the future business requirements of the Company, your Directors have decided not to recommend any dividend for the Financial Year ended 31st March 2023.

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5. SHARE CAPITAL:

The trend in share capital during the year was:

Particulars	No. of shares	Cumulative outstanding equity share capital	Cumulative outstanding preference share capital (face value of ₹ 10/- each)
Share Capital at the beginning of the year, i.e. 1st April, 2022	12,00,000	12,00,00,000*	-
Subdivision of equity shares from ₹ 100/- each to ₹ 10/- each on 4th April, 2022	1,20,00,000	12,00,00,000**	-
Allotment of equity shares via Bonus issue in the ratio of 1:3 on 27th April, 2022	3,60,00,000	48,00,00,000***	-
Allotment of Compulsorily Convertible Preference Shares dated 19th July, 2022	14,12,430	-	1,41,24,300^
Share Capital at the closing of the year i.e. 31st March, 2023	-	48,00,00,000^^	1,41,24,300^^

*The share capital of ₹12,00,00,000 at the beginning of the year was 12,00,000 equity shares of ₹ 100/- each.

During the Financial Year, following changes have occurred in the Capital Structure of the Company:

*a. **Sub-division of face value of Equity Shares*

Pursuant to the resolution passed by the Members of the Company on 04th April 2022, the Company has sub-divided its Equity Shares of face value of ₹ 100/- (Rupees Hundred Only) each into Equity shares ₹ 10/- (Rupees Ten Only) each and the existing clause V of the Memorandum of Association was accordingly amended to reflect the sub-division of the nominal value of equity shares of the company from the existing nominal value of ₹ 100 each to nominal value of ₹ 10 each.

*b. ***Bonus issue of shares*

Pursuant to the resolution passed by the Members and Board of Directors on 04th April 2022 and 27 April 2022 respectively, the Company had issued and allotted 3,60,00,000 (Three Crore Sixty Lacs) bonus shares of ₹ 10/- each in the ratio of 3 (Three) equity shares for every 1 (One) existing fully paid up equity share held by the existing members of the Company by capitalisation of free reserves.

c. Increase in Authorised Share Capital

i. Pursuant to the resolution passed by the Members on 04th April 2022, the Authorised Share Capital of the Company was increased from ₹ 12,00,00,000/- (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 64,00,00,000/- (Rupees Sixty-Four Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) equity shares of ₹ 10/- (Rupees Ten Only) each.

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ii. There was a further increase in the Authorised Share Capital of the Company pursuant to resolution passed by the Members on June 15th, 2022 from existing ₹ 64,00,00,000/- (Rupees Sixty-Four Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 66,00,00,000/- (Rupees Sixty-Six Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) equity shares of ₹ 10/- (Rupees Ten Only) each and 20,00,000 (Twenty Lacs) Preference Shares of ₹ 10/- each.

d. *^Issue of Compulsorily Convertible Preference Shares*

The Members of the Company vide its resolution passed on 14th July, 2022 approved the issue of 14,12,430 Compulsorily Convertible Preference Shares of face value of ₹ 10/- each at an issue price of ₹ 354/- (including premium of ₹ 344/-) per share aggregating to ₹ 500,000,220/- to UTI Multi Opportunities Fund I on a private placement basis.

Further Board of Directors by circular resolution dated 19th July 2022 approved the allotment of the 14,12,430 Compulsorily Convertible Preference Shares of face value of ₹ 10/- each at an issue price of ₹ 354/- (including premium of ₹ 344/-) per share aggregating to ₹ 500,000,220/- to UTI Multi Opportunities Fund I on a private placement basis.

^^As on the date, the Authorised Share Capital of the Company is ₹ 66,00,00,000/- (Rupees Sixty-Six Crores Only) divided into 6,40,00,000 (Six Crore Forty Lacs) equity shares of ₹ 10/- each and 20,00,000 (Twenty Lacs) Preference Shares of ₹ 10/- each and paid up share capital of the Company is ₹ 49,41,24,300/- (Forty Nine Crores Forty One Lacs Twenty Four thousand Three Hundred Equity shares only) divided into 4,80,00,000 equity shares of face value of ₹ 10/- each and 14,12,430 Compulsorily Convertible Preference Shares of face value of ₹ 10/- each.

6. <u>DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:</u>

1. As on 31stMarch 2023, Univentis Medicare Limited is the wholly owned subsidiary of the Company. It is currently engaged in the business of marketing and sale of pharmaceutical products.

2. Univentis Foundation was set up as a trust through a trust deed dated June 14th, 2021, and provisionally registered on December 31, 2021. Its settlors are our Company and UML, and its trustees are Mr. Manoj Kumar Lohariwala and Mr. Vinay Kumar Lohariwala.

Univentis Foundation was set up to carry out the corporate social responsibility activities of our Company and UML, including towards relief for the poor, education, and medical relief.

3. As on 30th June 2023, Sharon Bio-Medicine Limited ("SBML") has become step down subsidiary of the Company through its wholly owned subsidiary of the Company through following process:

Our Company had submitted Resolution Plan dated 22nd August, 2022 as modified on 6th October, 2022 ("Resolution Plan") for acquisition of Sharon Bio-Medicine Limited ("SBML") and was further elected as successful resolution applicant.

The above mentioned resolution plan was approved by the Committee of Creditors on 17th November, 2022 and Hon'ble National Company law Tribunal, Mumbai on 17th May, 2023. A copy of the Resolution Plan approval order is available on Sharon bio.

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As part of the Resolution Plan, the entire acquisition of Sharon Bio-Medicine Limited was implemented through Univentis Medicare Limited, Wholly Owned Subsidiary of the Company, by way of merger. Therefore, UML has acquired entire stake in Sharon Bio-Medicine Limited w.e.f. 30th June 2023. As on the date of this Report, SBML is the wholly owned subsidiary of the Univentis Medicare Limited. Sharon Bio-Medicine Limited is currently engaged in the business of manufacturing of intermediates, active pharmaceutical ingredients and finished dosage form products.

Further, Sharon Bio-Medicine Limited, through its monitoring committee has filed an application for merger of Sharon Bio-Medicine Limited into Univentis Medicare Limited on 16th June, 2023 under Section 60(5) of Insolvency & Bankruptcy Code, 2016 and Section 420(2) of Companies Act, 2013 for rectification & clarification for merger of Sharon Bio-Medicine Limited into Univentis Medicare Limited. The above mentioned application was reserved for order on 20th June, 2023 and awaiting for final order of merger.

4. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of Financial Statements of the Company's subsidiary(s) in Form No. AOC-1 is appended as Annexure A to the Board's Report.

Further, pursuant to the provisions of Section 136 of the Act, the Audited Financial Statements of the Company and Audited Financial Statements in respect of subsidiary, are available on the Company's website at http://www.innovacaptab.com.

7. UPDATE ON INITIAL PUBLIC OFFER:

The Board of Directors and the Members of the Company vide their resolution dated 19th June, 2022 and 24th June, 2022, respectively, had approved the proposal for undertaking an initial public offer of the equity shares of face value of ₹ 10 each of the Company, comprising of a fresh issue of Equity Shares aggregating up to ₹ 4,000.00 million (Fresh Issue) and an offer for sale of up to 9,600,000 Equity Shares by the Selling Members of the Company.

Accordingly, the Draft Red Herring Prospectus of the Company comprising of a fresh issue and an offer for sale, was filed with the Securities and Exchange Board of India on 29th June, 2022. The Company has appointed ICICI Securities Limited and JM Financial Limited as the BRLMs to the Offer. Further, Khaitan & Co was appointed as the Legal Counsel to the Company, IndusLaw as the Legal Counsel to the BRLMs as to Indian Law and Dentons US LLP as the International Legal Counsel to the BRLMs. Equity shares of the Company are proposed to be listed on BSE Limited and the National Stock Exchange of India Limited (NSE).

Your Company has received final observation letter from SEBI on the DRHP on 11th January, 2023 and has also received the in-principle approval for the proposed listing of its shares from National Stock Exchange of India Ltd and from BSE Ltd.

8. CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY:

There was no change in the nature of business of the Company during the Financial Year under review.

9. PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act 2013, read with Companies (Acceptance of Deposits) Rules, 2014 and

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hence there were no outstanding deposits and no amount remains unclaimed with the Company as on 31st March 2023.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Directors retiring by rotation:

Pursuant to the provisions of Section 152(6) of the Act, Mr. Vinay Kumar Lohariwala (DIN: 00144700) Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offered himself for re-appointment.

In compliance with Secretarial Standards - 2 on General Meetings, brief details of Mr. Vinay Kumar Lohariwala is provided as an Annexure to the Notice of the Annual General Meeting.

Your Directors recommend the re-appointment of Mr. Vinay Kumar Lohariwala for your approval.

ii. Directors and Key Managerial Personnel of the Company appointed and resigned during the year and up to the date of signing of this report:

As on 31st March 2023, the Board of Directors of the Company comprises of 8 (Eight) Directors, consisting of 2 (Two) Whole-Time Directors, 1 (One) Managing Director, 4 (Four) Non-Executive Independent Directors including 1(One) Women Director and 1 (One) Non-Executive Director. The constitution of the Board of the Company is in accordance with the provisions of the Companies Act, 2013.

During the year under review the following changes have taken place in the composition of the Board of Directors of the Company:

Name of the Director	Designation	Appointment/ Cessation	Effective Date	Reason for cessation
Mr. Gian Parkash Aggarwal	Non-Executive Director	Cessation	1st April 2022	Due to personal and unavoidable circumstances
Ms. Chhavi Lohariwala	Non-Executive Director	Cessation	1st April 2022	Due to personal and unavoidable circumstances
Mr. Anup Aggarwal	Non-Executive Independent Director	Cessation	1st April 2022	Due to personal and unavoidable circumstances
Mr Pradosh Kumar	Non-Executive Independent Director	Cessation	1st April 2022	Due to personal and unavoidable circumstances
Mr. Archit Aggarwal	Non-Executive Non Independent Director	Appointment	1st April 2022	Not applicable
Mr. Sudhir Kumar Bassi	Non-Executive Independent Director	Appointment	1st April 2022	Not applicable
Ms. Priyanka Dixit Sibal	Non-Executive Independent Director	Appointment	1st April 2022	Not applicable

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Mr. Mahendar Korthiwada	Non-Executive Independent Director	Appointment	1st April 2022	Not applicable
Mr. Shirish Gundopant Belapure	Non-Executive Independent Director	Appointment	1st April 2022	Not applicable

Your Directors place on record sincere appreciation for the valuable contribution made by Mr. Gian Parkash Aggarwal, Ms. Chhavi Lohariwala, Mr. Anup Aggarwal and Mr. Pradosh Kumar during their tenure as a Director of the Company.

As on the date of this report, below is the composition of the Board of Directors of the Company:

Name of the Director	Designation
Mr. Manoj Kumar Lohariwala	Chairman & Whole Time Director
Mr. Vinay Kumar Lohariwala	Managing Director
Mr. Jayant Vasudeo Rao	Whole Time Director
Mr. Archit Aggarwal	Non-Executive Non-Independent Director
Mr. Sudhir Kumar Bassi	Non-Executive Independent Director
Ms. Priyanka Dixit Sibal	Non-Executive Independent Director
Mr. Mahendar Korthiwada	Non-Executive Independent Director
Mr. Shirish Gundopant Belapure	Non-Executive Independent Director

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Act.

a) **Change in Key Managerial Personnel:**

There have been following changes in the Key Managerial Personnel of the Company as on the date of this report:

Name of the Key Managerial Personnel	Designation	Appointment/ Cessation	Effective Date
Mr. Mukesh Kumar Siyaram Singh	Chief Financial Officer	Cessation	1st April 2022
Mr. Rishi Gupta*	Chief Financial Officer	Appointment	1st April 2022
Mr. Lokesh Bhasin**	Interim Chief Financial Officer	Appointment	23rd May 2023
Mr. Gaurav Srivastava	Chief Financial Officer	Appointment	12th August 2023
Mr. Rajveer Singh	Company Secretary and Compliance Officer	Cessation	1st April 2022
Ms. Neeharika Shukla	Company Secretary and	Appointment	9th May 2022

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	Compliance Officer		

*Mr. Rishi Gupta had an untimely demise on 26th April, 2023.
**Mr. Lokesh Bhasin has resigned as Interim Chief Financial Officer of the Company w.e.f. 11th August, 2023 and has continued to be in employment of the Company as Deputy Chief Financial Officer

iii. Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on the date of this report are:

Name of the Key Managerial Personnel	Designation
Mr. Manoj Kumar Lohariwala	Chairman & Whole Time Director
Mr. Vinay Kumar Lohariwala	Managing Director
Mr. Jayant Vasudeo Rao	Whole Time Director
Mr. Gaurav Srivastava	Chief Financial Officer
Ms. Neeharika Shukla	Company Secretary & Compliance Officer

iv. Declaration by Independent Directors:

In terms of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors are appointed for a term of 5 years and are not liable to retire by rotation.

The Company has received declarations from Mr. Sudhir Kumar Bassi, Ms. Priyanka Dixit Sibal, Mr. Mahendar Korthiwada, and Mr. Shirish Gundopant Belapure, Independent Directors, confirming that they meet with the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the non-executive independent directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them, if any for the purpose of attending meetings of the Board/ Committees of the Company. The Independent Directors have confirmed that they have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs as required vide Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In the opinion of the Board of Directors, the Independent Directors of the Company possess integrity, expertise and experience (including the proficiency) appointed during the year.

11. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for appointment and remuneration of Directors, Senior Management Personnel including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013. The detailed policy is available on the Company's website at http://www.innovacaptab.com.

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12. PARTICULARS OF REMUNERATION:

i. DETAILS OF TOP 10 EMPLOYEES OF THE COMPANY:

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii. REMUNERATION PAID TO THE DIRECTORS AND KMPs OF THE COMPANY:

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Further, no director was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197, Schedule V of the Companies Act, 2013. Further, the remuneration of Directors and Key Managerial Personnel is as follows:

(₹ in Millions)

Name of Director/KMP	Designation	Remuneration paid
Mr. Manoj Kumar Lohariwala	Chairman & whole Time director	4.80
Mr. Vinay Kumar Lohariwala	Managing Director	4.80
Mr. Jayant Vasudeo Rao	Whole Time Director	1.47
Mr. Rishi Gupta	Chief Financial Officer	8.81
Ms. Neeharika Shukla	Company Secretary	0.54

13. EXTRACT OF THE ANNUAL RETURN:

The copy of Annual Return in prescribed Form MGT 7 pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 11 of the Companies (Management and administration) Rules, 2014 is available on Company's website at http://www.innovacaptab.com.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 the Board of Directors state and confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategies apart from other urgent business matter. The date of meetings of the Board of Directors and Committee are informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing circular resolutions, as permitted by law, which are confirmed in the subsequent meeting of the Board of Director.

Usually, meetings of the Board are held through video conferencing and other audio visual means ("VC/OAVM") at SCO No. - 301, Second Floor, Sector- 9, Panchkula, Haryana- 134109, corporate office of the Company. The notice and agenda of the Board/ Committee meetings is circulated in accordance with the provisions of the Secretarial Standard on meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Number of meeting	Date of Board meeting	Number of Directors entitled to attend	Number of Directors present
01/2022-23	01st April 2022	07	07
02/2022-23	09th May 2022	08	08
03/2022-23	19th June 2022	08	07
04/2022-23	25th June 2022	08	08
05/2022-23	27th June 2022	08	08
06/2022-23	06th July 2022	08	08
07/2022-23	21st August 2022	08	07
08/2022-23	30th September 2022	08	05
09/2022-23	25th January 2023	08	06

The intervening gap between two consecutive meetings was within the maximum period mentioned under Section 173 of the Companies Act, 2013.

16. ANNUAL EVALUATION OF PERFORMANCE OF BOARD:

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and Individual Directors pursuant to the provisions of the Companies Act, 2013.

The performance of the board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Director

The Board and the Nomination & Remuneration Committee reviewed the performance of Individual Directors on the basis of criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

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17. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the code of Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 29th March 2023 to review, among other things, the performance of non-Independent Directors and the Board as a whole, evaluation of the performance of the Chairman and the flow of communication between the Board and the management of the Company.

18. COMMITTEES OF THE BOARD:

During the year under review, there were changes in the composition of the Committees of the Board. However, consequent to the changes in the Board of Directors, the Committees of the Board were constituted/re-constituted, in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on the date of this Report, the following are the Committees of the Board:

a. Audit Committee
b. Nomination and Remuneration Committee
c. Corporate Social Responsibility Committee
d. Stakeholders Relationship Committee
e. Risk Management Committee
f. IPO Committee

The composition of various Committees and meetings held is detailed below:

a. AUDIT COMMITTEE:

The Audit Committee is duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee met four times during the Financial Year 2022-23 on:

i. 25th June 2022;
ii. 06th July 2022;
iii. 30th September 2022;and
iv. 25th January 2023.

The composition of Audit Committee as on 31st March 2023:

Name of Members	Designation	Category
Mr. Sudhir Kumar Bassi	Chairman	Non-Executive Independent Director
Mr. Mahendar Korthiwada*	Member	Non-Executive Independent Director
Mr. Shirish Gundopant Belapure	Member	Non-Executive Independent Director
Mr. Vinay Kumar Lohariwala	Member	Managing Director

During the year under review, Ms Priyanka Dixit Sibal setup down from the Audit Committee and Mr. Mahendar Korthiwada was introduced as a member of the Committee w.e.f 21st August 2022

The Company Secretary of the Company acts as a Secretary to the Committee.

During the year under review, the Board has accepted all recommendations of the Audit Committee and accordingly, no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

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b. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is duly constituted in accordance with provisions of Section 178 of the Companies Act, 2013. During the Financial Year 2022-23, the Nomination and Remuneration Committee met three times on:

i. 01st April 2022;
ii. 09th May 2022 and
iii. 30th September 2022;

The composition of Nomination and Remuneration Committee as on 31st March 2023:

Name of Members	Designation	Category
Mr. Sudhir Kumar Bassi	Chairman	Non-Executive Independent Director
Ms. Priyanka Dixit Sibal	Member	Non-Executive Independent Director
Mr. Mahender Korthiwada	Member	Non-Executive Independent Director
Mr. Archit Agarwal*	Member	Non-Executive Director

*Mr Archit Agarwal was introduced as member in the Nomination and Remuneration Committee w.e.f 21st August 2022.

The Company Secretary of the Company acts as a Secretary to the Committee.

c. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee is duly constituted in accordance with the provision of Section 135 of the Companies Act, 2013. During the Financial Year 2022-23, the CSR Committee met two times viz. on:

i. 30th September 2022; and
ii. 29th March 2023.

The composition of CSR Committee as on 31st March 2023.

Name of Members	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Whole-Time Director
Mr. Sudhir Kumar Bassi	Member	Non-Executive Independent Director

The Company Secretary of the Company acts as a Secretary to the Committee.

d. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was duly constituted as per the provisions of Section 178 of the Companies Act, 2013 and to ensure compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the Financial Year 2022-23, the SRC Committee met one time on:

i. 29th March 2023.

The composition of Stakeholders Relationship Committee as on the 31st March 2023:

Name of Members	Designation	Category
Mr. Sudhir Kumar Bassi	Chairman	Non-Executive Independent Director
Mr. Vinay Kumar Lohariwala	Member	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Chairman & Whole Time Director

The Company Secretary of the Company acts as a Secretary to the Committee.

e. **RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee was duly constituted pursuant the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. During the Financial Year 2022-23, the RMC Committee met two times on:

i. 28th February 2023; and
ii. 29th March 2023.

The composition of Risk Management Committee as on 31st March 2023.

Name of Members	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Chairman &Whole-Time Director
Mr. Sudhir Kumar Bassi	Member	Non-Executive Independent Director

The Company Secretary of the Company acts as a Secretary to the Committee.

f. **IPO COMMITTEE:**

The IPO Committee was duly constituted by the Board of Directors of the Company on 09thMay 2022, for the purpose of giving effect to the proposed initial public offering of the equity shares of the Company. During the Financial Year2022-23, the IPO Committee met two times on:

i. 20th June 2022; and
ii. 28th June 2022.

The composition of IPO Committee as on 31st March 2023:

Name of Members	Designation	Category
Mr. Vinay Kumar Lohariwala	Chairman	Managing Director
Mr. Manoj Kumar Lohariwala	Member	Chairman &Whole-Time Director
Mr. Jayant Vasudeo Rao	Member	Whole-Time Director

The Company Secretary of the Company acts as a Secretary to the Committee.

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19. **AUDITORS:**

Statutory Auditors:

M/s. B S R & Co. LLP, Chartered Accountants were reappointed as Statutory Auditors of the Company, for a term of five consecutive years to hold office from the conclusion of 17th Annual General Meeting of the Company held on 30th November 2021 till the conclusion of 22nd AGM to be held in the Financial Year 2025-26 at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Company and the Auditor

Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed thereunder, the Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. There were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditor in their Report. The Notes to the Financial Statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditor's Report is enclosed with the Financial Statements in the Annual Report.

Cost Auditors:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Record and Audit) Rules, 2014 and on recommendation of the Audit Committee, the Board of Directors appointed **M/s Gurvinder Chopra & Co., Cost Accountant, New Delhi (FRN No. 100260)** as Cost Auditor of the Company to conduct audit of cost records of the Company for the Financial Year2022-23 at a remuneration of ₹ 35,000/- p.a. (Rupees thirty-five thousand Only) plus applicable taxes and out of pocket expenses, subject to approval of members in the ensuing AGM.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as recommended by the Audit Committee, **M/s Jaspreet Dhawan & Associates, Company Secretaries (FCS No. 9372)**, are appointed as the Secretarial Auditors of the Company to undertake the Secretarial audit of the Company for Financial Year2022-23. The Secretarial Audit Report received from **M/s Jaspreet Dhawan & Associates, Company Secretaries (FCS No. 9372)** for the year ended 31st March 2023, is annexed as **"Annexure B"** and forms part of this report.

Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, **M/s Goel Anish & Associates, Chartered Accountants (Firm's Registration No. 036505N)** was appointed as an Internal Auditor of the Company for the Financial Year2022-23.

20. **INTERNAL FINANCIAL CONTROL:**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company Policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Audit Committee evaluates the efficiency and adequacy of Financial Control system in the Company, its compliance with operating systems, accounting procedures at all locations of the Company and strives to maintain a high Standard of Internal Financial Control.

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21. DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:

Pursuant to Section 143(12) of the Companies Act, 2013, during the year under review there were no frauds reported by the Statutory Auditors and Secretarial Auditors of the Company to the Audit Committee or the Board of Director Hence, there is nothing to report under Section 134(3)(ca) of the Companies Act, 2013.

22. VIGIL MECHANISM POLICY:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards the Company encourages the employees to raise their genuine concerns without fear of criticism. Therefore, Company has Vigil Mechanism and Whistle Blower Policy and has established necessary framework to protect genuine whistle blowers, employees, third parties from any unfair treatment.

The Vigil Mechanism and Whistle Blower Policy is available on the website of the Company at http://www.innovacaptab.com.

23. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:

Innova Captab Limited Corporate Social Responsibility initiatives and activities are aligned to the requirement of Section 135 and Schedule -VII of Companies Act, 2013.

A brief outline of the Policy on Corporate Social Responsibility is available on the website of the Company at http://www.innovacaptab.com

The Annual Report on CSR activities is enclosed as "**Annexure C**".

24. MAINTENENCE OF THE COST RECORDS:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained by the Company.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "**Annexure D**" and forms part of this Report.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

In accordance with the provisions of Section 186 of the Act, the details of Loans, Guarantees and Investments made by the Company as at 31st March 2023 are provided in the notes to the Financial Statements.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions are presented to the Audit Committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee, mentioning the nature, value and terms and conditions of transactions.

INNOVA CAPTAB LIMITED

The details of related party transactions are provided in the accompanying Financial Statements. As all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length's basis, Form AOC-2 is not applicable to Company.

28. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEARTO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which these financial statements relate and the date of this report, except as disclosed in this Report.

29. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company or will have bearing on company's operations.

30. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company is not required to transfer any amount of unpaid/unclaimed dividend or any other amount to the Investor Education and Protection Fund during the year under review.

31. RISK AND AREAS OF CONCERN:

The Company has laid down a well-defined Risk Management Policy and Business Continuity Plan to

- Identify the Risk
- Assessment of Risk
- Measurement and Control
- Continuous Assessment
- Risk mitigation process

A detailed exercise is carried out by the Business Continuity Management ("BCM") designated by Board to identify, evaluate, manage and monitor both business and non-business risk. In this regard, your Company continues to exercise prudence on its Strategic risks, Regulatory risks, Legal and Secretarial Compliance risks, Financials Risks, Operational Risks, People Risks along with some other risk which might affect business operation. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The following are the key risks faced by the Company and mitigation plans for each of those risks:

Risk	Mitigation Plan
Competition & Supplier Risk	Our Company is focused on building economies of scale, into the business. Company has strengthened our business' long-term relation with custome₹ Our Company has developed alternative suppliers to safeguard the raw material supply chain.
Regulatory & Secretarial Compliance Risks	Our Company has framework in place to timely Comply with the Regulatory & Secretarial Compliances.
Legal Risks	Our Company has maintained litigation tracker

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Financials Risks	Our Company has robust strategy and framework in place to timely Compliances of all applicable Acts Statutes and Internal Control over Financial Reporting.
Operational Risks	Company's facilities are all as per GMP standards. We also house a R&D team which does rigorous checks to ensure the quality and efficacy of the products as per customer standards.

32. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and has complied with all the applicable provisions of the during the year under review.

33. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The Company did not receive any complaint of sexual harassment during the year 2022-23.

34. OTHER INFORMATION:

a. **Green Initiative:**

To support the "Green Initiative" undertaken by the Ministry of Corporate Affairs (MCA), to contribute towards a greener environment, the Company has already initiated/ implemented the same. As permitted, delivery of notices, documents, annual reports etc. are being sent to members via electronic mode.

b. **General:**

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1) Issue of equity shares with differential rights as to dividend, voting or otherwise.
2) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
4) There was no instance of onetime settlement with any Bank or Financial Institution.

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35. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the continuous co-operation, assistance and support extended by all stakeholders, Government Authorities, Financial Institutions, Banks, Customers, Dealers, Suppliers etc. of the Company. Your Directors also acknowledges and appreciates the contribution made by dedicated and loyal employees at all levels particularly during the pandemic.

For and on behalf of the Board of Directors
Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-Time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 12th August 2023
Place: Panchkula

INNOVA CAPTAB LIMITED

INNOVA CAPTAB LIMITED
1281/1, Hilltop Industrial Estate, Near EPIP,
Phase-I, Jharmajri, Baddi, Dist. Solan
(H.P.)-173205 India.
Phone : +91-1795-650820

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ANNEXURE A
FORM NO. AOC.1
Statement containing salient features of the Financial Statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in millions)

Name of the Subsidiary Company	Univentis Medicare Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2023
Reporting currency and Exchange rate as on the last date of the relevant Financial Yearin the case of foreign subsidiaries	Reporting currency: INR Exchange rate: N.A.
Share capital	1.50
Reserves & surplus	522.62
Total assets	1,018.87
Total Liabilities	494.75
Investments	NIL
Turnover	1,783.32
Profit before taxation	134.60
Provision for taxation	30.98
Profit after taxation	103.62
Proposed Dividend	NIL
% of shareholding	100
Date on which it became the Subsidiary of the Company	31st December, 2021

(₹ in million)

Name of the Subsidiary Company	Univentis Foundation*
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2023
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Reporting currency: INR Exchange rate: N.A.
Share capital	N.A.
Reserves & surplus (Accumulated Fund)	10,554
Total assets	7,11,890
Total Liabilities	7,11,890
Investments	6,83,872.00
Receipts	78,34,721
Excess of income over expenditure	6,83,872
Date on which it became the Subsidiary of the Company	June 14, 2021

INNOVA CAPTAB LIMITED

*Univentis Foundation is a Trust and hence the details provided in the table has to be constructed accordingly.

Part "B": Associates and Joint Ventures

Not Applicable as the Company does not have any Associate and Joint Venture.

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-Time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 12th August 2023
Place: Panchkula

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ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. **BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:**

Giving back to the society is embedded in the value system of Innova and we believe and aim to bring about a positive change in the nation. For the past 1(One) decade, Innova has been at the forefront in conducting impactful camps and driving numerous workshops for different sections of the Society. As an integral part of our commitment to Good Corporate Citizenship, we at Innova Captab Limited, believe in actively assisting in improvement of the quality of life of people in our communities. We believe, we not only exist for doing good business but also, for ensuring the betterment of the society.

We actively contribute to ensure that the people living in local areas around our business operations lead a good quality life. Towards achieving long-term stakeholder value, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and the marginalized.

The CSR Policy ('the Policy') of the Company as approved by the Board is available on the Company's website. The Company's CSR is in alignment with the initiatives undertaken by it. The foundation set up by the Committee is empowering & developing young girls who are below poverty line and providing reproductive health education to the masses. Also, various skills are being provided for financial independence and imparting knowledge and training to the underprivileged.

For details of the CSR Policy along with projects and programs, kindly refer to the following weblink at http://www.innovacaptab.com.

2. **Composition of CSR Committee:**

S. N.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vinay Kumar Lohariwala	Chairman, Managing Director	2	2
2.	Mr. Manoj Kumar Lohariwala	Member, Whole-Time Director	2	2
3.	Mr. Sudhir Kumar Bassi	Member, Non-executive, Independent Director	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

- Composition of the CSR committee is available on the Company's website on: http://www.innovacaptab.com
- CSR policy: http://www.innovacaptab.com
- CSR projects on: Currently there are no ongoing projects.

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4. **Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

As the total outlay of the CSR does not exceeds ₹ 10,00,00,000/- (Rupees Ten Crores Only) in preceding three Financial Yearand none of the independent project with outlay of ₹ 1,00,00,000/- (Rupees One Crore Only) is completed during last one year the company is not required to get its project assessed from independent agency.

5. (a) Average net profit of the Company as per section 135(5): ₹ 56,77,97,368

(b) 2% of average net profit of the Company as per section 135(5): ₹ 1,13,55,948

(c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years: NIL

(d) Amount required to be set-off for the financial year, if any: NIL

(e) Total CSR obligation for the Financial Year[(b) +(c)-(d)]: ₹ 1,13,55,948/-

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).**

- Currently there are no ongoing projects.
- Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. N.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1.	Promoting Education for Girl Child	(ii)	No	Uttrakhand	Udham Nagar	7,50,000	No	Shri Dudiya Baba Sanyash Ashram	CSR00008559
2.	Promoting health care, Promoting Education, Animal Welfare	(i,ii,iv)	Yes	Haryana	Panchkula	62,00,000	No	Univentis Foundation	CSR00028556
3.	Animal Welfare	(iv)	No	Madhya Pradesh	Indore	5,00,000	No	Malwa Welfare Foundation	CSR00027470

INNOVA CAPTAB LIMITED

4.	Promoting Education	(ii)	No	Chandigarh	Chandigarh	5,00,000	No	Shri Muktinath Ved Vidya Ashram	CSR00017331
5.	Promoting Rural Sports	(vii)	Yes	Himachal Pradesh	Mandi	15,00,000	Yes	-	-
6.	Promoting Education	(ii)	Yes	Himachal Pradesh	Baddi, Solan	16,500	Yes	-	-
7.	Promoting Education	(ii)	No	Haryana	Hisar	20,00,000	No	Om Welfare And Educational Trust	CSR00011789
	Total					1,14,66,500			

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NA

(d) Total amount spent for the Financial Year[(a) + (b) +(c)]: ₹1,14,66,500/

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,14,66,500	NIL	-	-	NIL	-

(f) **Excess amount for set-off, if any:**

S. No.	Particulars	(In INR.) Amount
(1)	(2)	(3)
1)	Two percent of average net profit of the company as per section 135(5)	1,13,55,948/-
2.	Total amount spent for the Financial Year	1,14,66,500/-
3.	Excess amount spent for the Financial Year[(ii)-(i)]	1,10,552/-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,10,552/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S. N.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (In ₹)	Amount spent in the Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spend in succeeding financial years
				Amount (in Rs)	Date of transfer	
-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: NA

For and on behalf of the Board of Directors
of Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 12th August 2023
Place: Panchkula

INNOVA CAPTAB LIMITED

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ANNEXURE D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE (Disclosure under Section 134 (3) (m) of the Companies Act, 2013 Read with Rule 8 (3) of Companies (Accounts) Rules, 2014)

A) CONSERVATION OF ENERGY

(i)	The steps taken or impact on conservation of energy	a) Retrofitting with LED lights in existing light fixtures done in phased manner across all locations. All new purchases of lights are done of LED lights primarily. b) Installation of Variable speed drive (VSD) technology for HVAC, dust collectors, pumps various process machines etc. implemented across all sites. VSD incorporated in new purchases of energy related equipment at procurement stage only. c) Targeted zero leakage and implemented well-structured utility leakages management program across all locations. d) Per Unit Energy Cost Reduction Program: • Fuel switch over from High Speed Diesel to Light Diesel Oil for steam generation having facilities of Furnace Oil and Agro Based Bracket. • Maintaining unit power factor across all locations. This has helped reduce the power demand and improve life of electrical switchgea₹ e) Operationalized precise control of environmental condition of manufacturing area. f) Automation system: 1. Interlocking of dust collectors with HVAC 2. Installed occupancy sensors for low man movement area 3. Installed proximity sensors for air curtains 4. Potable water pump operated from feedback and VSD 5. Seasonal set point optimization of chillers 6. Auto water level sensors fixed to ETP, STP, drinking water RO plant & underground &overhead water tanks etc. 7. Ensured best possible automation to reduce electricity wastage. 8. Installed energy efficient air blower for aeration at ETP. g) Re-utilizing steam condensate to pre heat the feed water.

INNOVA CAPTAB LIMITED

		Impact of above measures: (i) Reduction in energy consumption and cost. (ii) Reduction in carbon foot print. (iii) Reduction in per unit production cost. (iv) Availability of utilities for additional user points. (v) Increase in operational efficiencies.
(ii)	**The steps taken by the company for utilizing alternate sources of energy**	Company continued its steps to adopt green energy utilization as an alternate source of energy and took various initiatives in this regard.
(iii)	**The capital investment on energy conservation equipment**	Company has invested substantial amounts on energy conservation equipment across all units.

(B) TECHNOLOGY ABSORPTION:

(i)	**The efforts made towards technology absorption**	The company has continued its efforts on technology up-gradation in the area of manufacturing of Pharmaceutical products.
(ii)	**The benefits derived like product improvement, cost reduction, product development or import substitution**	1. The quality of Pharmaceutical products 2. Reduction in costs 3. Increase in exports
(iii)	**In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-**	NIL
	(a) the details of technology imported	NIL
	(b) the year of import;	N.A
	(c) whether the technology been fully absorbed	N.A
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
(iv)	**The expenditure incurred on Research and Development**	The Company is engaged in the process research for new products and continuous improvement of existing products. However, the Company is primarily engaged in the business of contract manufacturing.

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(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Million)

Particulars	FINANCIAL YEAR2022-23	FINANCIAL YEAR2021-22
Expenditure in foreign currency	552.95	361.88
Earnings in foreign currency	684.92	750.49

For and on behalf of the Board of Directors
Innova Captab Limited

Manoj Kumar Lohariwala
Chairman and Whole-Time Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Date: 12th August 2023
Place: Panchkula

INNOVA CAPTAB LIMITED

B S R & Co. LLP
Chartered Accountants

Unit No. A505A,
5th Floor, Elante Offices,
Plot No. 178-178A, Industrial Area,
Phase - 1, Chandigarh - 160002
Tel: +91 172 672 3400

Independent Auditors Report

To the Members of Innova Captab Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Innova Captab Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company and Board of trustees of the trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies and the Board of trustees of the trust included in the Group are responsible for assessing the ability of each company/trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors and Board of Trustees either intends to liquidate the Company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies and the Board of trustees of the trust included in the Group are responsible for overseeing the financial reporting process of each company/trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and the subsidiary company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

a. We did not audit the financial statements of asubsidiary, Univentis Foundation, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 0.71 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 7.83 and net cash flows (before consolidation adjustments) amounting to Rs. 0.49 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 15 May 2023, 16 May 2023, 17 May 2023, 20 May 2023 and 22 May 2023 taken on record by the Board of Directors of the Holding Company and the Subsidiary Company incorporated in India, none of the directors of the Holding Company and the Subsidiary Company incorporated in India are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 43(i)(a) to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 48(x) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 48(x) to the consolidated financial statements, no funds have been received by the Holding Company or subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary company, have neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or subsidiary company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. No remuneration has been paid by the Subsidiary Company to its directors during the year. The remuneration paid/payable to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN:23507857BGYNWL4294

Place: Panchkula
Date: 12 August 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Innova Captab Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Innova Captab Limited	U24246MH2005PLC150371	Holding Company	(ii)(b) and (vii)(b)
2	Univentis Medicare Limited	U24232HP2015PLC000992	Subsidiary Company	(ii)(b) and (vii)(b)

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

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN:23507857BGYNWL4294

Place: Panchkula
Date: 12 August 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Innova Captab Limited for the year ended 31 March 2023

Report on the Internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of Innova Captab Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Innova Captab Limited for the year ended 31 March 2023 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Gaurav Mahajan
Partner
Membership No.: 507857
ICAI UDIN:23507857BGYNWL4294

Place: Panchkula
Date: 12 August 2023

Innova Captab Limited (CIN: U24246MH2005PLC150371)
Consolidated Balance sheet as at 31 March 2023
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3a	1,301.06	1,565.60
(b) Right-of-use assets	4	153.04	93.28
(c) Capital work-in-progress	3a	215.43	0.31
(d) Goodwill	3b	166.94	166.94
(e) Other intangible assets	3b	7.73	4.53
(f) Financial assets			
(i) Investments	5	0.00	0.00
(ii) Loans	6	4.78	2.19
(iii) Other financial assets	7	5.59	7.75
(g) Deferred tax assets (net)	36	1.20	2.29
(h) Income tax assets (net)	8	7.27	40.26
(i) Other non-current assets	9	356.43	81.18
Total non-current assets		2,619.47	1,964.24
(2) Current assets			
(a) Inventories	10	1,173.16	1,283.86
(b) Financial assets			
(i) Trade receivables	11	2,652.18	2,126.86
(ii) Cash and cash equivalents	12	35.25	1.52
(iii) Bank balances other than (ii) above	13	133.50	22.87
(iv) Loans	14	10.11	2.97
(v) Other financial assets	15	71.94	43.02
(c) Other current assets	16	328.53	309.41
Total current assets		4,424.67	3,790.51
Total assets		7,044.14	5,754.75
Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	480.00	120.00
(b) Other equity	18	2,285.06	1,966.06
Total equity		2,765.06	2,086.06
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,341.77	673.52
(ii) Lease liabilities	4	13.84	5.90
(iii) Other financial liabilities	20	78.94	-
(b) Provisions	21	28.97	22.66
(c) Deferred tax liabilities (net)	36	39.21	20.57
(d) Other non-current liabilities	22	0.85	0.85
Total non-current liabilities		1,503.58	723.50
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,010.15	1,308.30
(ii) Lease liabilities	4	3.96	3.96
(iii) Trade payables	23		
-total outstanding dues of micro and small enterprises		5.73	14.31
-total outstanding dues of creditors other than micro and small enterprises		1,579.10	1,433.73
(iv) Other financial liabilities	24	114.63	93.26
(b) Other current liabilities	25	56.10	78.06
(c) Provisions	21	5.83	3.50
(d) Current tax liabilities (net)	26	-	9.67
Total current liabilities		2,775.50	2,945.19
Total liabilities		4,279.08	3,668.69
Total equity and liabilities		7,044.14	5,754.75

Significant accounting policies	2
Notes to the financial statements	3-48

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number: 507857

Place: Panchkula
Date: 12 August 2023

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN: 00144656

Vinay Kumar Lohariwala
Managing Director
DIN: 00144700

Neeharika Shukla
Company Secretary
Membership No. A42724

Gaurav Srivastava
Chief Financial Officer

Place: Panchkula
Date: 12 August 2023

Innova Captab Limited (CIN: U24246HR2005PLC150371)
Consolidated Statement of Profit and Loss for the year ended 31 March 2023
(Amount in INR millions, except for share data unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
I	Revenue from operations	27	9,263.80	8,005.26
II	Other income	28	91.98	28.83
III	Total income (I + II)		9,355.78	8,034.09
IV	*Expenses*			
	Cost of materials consumed	29	6,466.06	5,736.37
	Purchase of stock-in-trade	30	447.91	387.80
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	1.65	54.89
	Employee benefits expense	32	547.97	404.59
	Finance costs	33	199.73	56.80
	Depreciation and amortization expense	34	110.77	75.03
	Other expenses	35	663.74	461.41
	Total expenses (IV)		8,437.83	7,176.89
V	**Profit before tax (III-IV)**		917.95	857.20
VI	**Tax expense:**			
(i)	Current tax	36	218.60	218.15
(ii)	Deferred tax charge		19.81	(0.48)
	Total tax expense (VI)		238.41	217.67
VII	**Profit for the year (V-VI)**		679.54	639.53
VIII	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligation		(0.72)	(2.25)
	Income tax relating to items that will not be reclassified to profit or loss		0.18	0.57
	Total other comprehensive (loss)/income for the year (net of tax)		(0.54)	(1.68)
IX	**Total comprehensive income for the year (VII+VIII)**		679.00	637.85
	Earnings per equity share			
	Basic and diluted [nominal value of INR 10 per share]	39	14.16	13.32

Significant accounting policies 2
Notes to the financial statements 3-48
The accompanying notes form an integral part of the Consolidated financial statements.
As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Panchkula
Date: 12 August 2023

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

Neeharika Shukla
Company Secretary
Membership No. A42724

Gaurav Srivastava
Chief Financial Officer

Place: Panchkula
Date: 12 August 2023

Innova Captab Limited (CIN: U24246MH2005PLC150371)
Consolidated Statement of Cash Flow for the year ended 31 March 2023
(Amount in INR millions, except for share data unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flows from operating activities		
Profit before tax for the year	917.95	857.20
Adjustments for:		
Depreciation and amortization expense	110.77	75.03
Expected credit (reversal)/ loss on trade receivables	1.19	6.91
Bad debts written off	4.36	1.19
Net (profit) / loss on sale of property, plant and equipment	(2.86)	0.07
Unrealized foreign exchange (gain)	(6.54)	(4.39)
Unrealized profit on inventory	0.40	18.46
Amortisation of government grant	(21.52)	(0.43)
Finance costs	199.73	56.80
Transaction costs related to borrowings	(1.36)	(0.90)
Provision for obsolete inventory	1.88	2.57
Provision for litigation written back	-	(0.99)
Gain on fair valuation of compulsorily convertible preference shares	(19.76)	-
Interest income	(7.11)	(1.41)
Operating cash flows before working capital changes	1,177.13	1,010.31
Working capital adjustments		
Decrease / (increase) in inventories	108.42	(114.31)
(Increase) in trade receivables	(524.33)	(178.87)
Increase in trade payables	136.69	125.13
(Increase) in loans	(9.73)	(0.37)
(Increase) / decrease in other financial assets	(24.79)	4.24
(Increase) in other non-current assets	(19.12)	(2.17)
(Increase) in other current assets	(0.27)	(8.34)
(Decrease) in other current liabilities	(0.84)	(56.43)
Increase in other financial liabilities	15.44	12.96
Increase in provisions	7.94	5.45
Cash generated from operating activities	866.53	797.40
Income tax paid (net)	(195.29)	(208.42)
Net cash generated from operating activities (A)	671.24	588.98
B Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(789.91)	(798.83)
Proceeds from sale of property, plant and equipment	7.39	0.84
Interest income received	4.71	7.51
Payments made for/cash and cash equivalents on acquisition of business on account of slump sale *	-	(542.50)
Payments made for acquisition of subsidiary (net of cash and cash equivalents acquired) **	-	(597.70)
Bank deposits made	(153.11)	(21.46)
Proceeds from redemption of deposits	22.49	70.99
Net cash (used in) investing activities (B)	(908.43)	(1,883.45)
C Cash flows from financing activities		
Payment of lease liabilities (including interest)	(7.21)	(3.11)
Finance cost paid	(123.55)	(60.00)
Repayments of non-current borrowings	(350.56)	(390.63)
Proceeds from non-current borrowings	495.13	1,085.50
Proceeds from/ repayments of current borrowings	(242.89)	613.98
Proceeds from issue of compulsorily convertible preference shares	500.00	-
Net cash generated from financing activities (C)	270.92	1,245.74
Net (decrease) in cash and cash equivalents (A+B+C)	33.73	(48.73)
Cash and cash equivalents acquired		
Cash and cash equivalents at the beginning of the year	1.52	47.95
Cash and cash equivalents at the end of the year	35.25	1.52

* refer note 44

INNOVA CAPTAB LIMITED

Innova Captab Limited (CIN: U24246MH2005PLC150371)
Consolidated Statement of Cash Flow for the year ended 31 March 2023
(Amount in INR millions, except for share data unless otherwise stated)

Notes:

1. Components of cash and cash equivalents

Cash on hand	0.38	1.45
Cheque on hand	-	-
Balances with banks - in current accounts	34.87	0.07
	35.25	1.52

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

3. For reconciliation of movements of liabilities to cash flows arising from financing activities refer note 4(e) for lease liabilities and 19 (F) for borrowings.

Significant accounting policies	2
Notes to the financial statements	1-48

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

Neeharika Shukla
Company Secretary
Membership No. A42726

Gaurav Srivastava
Chief Financial Officer

Place: Panchkula
Date: 12 August 2023

Place: Panchkula
Date: 12 August 2023

Innova Captab Limited (CIN: U24246MH2005PLC150371)
Consolidated Statement of Changes in Equity for the year ended 31 March 2023
(Amount in INR millions, except for share data unless otherwise stated)

A. Equity share capital (refer note 17)

Particulars	As at 31 March 2023 Number of shares	As at 31 March 2023 Amount	As at 31 March 2022 Number of shares	As at 31 March 2022 Amount
Balance at the beginning of the reporting year (refer note 17)	12,00,000	120.00	12,00,000	120.00
Sub-division of 1 share of face value INR 100/- each into 10 share of face value INR 10/- each effective April 4, 2022 (Increase in shares on account of sub-division) (refer note 17)	1,08,00,000	-	-	-
Add:- Bonus share issued during the year (refer note 17)	3,60,00,000	360.00	-	-
Balance at the end of the reporting year	4,80,00,000	480.00	12,00,000	120.00

B. Other equity (refer note 18)

Particulars	Capital reserve	Reserves and surplus: Retained earnings	Total
Balance as at 1 April 2021	0.44	1,327.77	1,328.21
Total comprehensive income for the year			
Add : Profit for the year	-	639.53	639.53
Add : Other comprehensive (loss) (net of tax) for the year	-	(1.68)	(1.68)
Total comprehensive income for the year	-	637.85	637.85
Balance as at 31 March 2022	0.44	1,965.62	1,966.06
Balance as at 1 April 2022	0.44	1,965.62	1,966.06
Total comprehensive income for the year			
Add : Profit for the year	-	679.54	679.54
Add : Other comprehensive (loss) (net of tax) for the year	-	(0.54)	(0.54)
Total comprehensive income for the year	-	679.00	679.00
Transactions with owners of the Company			
Contributions and distributions			
Issue of bonus shares		(360.00)	(360.00)
Total contributions and distributions	-	(360.00)	(360.00)
Balance as at 31 March 2023	0.44	2,284.62	2,285.06

Significant accounting policies 2
Notes to the financial statements 3-48
The accompanying notes form an integral part of the Consolidated financial statements
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number: 507857

Place: Panchkula
Date: 12 August 2023

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

Neeharika Shukla
Company Secretary
Membership No. A12724

Gaurav Srivastava
Chief Financial Officer

Place: Panchkula
Date: 12 August 2023

Note 1. Corporate Information

Innova Captab Limited (CIN: U24246MH2005PLC150371) ("the Company" or "the Holding Company"), a Company domiciled in India with its registered office situated at Office No. 606, Ratan Galaxie-6th Floor, J.N. Road, Plot No. 1, Mulund (W), Mumbai, MH 400080, India, was incorporated in Mumbai on 3 January 2005 as a private limited company. The Company was initially incorporated with the name of "Harun Healthcare Private Limited" and later the name was changed to "Innova Captab Private Limited". The Company was converted to a Public Limited Company w.e.f 26 July 2018. After conversion, the name of the Company is "Innova Captab Limited".

The Consolidated Financial Statements comprise the financial information of the Company and its subsidiaries (referred to collectively as the "Group").

The Group is engaged in the business of manufacturing and trading of drugs and pharmaceuticals.

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statements of compliance

The "Consolidated Financial Statements" of the Group comprise of Consolidated Balance sheet of the Group as at 31 March 2023 and 31 March 2022, the Consolidated Statements of Profit and Loss, the Consolidated Statements of Cash Flows and the Consolidated Statements of Changes in Equity for each of the year ended 31 March 2023 and 31 March 2022 together with notes and annexures thereto (together referred as "Consolidated Financial Statements").

The consolidated financial Statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the consolidated financial Statements and other relevant provisions of the Act.

The Consolidated financial Statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the years presented in the Consolidated financial Statements.

These consolidated financial Statements were approved for issue by the Company's Board of Directors on 12 August 2023.

Functional and presentation currency

The functional currency of the Group is the Indian rupee. These consolidated financial Statements are presented in Indian rupees. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated.

Basis of measurement

The Consolidated Financial Statements has been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Financial assets and liabilities acquired under business combination	Fair value
Derivative financial instruments	Fair value
Defined benefits liability	Present value of defined benefits obligations

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(ii) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Balance sheet based on current/non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

(iii) Use of estimates and judgments

In preparation of the Consolidated Financial Statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the Consolidated Financial Statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(h) and 26 – revenue recognition: whether revenue is recognized over time or at a point in time
- Note 2(d) and 4 – assessment of useful life of right-to-use asset

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes

- Note 2 (a)(iv) – Fair value measurement (including fair value of consideration transferred on business combination and fair value of the assets acquired and liabilities assumed)
- Note 2(c) and 3a – Assessment of useful life and residual value of property, plant and equipment
- Note 2(d) and 4 – Lease Classification, discount rate
- Note 2(e) and 3b – Assessment of useful life of intangible assets
- Note 2(f) – Valuation of inventories

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- Note 2(g) – Impairment of financial assets; impairment test of non-financial assets: key assumptions underlying recoverable amounts
- Note 2(k) and 41 – Measurement of defined benefit obligations; key actuarial assumptions
- Note 2(n) and 35 – Recognition and estimation of tax expense including deferred tax; recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used, future recoverability been probable
- Note 2(o), 2(p), and 43 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.

(iv) Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing the Consolidated Financial Statements is included in the Note 42.

(v) Principles of consolidation

The Consolidated Financial Statements comprises the financial Statements of the Group, and the entities controlled by the Group including its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated Financial Statements is prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The detail of consolidated entity as follows:

Name of subsidiary	Country of incorporation	Percentage of ownership	
		As at 31 March 2023	As at 31 March 2022
Univentis Medicare Limited #	India	100%	100%
UML Foundation ##	India	100%	100%

The Group has invested in Univentis Medicare Limited on 31 December 2021

Incorporated on 14 June 2021

Consolidation procedure

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial Statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

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Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial Statements at the acquisition date.

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- 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.

Business Combinations

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. In case of leases acquired as part of business combination, the Group measures a right-of-use asset at the same amount as the lease liability. However, if the lease terms are favorable or unfavorable when compared with market terms, then the right-of-use asset is adjusted by the fair value of the off-market terms. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Consolidated Statements of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Consolidated Statements of Profit and Loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 Statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in Consolidated Statements of Profit and Loss.

(b) Financial instrument

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

Initial recognition and measurement

Trade receivables 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.

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A financial asset (except trade receivable, that do not contain a significant financing component are measured at transaction price) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in Consolidated Statements of Profit and Loss.

Subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (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.

Financial asset at amortised cost

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.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statements of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statements of Profit and Loss.

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

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– 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.

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 such 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).

Financial assets – Subsequent measurement and gains and losses

a) 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.

b) 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.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's Consolidated Balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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.

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Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statements of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised Consolidated Statements of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statements of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statements of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated 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.

Derivative financial instruments

The Group holds derivative financial instruments in form of compulsorily convertible preference shares. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Financial Guarantee

A financial guarantee contract requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values, adjusted for transaction costs that are directly attributable to the issuance of the guarantee and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

• the amount of the loss allowance determined in accordance with Ind AS 109; and

• the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Group's revenue recognition policies.

The Group has not designated any financial guarantee contracts as FVTPL.

The Group estimates the loss allowance on financial guarantee contracts based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the interest rate relevant to the exposure.

(e) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and or accumulated impairment loss, if any. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably

Advances paid towards acquisition of PPE outstanding at each year end date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Consolidated Statements of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Consolidated Statements of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Consolidated Statements of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	30 Years
Office equipment	5 Years	3 - 5 Years
Plant and equipment	3 - 15 Years	3-15 Years
Lab Equipments	10 Years	10 Years
Electrical installations	10 Years	10 Years
Vehicles	10 Years	10 Years
Furniture and fittings	10 Years	10 Years
Computer and Printer	3 - 6 Years	6 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation on leasehold land and improvements carried out on buildings taken on lease is provided over the period of the lease or useful life of assets, whichever is lower.

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Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statements of Profit and Loss.

(d) **Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

Leases in which the Group is a lessee

The Group's lease asset classes primarily consist of leases for buildings and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. Modified retrospective approach has been applied to contracts existing and entered on or after 1 April 2018 as initially adopted on the transition date i.e 1 April 2019 while preparing the Consolidated Financial Statements for the year ended 31 March 2019.

The Group elected to use the following practical expedients on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The Group recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. 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 asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statements of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Consolidated Statements of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in Consolidated Statements of Profit and Loss.

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Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the Statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statements of Profit or Loss over the lease term.

(e) Intangible assets

Goodwill arising on business combinations is disclosed separately in the Consolidated Balance sheet and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets (other than goodwill) that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each year end date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Consolidated Statements of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Consolidated Statements of Profit and Loss.

The estimated useful life computer software for the current and comparative periods is 5 years.

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Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(f) Inventories

Inventories are valued at lower of cost or net realisable value. The method of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Traded goods	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Variable cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Group reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(g) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- The breach of contract such as a default or being past due for 90 days or more;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not subsequently reversed. An impairment loss in

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respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made 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 amortization, if no impairment loss had been recognized.

(h) Revenue from contract with customers

Under Ind AS 115, the Group recognized revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when billings are in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by geography.

<u>Use of significant judgments in revenue recognition:</u>

a) The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

c) The Group uses judgement to determine an appropriate selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative selling price of each distinct product or service promised in the contract.

d) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment

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for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

g) Right of return - Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

Export incentives

Export incentive entitlements are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(i) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(j) Government grant

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in Consolidated Statements of Profit and Loss as other income on a systematic basis.

Grants that compensate the Group for expenses incurred are recognised in Consolidated Statements of Profit and Loss as other income on a systematic basis in the periods in which such expenses are recognised.

Grants related to income are deducted in reporting the related expense in the Statements of profit and loss. Export entitlements from government authorities are recognised in the Statements of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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(k) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured on an undiscounted basis. A liability is recognised for the amount expected to be paid e.g., salaries, wages and bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Post-employment benefits:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Consolidated Statements of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Other long-term employee benefits

Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit credit method.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

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The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Consolidated Statements of Changes in Equity and in the Consolidated Balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Consolidated Statements of Profit and Loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(l) Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the Consolidated Statements of Profit and Loss in the period in which they are incurred.

(m) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

Measurement at the reporting date

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. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatements/settlement of all monetary items are recognised in the Consolidated Statements of profit and loss.

(n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statements of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(o) Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Contingent liabilities and contingent assets

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 usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed where an inflow of economic benefits is probable.

Contingent liabilities and contingent assets are reviewed at each reporting date and adjusted to reflect the current best estimates.

(q) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Commitments are reviewed at each reporting date.

(r) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial Statements is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(s) Cash and cash equivalents

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For the purpose of presentation in the Consolidated Statements of Cash Flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Consolidated Statements of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(u) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(v) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

(w) Share capital

i. *Equity shares:* Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

ii. *Preference shares:* The Group's compulsorily convertible preference shares ("CCPS") are classified as financial liabilities, because the instrument holders, in terms of the underlying agreement, had exit rights including requiring the Company to buy back shares held by them where upon the conversion ratio is also not fixed. Since both the conversion and redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, or convert the CCPS into equity shares, where the fixed for fixed condition is not met, therefore, CCPS have been considered a "hybrid" financial liability.

(x) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

- **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial Statements. The Group does not expect this amendment to have any significant impact in its financial Statements.

- **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial

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recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial Statements.

- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial Statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial Statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial Statements.

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Innova Captab Limited (CIN: U24246MH2005PLC150371)
Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(Amount in INR millions, except for share data unless otherwise stated)

Note 3a - Property, plant and equipment

Gross carrying amount

Particulars	Freehold land	Building	Plant and equipment	Lab Equipments	Electrical equipments and installation	Vehicles	Furniture and fixtures	Office equipment	Computer and printer	Total	Capital work-in-progress
Balance as at 1 April 2021	57.48	322.85	419.92	-	34.23	32.61	35.16	3.55	5.15	910.95	72.64
Additions	112.09	214.35	373.30	63.06	49.54	1.77	19.27	0.78	4.48	838.64	564.34
Acquisition of subsidiary [Refer note 44(a)]	-	28.25	0.48	-	1.22	2.71	0.35	0.91	0.78	34.70	-
Disposals	-	-	(1.17)	-	-	-	-	-	-	(1.17)	(636.67) #
Balance as at 31 March 2022	169.57	565.45	792.53	63.06	84.99	37.09	54.78	5.24	10.41	1,783.12	0.31
Balance as at 1 April 2022	169.57	565.45	792.53	63.06	84.99	37.09	54.78	5.24	10.41	1,783.12	0.31
Additions	-	6.82	25.89	0.79	0.34	2.52	1.52	0.56	2.73	41.07	255.15
Disposals	-	-	(0.58)	(4.30)	-	(0.06)	-	-	(0.05)	(4.99)	(40.03) #
Balance as at 31 March 2023	169.57	572.27	817.84	59.55	85.23	39.55	56.30	5.80	13.09	1,819.20	215.43

Accumulated depreciation

Particulars	Freehold land	Building	Plant and equipment	Lab Equipments	Electrical equipments and installation	Vehicles	Furniture and fixtures	Office equipment	Computer and printer	Total	Capital work-in-progress
Balance as at 1 April 2021	-	40.61	82.26	-	9.56	1.67	8.50	1.76	3.00	147.36	-
Depreciation for the year	-	12.89	38.62	1.80	6.27	3.55	4.57	1.20	1.52	70.42	-
Disposals	-	-	(0.26)	-	-	-	-	-	-	(0.26)	-
Balance as at 31 March 2022	-	53.50	120.62	1.80	15.83	5.22	13.07	2.96	4.52	217.52	-
Balance as at 1 April 2022	-	53.50	120.62	1.80	15.83	5.22	13.07	2.96	4.52	217.52	-
Depreciation for the year	-	18.58	55.31	5.87	8.31	3.95	5.52	1.00	2.54	101.08	-
Disposals	-	-	(0.16)	(0.24)	-	(0.06)	-	-	-	(0.46)	-
Balance as at 31 March 2023	-	72.08	175.77	7.43	24.14	9.11	18.59	3.96	7.06	318.14	-
Carrying amounts (net)											
As at 31 March 2022	169.57	511.95	671.91	61.26	69.16	31.87	41.71	2.28	5.89	1,565.60	0.31
As at 31 March 2023	169.57	500.19	642.07	52.12	61.09	30.44	37.71	1.84	6.03	1,501.06	215.43

Represents capital work in progress capitalised during the respective years.

Notes:

a. Refer note 19 for information on property, plant and equipment pledged as security by the Holding Company.

b. Refer note 43(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. Plant and equipment includes INR Nil (31 March 2022: INR 7.44) of capitalization towards research and development assets.

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d. The Company has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of these amounts:

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefits expense	14.96	12.16
Finance costs (Interest expense on financial liabilities measured at amortised cost - on borrowings)	28.83	22.91
Other expenses	0.74	3.90
Total	44.53	38.97

Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation relating to general borrowings was INR 18.94 at 8.11% (31 March 2022: INR 10.24 at 4.69 %)

e. Capital work in progress (CWIP) ageing schedule:

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress as at 31 March 2023	215.43	-	-	-	215.43
Projects in progress as at 31 March 2022	0.31	-	-	-	0.31

Note 3b - Goodwill and Other Intangible assets

Gross carrying amount

Particulars	Goodwill (Refer note (b) below)	Other Intangible - Computer software
Balance as at 1 April 2021	-	9.30
Additions - acquired	-	1.93
Additions - on acquisition of subsidiary*	166.94	0.06
Balance as at 31 March 2022	166.94	11.29
Balance as at 1 April 2022	166.94	11.29
Additions - acquired	-	4.80
Balance as at 31 March 2023	166.94	16.09
Accumulated amortization		
Balance as at 1 April 2021	-	4.86
Additions	-	1.90
Balance as at 31 March 2022	-	6.76
Balance as at 1 April 2022	-	6.76
Additions	-	1.60
Balance as at 31 March 2023	-	8.36
Carrying amounts (net)		
As at 31 March 2022	166.94	4.53
As at 31 March 2023	166.94	7.73

* Refer note 44

Notes:

a. As at 31 March 2023, the estimated remaining amortization period for other intangible assets are as follows:
Computer Software — 0.5 - 4 years (31 March 2022 0.5 - 5 years)

b. For the purposes of impairment testing, goodwill is allocated to the Cash Generating Units (CGU) which represents the lowest level at which the goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The entire goodwill of INR 166.94 has been allocated to the purchase of business of Univentis Medicare Limited.

The recoverable amount of the above cash generating units was based on its value in use. The value in use of these units was determined to be higher than the carrying amount by INR 477.46 (31 March 2022 INR: 536.59) and an analysis of the calculation's sensitivity towards change in key assumptions did not identify any probable scenarios where the CGU recoverable amount would fall below their carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation was based on the following key assumptions:

i. The anticipated annual revenue growth and margin included in the cash flow projections for five years are based on past experience, actual operating results and the future business plan.
ii. The terminal growth rate is 5.00% (31 March 2022: 5.00%) representing management view on the future long-term growth rate.
iii. Post-tax discount rate of 14.58% (31 March 2022: 15.14%) was applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on the weighted average cost of capital. Pre-tax discount rate is 19.48% (31 March 2022: 20.23%, 31 March 2021: Nil).
iv. Budgeted earning before interest,tax,depreciation and amortisation ("EBITDA") growth rate (average of next five years) of 15.00 % (31 March 2022: 15.00 %) was applied in management forecast, which represents a conservative revenue to EBIDTA ratio of 12% (average of next five years) (31 March 2022: 12%) which is in line with long term estimates and historic profitability of management.

The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external sources.

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Note 4 - Right-of-use assets and lease liabilities

The Group has entered into agreements for leasing land and office premises. Land leases typically run for a period of 22 - 77 years. The leases for office premises typically run for a period of 6 years after which the lease is subject to termination at the option of lessee or lessor.

a. Information about leases for which the Group is a lessee is presented below :

Right-of-use assets - building	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	5.76	3.99
Additions	6.70	-
Additions on acquisition of subsidiary (Refer note 44)	-	3.46
Depreciation for the year	(4.22)	(1.69)
Balance as at end of the year (A)	8.24	5.76

Right-of-use assets - land	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	87.52	19.38
Additions	61.15	55.16
Additions on acquisition of subsidiary (Refer note 44)	-	14.00
Depreciation for the year	(3.87)	(1.02)
Balance as at end of the year (B)	144.80	87.52
Right-of-use assets (C=(A)+(B))	153.04	93.28

b. The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

c. Set out below are the carrying amounts of lease liabilities and reconciliation of movements to cash flows arising from financing activities during the year :

Lease liabilities included in the balance sheet	As at 31 March 2023	As at 31 March 2022
Current	3.96	3.96
Non-current	13.84	5.90
Total	17.80	9.86
Balance as at beginning of the year	9.86	4.71
Additions	13.29	3.04
Additions on acquisition of subsidiary (Refer note 44)	-	4.55
Accretion of interest	1.86	0.67
Payment of lease liabilities	(7.21)	(3.11)
Balance as at end of the year	17.80	9.86

d. As at year end date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

e. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows	As at 31 March 2023	As at 31 March 2022
Less than one year	5.56	4.27
After one year but not longer than three years	7.14	3.76
More than three years	41.92	8.52
Total	54.62	16.55

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f. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

g. The Group has also taken certain office premises and residential premises (used as guest house) on lease with contract terms within one year. These leases are short-term. The Company has elected not to recognize right-of-use-assets and lease liabilities for these leases. The expenses relating to short-term leases for which the recognition exemption has been applied have been charged to the Statement of Profit and Loss on straight line basis.

h. The table below provides details regarding amounts recognized in the Statement of Profit and Loss:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenses relating to short-term leases	1.14	0.81
Interest on lease liabilities	1.86	0.67
Depreciation expense	8.09	2.71
Total	11.09	4.19

i. The following are the amounts recognized in the Statement of Cash Flow:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Total cash outflow for leases (including short term leases)	8.35	3.92

j. The weighted average incremental borrowing rate applied to lease liabilities as at the date of origination of lease is 8.94% - 11.36% (31 march 2022 11.05% - 11.36%)

Note 5: Investments

	As at 31 March 2023	As at 31 March 2022
Non-current investments		
Investments in equity shares		
Unquoted equity shares (at cost)		
- Shivalik Solid Waste Management Limited 250 equity shares of INR 10 each fully paid-up (31 March 2022 INR :10)	0.00^	0.00^
	0.00^	0.00^
Aggregate book value of unquoted investments	0.00^	0.00^

^ The total value of shares in absolute value was INR 2,500/- but for reporting rounded upto INR 0.00 million

Note 6 - Loans- Non current *(unsecured considered good, unless otherwise stated)*	As at 31 March 2023	As at 31 March 2022
Loan to employees	4.78	2.19
	4.78	2.19

Note 7 -Other non-current financial asset *(unsecured considered good, unless otherwise stated)*	As at 31 March 2023	As at 31 March 2022
Security deposit	5.40	7.13
Balance with banks-deposits accounts with original maturity more than 12 months #	0.19	0.62
	5.59	7.75

These deposits include restricted bank deposits INR 0.16 (31 March 2022: INR 0.27) pledged as margin money.

Note 8 - Income tax assets (net)	As at 31 March 2023	As at 31 March 2022
Advance income tax and tax deducted at source [net of provision for income tax of INR 439.25](31 March 2022: INR159.65)	7.27	40.26
	7.27	40.26

Note 9 - Other non-current assets *(unsecured considered good, unless otherwise stated)*	As at 31 March 2023	As at 31 March 2022
Capital advances	554.00	79.02
Prepaid expenses	2.43	2.16
	556.43	81.18

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Note 10 - Inventories
(At lower of cost and net realizable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials #	575.21	666.83
Stores and spares	1.24	0.49
Work-in-progress	180.61	117.94
Finished goods #	32.44	82.64
Stock-in-trade #*	202.98	231.22
Packing material #*	180.68	184.74
	1,173.16	1,283.86
Notes:		
# Includes goods-in-transit		
- Raw material	66.68	26.89
- Finished goods	19.08	37.45
- Stock-in-trade	2.53	0.29
- Packing material	0.91	1.64
* Include provision for obsolete inventory		
- Stock-in-trade	-	2.57
- Packing material	4.45	-

Note 11 - Trade receivables
(Unsecured considered good, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Trade receivables	2,652.11	1,970.36
Trade receivables from related party (refer note 37)	14.81	168.06
Less: expected credit loss allowance	(14.74)	(11.56)
	2,652.18	2,126.86

Break-up:

	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,661.17	2,132.91
Trade receivables which have significant increase in credit risk	5.75	5.51
Trade receivables - credit impaired	-	-
	2,666.92	2,138.42
Less: expected credit loss allowance		
- Trade receivables considered good - secured	-	-
- Trade receivables considered good - unsecured	(8.99)	(8.07)
- Trade receivables which have significant increase in credit risk	(5.75)	(3.49)
- Trade receivables - credit impaired	-	-
Total trade receivables	2,652.18	2,126.86

Movement in expected credit loss allowance of trade receivables:

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	11.56	4.64
Additions during the year	3.18	6.92
Balance at the end of the year	14.74	11.56

Trade receivable ageings:

	Unbilled revenue	Not Due	Outstanding for following periods from due date of payment: < 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Gross trade receivables	Expected credit loss allowance	Net trade receivables
As at 31 March 2023										
Undisputed trade receivable - considered good	17.58	2,145.97	440.45	50.73	3.88	0.27	-	2,658.88	(6.70)	2,652.18
Undisputed trade receivable - considered doubtful	-	-	-	-	-	-	1.19	1.19	(1.19)	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-		-
Disputed trade receivable - considered good	-	-	-	-	-	-	2.29	2.29	(2.29)	-
Disputed trade receivable - considered doubtful	-	-	-	0.21	3.01	1.34	-	4.56	(4.56)	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Total	17.58	2,145.97	440.45	50.94	6.89	1.61	3.48	2,666.92	(14.74)	2,652.18
As at 31 March 2022										
Undisputed trade receivable - considered good	6.64	1,480.16	618.40	24.05	1.37	-	-	2,130.62	(5.78)	2,124.84
Undisputed trade receivable - considered doubtful	-	-	-	-	-	-	1.18	1.18	(1.18)	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	2.29	2.29	(2.29)	-
Disputed trade receivable - considered doubtful	-	-	-	0.69	2.49	1.15	-	4.33	(2.31)	2.02
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Total	6.64	1,480.16	618.40	24.74	3.86	1.15	3.47	2,138.42	(11.56)	2,126.86

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Note 12 - Cash and cash equivalents	As at 31 March 2023	As at 31 March 2022
Balances with bank:		
- In current accounts	34.87	1.45
Cash on hand	0.38	0.07
	35.25	1.52

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with bank - In current accounts	34.87	1.45
Cash on hand	0.38	0.07
	35.25	1.52

Note 13 - Bank Balances other than above	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than three months but less than twelve months #	153.50	22.97
	153.50	22.97

These deposits include restricted bank deposits INR 118.50 (31 March 2022: INR 15.64) pledged as margin money.

Note 14 - Loans - Current *(unsecured considered good, unless otherwise stated)*	As at 31 March 2023	As at 31 March 2022
Loan to employees	10.11	2.97
	10.11	2.97

Note 15 - Other current financial assets *(unsecured considered good, unless otherwise stated)*	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on fixed deposits	2.66	0.26
Export incentive recoverable	11.71	15.34
Security deposit	11.21	7.79
Recoverable from others	-	7.38
IPO expenses recoverable *	46.25	12.14
Advance to employees	0.11	0.11
	71.94	43.02

Note 16 - Other current assets *(unsecured considered good, unless otherwise stated)*	As at 31 March 2023	As at 31 March 2022
Balances with government authorities	244.02	276.90
Advances to suppliers	7.78	1.61
Advances to employees	2.86	1.90
Right to return goods	14.84	8.26
Prepaid expenses *	59.03	20.74
	328.53	309.41

* On 28 June 2022, the Holding Company has filed Draft Red Herring Prospectus with SEBI in connection with the proposed Initial Public Offer ("IPO") of equity shares of the Holding Company by way of fresh issue and an offer for sale by the selling shareholders. Accordingly, expenses incurred by the Company in connection with filing of Draft Red Herring Prospectus amounting to INR 46.25 (31 March 2022:INR 12.14) is presented as "IPO expenses recoverable" included under "other current financial assets" as it is shall be partly recovered from the selling shareholders (as per the offer agreement) and INR 39.19 (31 March 2022: INR 12.14) is included in "prepaid expenses" under "other current assets" as it is shall be partly adjusted towards the securities premium.

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Note 17 - Equity share capital

	As at 31 March 2023	As at 31 March 2022
Authorized		
64,000,000 (31 March 2022: 1,200,000) equity shares of INR 10 each (31 March 2022: INR 100 each)	640.00	120.00
2,000,000 (31 March 2022: Nil) Compulsorily convertible preference share of INR 10 each (31 March 2022: INR Nil)*	20.00	-
	660.00	120.00
Issued, subscribed and paid-up		
48,000,000 (31 March 2022: 1,200,000) equity shares of INR 10 each (31 March 2022: INR 100 each)	480.00	120.00
	480.00	120.00

* 1.41 million Compulsorily convertible preference share of INR 10 each have issued during the year ending 31 March 2023 and are classified as financial liability.

a) **Rights, preferences and restrictions attached to equity shares**
As per the memorandum of association, the Holding Company's authorized share capital consist of equity shares. All equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Holding Company. On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

b) **Rights, preferences and restrictions attached to Compulsorily convertible preference share.**
During year ended 31 March 2023, 1,412,430 compulsorily convertible preference shares ("CCPS") have been issued as fully paid with a par value of INR 354 per share (31 March 2022: nil, 31 March 2021: Nil). The CCPS holders of the Holding company, in terms of the underlying agreement, have exit rights including requiring the Company to buy back shares held by them where upon the conversion ratio is also not fixed. Each CCPS shall entitle its holder to preferential dividend at the rate of 0.01% (zero point zero one percent) per annum ("Preferential Dividend") of its face value. The Preferential Dividend is participative and cumulative and shall accrue from year to year. In addition to the Preferential Dividend, each CCPS shall entitle its holder to also participate pari passu in any dividends paid to the holders of common equity shares of the Company ("Equity Shares") on a pro-rata as converted basis. The holders of the CCPS shall not be entitled to vote on any matter except to the extent permitted under the Companies Act 2013 or other applicable laws.

c) **Reconciliation of the number of equity shares outstanding at the beginning and end of the reporting year:**

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	12,00,000	120.00	12,00,000	120.00
Sub-division of 1 share of face value 100/- each into 10 share of face value 10/- each effective April 4, 2022 (increase in shares on account of sub-division)*	1,08,00,000	-	-	-
Add:- Bonus share issued during the year	3,60,00,000	360.00	-	-
Balance at the end of the year	4,80,00,000	480.00	12,00,000	120.00

* The Shareholders of the Company, at the Extra ordinary general meeting held on April 4, 2022, had approved the sub-division of one equity share of face value 100/- each (fully paid-up) into 10 equity share of face value 10/- each. The record date for the said sub-division was set at April 4, 2022.

d) **Details of shareholders holding more than 5 percent equity shares in the Group:**

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Manoj Kumar Lohariwala #	1,90,36,000	39.66	4,75,900	39.66
Vinay Kumar Lohariwala #	1,44,36,000	30.08	3,60,900	30.08
Gian Parkash Aggarwal	1,45,12,000	30.23	3,62,800	30.23

\# Identified as promoters

e) **Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2023.**
During the five years immediately preceding 31 March 2023 ('the year'), the Company have not issued any bonus shares except given below. Further, no shares have been issued for consideration other than cash.

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Ratio	No. of shares	Ratio
Bonus issue	3,60,00,000	3:1	-	-

f) **Promoter Shareholding**

Promoter's name	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Manoj Kumar Lohariwala	1,90,36,000	39.66	-	4,75,900	39.66	-
Vinay Kumar Lohariwala	1,44,36,000	30.08	-	3,60,900	30.08	9.76

Note 18 - Other equity

	As at 31 March 2023	As at 31 March 2022
a Capital reserve		
Balance at the beginning of the year	0.44	0.44
Balance at the end of the year	0.44	0.44
b Retained earnings		
Balance at the beginning of the year	1,965.62	1,327.77
Less : Bonus share issued during the year	(360.00)	-
Add: Profit for the year	679.54	639.53
Add: Other comprehensive (loss) for the year (remeasurement of defined benefit plans, net of tax)	(0.54)	(1.68)
Balance at the end of the year	2,284.62	1,965.62
Total	2,285.06	1,966.06

Nature of reserves:

a. **Capital reserve:** Capital reserve represents the accumulated excess of the fair value of net assets acquired under business combination over the aggregate consideration transferred.

b. **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any dividends or other distributions paid to shareholders.

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Note 19 - Borrowings

A. Non-current borrowings	Notes	As at 31 March 2023	As at 31 March 2022
Secured:			
From banks			
Term Loan	(I)	654.19	510.99
Unsecured:			
From Others			
Deposits from directors (refer note 37)	(III)	249.90	269.90
Compulsorily convertible preference shares	(IV)	468.45	-
Less : Current maturities of non-current borrowings		(30.77)	(107.37)
		1,341.77	673.52

B. Current borrowings	Notes	As at 31 March 2023	As at 31 March 2022
Secured			
From Banks			
Cash credit ('CC') limit	(I)	0.84	743.06
Working Capital demand loan ('WCDL')		973.69	150.00
Export packing credit limit ('EPCL')		-	82.43
Credit Card		4.85	4.66
Term loan: current maturities of non current borrowings		30.77	107.37
Unsecured:			
From Others			
Deposits from directors (refer note 37)	(III)	-	220.78
		1,010.15	1,308.30

(I) Notes:

Bank Name	Nature of facility *	Rate of interest % (per annum)	Repayment terms	Security	Non-current As at 31 March 2023	Current As at 31 March 2023	Non-current As at 31 March 2022	Current As at 31 March 2022
State Bank of India	Term Loan (INR) *	3 Month MCLR + 0.4%	102 monthly instalments from September 2017 after initial moratorium of 18 months (till August 2017) and having first 6 monthly instalments of INR 1.88, next 95 instalments of INR 3.00 and last instalment of INR 3.75	Equitable mortgage (first charge) on (b) and (c), Pari passu charge on (h), along with (a), (j) and (k)	-	-	50.00	-
	Cash Credit Limit (INR)	3 Month MCLR + 0.40%	-	Equitable mortgage (first charge) on (b), (c) and (d), First pari passu charge on (p) along with (j) and (k)	-		-	448.36
	WCDL (INR)	91 day T bill linked	-		-	500.00	-	-
	Cash Credit Limit (INR)	EBLR + 2.00%	-	Equitable mortgage (first charge) on (d), (n) and (o) along with (j)		0.35		
Yes Bank Limited	Term Loan (INR) *	3 Month MCLR + 0.05%	78 monthly instalments from December 2021 after initial moratorium period of 6 months (till November 2021) from the date of first disbursement amounting INR 2.55 per month and last instalment of INR 3.65	First pari passu charge on (b) (c), (d) and (h) along with (a), (j) and (k)	-	-	189.47	-
	Term Loan (INR) *	1 Month MCLR + 0.2%	60 monthly instalments from October 2017 after initial moratorium period of 12 months (till September 2017) from the date of first disbursement		-	-	10.00	-
	Term Loan (INR) *	3 Month MCLR + 0.15%	60 monthly instalments from April 2023 after initial moratorium period of 18 months (till March 2023) from the date of first disbursement	Exclusive charge on (f) along with (j)	-	-	69.87	-
	CC limit	1 Month MCLR + 0.35%	-	First pari passu charge on (l), (b), (c) and (d) along with (j) and (k)	-	-	-	136.41
	WCDL (INR)	Overnight MIBOR + 1.28%	-		-	300.00	-	150.00

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Bank Name	Nature of facility *	Rate of interest % (per annum)	Repayment terms	Security	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
Yes Bank Limited	EPCL (INR)	5.95%	-	First pari passu charge on (i), (b), (c) and (d) along with (j) and (k)	-	-	-	82.43
HDFC Bank	Term Loan (INR) *	3 M T bill + 1.63	24 quarterly instalments from October 2024 after initial moratorium of 24 months on repayment of principle (till September 2024) with monthly interest repayment from 1st December 2022.	First pari passu charge on (b), (c), (h) and (i), along with (a), (j) and (k)	492.87	-	-	-
	Credit Card (INR)	-	-	-	-	0.85	-	4.66
	WCDL (INR)	7.72%	-	(g), (j) and (l)	-	113.69	-	-
	Cash Credit Limit (INR)	1 Month MCLR + 0.35%	-	(g), (j) and (l)	-	0.05	-	100.49
The Hongkong and Shanghai Banking Corporation Limited ("HSBC Ltd")	Term Loan (INR) *	TBLR + 3.23%	84 monthly instalments from December 2021 after initial moratorium period of 6 months (till November 2021)	First pari passu charge on (b), (c), (h) and (i), along with (a), (j) and (k)	110.57	-	131.53	-
		TBLR + 3.23%	78 monthly instalments from March 2022 till August 2028		50.75	-	60.12	-
	WCDL (INR)	1 M T-bill + 1.34%	-	First pari passu charge on (b), (e) and (m) along with (j) and (k)	-	60.00	-	-
	Cash Credit Limit (INR)	Overnight MCLR + 0.05%	-	First pari passu charge on (b), (e) and (m) along with (j) and (k)	-	0.44	-	57.60
					654.19	979.37	310.99	980.15

**Term loans include the current maturities of non-current borrowings*

Note II: Security details

S. No.	Security details
(a)	Assets exclusively funded by the respective term loan lenders
(b)	Factory land and building comprised in Khata Khatuni no. 117 min/ 136, Khasra no 2123/1281, situated at Hilltop Industrial Estate, near EPIP, Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh, admeasuring total area 14 bigha.
(c)	Factory land and building situated at Hill top Industrial Estate, near EPIP, Phase-1, Jharmajri, Distt Solan, Baddi, Himachal Pradesh admeasuring 21.17 bigha.
(d)	Factory land and building situated at Plot No. 81 A, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh, admeasuring 2000 sq. meters and 81 B, EPIP, Phase I, Jharmajri, Baddi, Solan, Himachal Pradesh admeasuring 2000 sq. meters. This property was acquired by the Holding Company as part of slump sale from Innova Captab (partnership firm) as at 31 March 2021 and was transferred in the name of the Holding Company in the year ending on 31 March 2023.
(e)	Land and building located at Jammu, situated at industrial plot measuring 90 Kanals situated at SIDCO Industrial Complex Ghatti Kathua Phase-II covered under Khasra No 11 min 12.27 min village Nanan District Kathua and plant and machinery located at factory unit in Jammu.
(f)	Industrial Property located at Plot No. 320, Industrial Area, Phase- 1, Panchkula, Haryana.
(g)	Industrial property admeasuring 33,000 sq. meters situated at Plot No.63 EPIP Phase I, Baddi, District Solan, Jharmajri, owned by the Subsidiary Company.
(h)	Entire movable fixed assets of the Holding Company created out of bank finance
(i)	Entire current assets (present and future) of the Holding Company
(j)	Unconditional and irrevocable personal guarantee of Manoj Kumar Lohariwala, Vinay Kumar Lohariwala and Gian Prakash Agarwal for INR 300 each
(k)	30% share pledge of the Holding Company held by the promoters which has been released in year ended 31 March 2022
(l)	Primary stock and debtors of the Subsidiary Company
(m)	Entire fixed assets (movable and immovable) (present and future) of the Holding Company created out of bank finance
(n)	Entire movable fixed assets of the Innova Captab (partnership firm) that were acquired by the Holding Company as part of slump sale from Innova Captab (partnership firm) as at 31 March 2021
(o)	Stocks of raw material, stock-in-process, finished goods including stocks in transit and receivables arising there from both present and future of Innova Captab (partnership firm)
(p)	Stocks of raw material, stock-in-process, finished goods including stocks in transit and receivables arising there from both present and future of the Holding Company

Note III: Deposit from directors

The Company had taken deposits from Manoj Kumar Lohariwala and Vinay Kumar Lohariwala, that carry interest rate of 7% per annum and were repayable on demand and were therefore classified as current borrowings for the year ending 31 March 2021. The terms of repayment were amended in year ending on 31 March 2022 on the basis addendum to the loan agreement ("addendum") dated 31 March 2022 and as per the addendum, deposits are repayable on 30 March 2027 and therefore have been classified accordingly to non current borrowings. Further deposits from directors include total loan of INR 102.50 (31 March 2022: INR 202.50) from Gian Parkash Aggarwal who ceased to be a director with effect from 1 April 2022.

Note IV: Compulsorily convertible preference shares

The Holding Company has issued 1,412,430 compulsorily convertible preference share ('CCPS') at face value of INR 10 and at premium of INR 344 per CCPS, during the year ended on 31 March 2023. The CCPS holders of the Holding Company, in terms of the underlying agreement, had exit rights that include requiring the company to buy back shares held by them upon occurrence of an event not under the control of the Holding company and where upon the conversion, the ratio of conversion is also not fixed but dependent upon share price at time of occurrence of such event. Accordingly, since both the conversion and redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, or convert the CCPS into equity shares, where the fixed for fixed condition is not met, therefore, CCPS have been considered a "non-current hybrid" financial liability, with a host non-derivative liability component for the interest and principal amount amounting to 401.30 million and a separable derivative component amounting to INR 98.70 million on the initial date of recognition as both the ratio and timing of conversion is uncertain . As per the requirements of IND AS 109, the derivative component has been re-measured at fair value on reporting date, amounting to INR 78.94 million and the change in fair value of liability of INR 19.76 million has been recognized as an income in the Statement of Profit and Loss for the year ended March 31, 2023.

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C. The group has filed quarterly returns/statement of current assets with banks for the below mentioned quarters and there are certain variances between the amounts reported and amounts as per the books of accounts which are shown below:

Innova Captab Limited

Quarter end date	Particulars	Amount as per books of account	State Bank of India		Yes Bank Limited, HSBC Ltd and HDFC Ltd	
			Amount as reported	Amount of difference	Amount as reported	Amount of difference
30 June 2021	Inventory	1,200.97	1,131.75	69.22	1,131.75	69.22
	Trade Receivable	2,020.50	1,963.25	57.25	1,924.53	95.97
	Trade Payable	1,895.92	1,749.70	146.22	1,749.70	146.22
30 September 2021	Inventory	919.72	916.71	3.01	916.71	3.01
	Trade Receivable	1,795.04	1,793.33	1.71	1,680.74	114.30
	Trade Payable	1,230.29	1,186.05	44.24	1,186.05	44.24
31 December 2021	Inventory	1,169.99	1,058.88	111.11	1,058.88	111.11
	Trade Receivable	1,440.65	1,539.63	(98.98)	1,539.63	(98.98)
	Trade Payable	1,214.71	1,287.31	(72.60)	1,287.31	(72.60)
31 March 2022	Inventory	1,052.86	1,053.15	(0.29)	1,053.63	(0.77)
	Trade Receivable	1,738.53	1,738.08	0.45	1,738.08	0.45
	Trade Payable	1,404.31	1,401.92	2.39	1,401.92	2.39
30 June 2022	Inventory	1,052.23	1,021.93	30.30	1,020.09	32.14
	Trade Receivable	1,764.77	1,722.96	41.81	1,722.96	41.81
	Trade Payable	1,363.33	1,375.96	(12.63)	1,375.96	(12.63)
30 September 2022	Inventory	888.58	888.60	(0.02)	888.57	0.01
	Trade Receivable	2,355.57	2,355.60	(0.03)	2,355.57	(0.00)
	Trade Payable	1,225.34	1,223.50	1.84	1,223.51	1.83
31 December 2022	Inventory	1,038.84	1,062.40	(23.56)	1,062.36	(23.52)
	Trade Receivable	2,359.69	2,359.20	0.49	2,359.16	0.53
	Trade Payable	1,545.72	1,571.50	(25.78)	1,571.52	(25.80)
31 March 2023	Inventory	972.72	985.18	(12.60)	985.38	(12.66)
	Trade Receivable	2,296.76	2,307.08	(10.32)	2,307.08	(10.32)
	Trade Payable	1,480.84	1,480.85	(0.01)	1,480.85	(0.01)

Univentis Medicare Limited

Quarter end date	Particulars	HDFC Bank Limited		
		Amount as per books of account	Amount as reported	Amount of difference
30 June 2021	Inventory	226.85	226.44	0.41
	Trade Receivable	781.84	781.84	-
	Trade Payable	524.02	523.21	0.81
30 September 2021	Inventory	226.19	233.52	2.67
	Trade Receivable	717.38	717.19	0.19
	Trade Payable	410.72	409.93	0.79
31 December 2021	Inventory	277.48	246.64	30.84
	Trade Receivable	566.17	613.87	(47.70)
	Trade Payable	201.93	197.49	4.44
31 March 2022	Inventory	249.46	271.93	(22.47)
	Trade Receivable	519.32	521.45	(2.13)
	Trade Payable	174.72	174.70	0.02
30 June 2022	Inventory	272.28	272.28	-
	Trade Receivable	519.53	519.53	-
	Trade Payable	164.16	164.16	-
30 September 2022	Inventory	238.12	238.12	-
	Trade Receivable	644.70	644.70	-
	Trade Payable	213.26	213.26	-
31 December 2022	Inventory	248.67	248.67	-
	Trade Receivable	653.93	653.93	-
	Trade Payable	430.43	430.43	-
31 March 2023	Inventory	219.30	219.41	(0.11)
	Trade Receivable	666.51	669.66	(3.15)
	Trade Payable	415.08	417.69	(2.61)

The quarterly returns/statement of current assets as submitted to banks compared to books of accounts reflected material discrepancies in above mentioned quarters as the Holding Company and Subsidiary Company had not considered goods-in-transit while reporting the balance of inventories, had adjusted the advances from customers while reporting the balance of trade receivables and had adjusted advances to vendors while reporting the balance of trade payables as at respective quarter ends.

Further, the quarterly returns/statement of current assets submitted to banks were prepared before incorporating the impact of certain adjustments pertaining to cut off of revenue and purchase, overhead loading in inventories, accrual of interest towards MSME vendors as the Group did not have a formal quarterly closing process for its books of accounts. The Group has subsequently improved its processes for better reporting and submission of such data.

D. Further, in the year ended 31 March 2023, the actual utilization of working capital remained within the bank sanction limits.

E. Undrawn borrowing

Innova Captab Limited

As at 31 March 2023

Bank	Nature of facility	Denomination of currency of facility	Sanctioned amount in INR	Total drawn amount as at 31 March 2023	Total undrawn amount as at 31 March 2023
YES Bank Limited	Cash credit	INR	750.00	300.00	450.00
SBI Bank	Cash credit	INR	850.00	500.35	349.65
HDFC Bank Limited	Cash credit	INR	200.00	118.53	81.47
HSBC Limited	Cash credit	INR	100.00	60.44	39.56

As at 31 March 2022

Bank	Nature of facility	Denomination of currency of facility	Sanctioned amount in INR	Total drawn amount as at 31 March 2022	Total undrawn amount as at 31 March 2022
YES Bank Limited	Cash credit	INR	750.00	368.83	381.17
SBI Bank	Cash credit	INR	550.00	448.56	101.44
HSBC Limited	Cash credit	INR	100.00	[illegible]	42.40

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Univentis Medicare Limited
As at 31 March 2023

Bank	Nature of facility	Denomination of currency of facility	Sanctioned amount in INR	Total drawn amount as at 31 March 2023	Total undrawn amount as at 31 March 2023
HDFC Bank Limited	Cash credit	INR	300.00	0.05	299.95
HDFC Bank Limited	Bank Guarantee	INR	350.00	350.00	-

As at 31 March 2022

Bank	Nature of facility	Denomination of currency of facility	Sanctioned amount in INR	Total drawn amount as at 31 March 2023	Total undrawn amount as at 31 March 2023
HDFC Bank Limited	Cash credit	INR	300.00	100.49	199.51

F. Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities

	As at 31 March 2023	As at 31 March 2022
Borrowings at the beginning of the year	1,981.79	450.26
Proceeds from non-current borrowings	495.13	1,085.50
Repayments of non-current borrowings	(350.56)	(390.63)
Proceeds from/ repayments of current borrowings (net)	(241.53)	613.98
Acquired on account of business combination	-	223.58
Transaction costs related to borrowings	(1.36)	(0.90)
Borrowings at the end of the year	1,883.47	1,981.79

Note 20 - Other non-current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Derivatives**		
- Option value of compulsorily convertible preference share	78.94	-
	78.94	-

** Refer note 19 .

Note 21 - Provisions

	As at 31 March 2023	As at 31 March 2022
A. Non-current		
Provision for employee benefits:		
Provision for compensated absences	6.13	4.52
Provision for gratuity (refer note 41)	22.84	18.14
	28.97	22.66
B. Current		
Provision for employee benefits:		
Provision for compensated absences	1.63	1.55
Provision for gratuity (refer note 41)	4.20	1.95
	5.83	3.50
Others:		
Provision for litigation (refer note (a) below)	-	-
	5.83	3.50

Note:

(a) Provision for litigation		
Balance at the commencement of the year	-	0.99
Add: Provision made during the year	-	-
Less: Provision utilised/reversed during the year	-	(0.99)
Balance at the end of the year	-	-

Note 22 - Other non current liabilities

	As at 31 March 2023	As at 31 March 2022
Deferred government grant	0.85	0.85
	0.85	0.85

Note 23 - Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro and small enterprises	5.73	14.31
Total outstanding dues of creditors other than micro and small enterprises #	1,579.10	1,433.73
	1,584.83	1,448.04

Also, the Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. Refer note 38 for the disclosure in respect of amounts payable to such enterprises as at year end that has been made in the Consolidated Financial statement based on information available with the Group.

Includes due to related parties (refer note 37)

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Trade payables ageing schedule:

As at 31 March 2023	Unbilled	Not due	< 1 year	1 year to 2 years	2 year to 3	> 3 years	Total
Outstanding dues of micro and small enterprises	-	2.31	3.42	-	-	-	5.73
Outstanding dues of creditors other than micro and small enterprises	13.46	1,296.06	264.56	0.19	4.83	-	1,579.10
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	13.46	1,298.37	267.98	0.19	4.83	-	1,584.83

Outstanding for following periods from due date of payment

As at 31 March 2022	Unbilled	Not due	< 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total
Outstanding dues of micro and small enterprises	-	12.27	2.04	-	-	-	14.31
Outstanding dues of creditors other than micro and small enterprises	52.42	1,180.15	201.16	-	-	-	1,433.73
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	52.42	1,192.42	203.20	-	-	-	1,448.04

Note 24 - Other current financial liabilities	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	12.06	5.09
Employee related payables	62.45	54.66
Capital creditors		
- Total outstanding dues of micro and small enterprises*	5.77	6.81
- Total outstanding dues of other than micro and small enterprises	34.35	26.70
Security deposits		
	114.63	93.26

* Refer note 38 for disclosures required under MSMED Act.

Note 25 - Other current liabilities	As at 31 March 2023	As at 31 March 2022
Contract liabilities	24.67	35.83
Statutory dues	11.37	9.86
Refund liability	20.06	11.23
Deferred government grant	-	21.52
Advance from trustees	-	0.02
	56.10	78.46

Note 26 - Current tax liabilities (net)	As at 31 March 2023	As at 31 March 2022
Provision for income tax (net of advance tax of INR Nil) (net of advance tax 31 March 2022 : INR 209.53)	-	9.67
	-	9.67

Note 27 - Revenue from operations	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of finished goods	8,298.32	7,452.52
Sale of traded goods	912.07	490.11
Sale of services	43.59	53.11
Other operating revenues		
- Export incentives	6.95	5.22
- Scrap sales	2.87	2.30
	9,263.80	8,005.26

Notes:

a. Reconciliation of revenue recognized (excluding other operating revenues) with the contract price is as follows:

Contract price	9,410.96	8,076.18
Adjustments for discounts and rebates	(136.92)	(76.40)
Refund liability	(20.06)	(2.04)
Revenue recognized	9,253.98	7,997.74

b. Contract Balances

Contract liabilities, which are included in 'other current liabilities' *	24.67	35.83

* Considering the nature of business of the Group, the above unbilled revenue generally materializes as revenue within the same operating cycle.

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c. Revenue from sale of goods and services disaggregated by primary geographical market	For the year ended 31 March 2023	For the year ended 31 March 2023
India	8,447.35	7,229.93
Outside India	806.63	767.81
Total revenue from contracts with customers	9,253.98	7,997.74

d. Timing of Revenue recognition		
Product transferred at point in time	5,399.55	4,708.79
Product and Services transferred over time	3,854.43	3,288.95
Revenue from contract with customers	9,253.98	7,997.74

Note 28 - Other income	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income		
- on bank deposits	7.11	1.41
Amortisation of government grant	21.52	0.43
Net profit on sale of property, plant and equipment	2.86	-
Gain on fair valuation of compulsorily convertible preference shares	19.76	-
Gain on foreign exchange fluctuation (net)	32.28	16.98
Miscellaneous income	8.45	(0.03)
	91.98	28.83

Note 29 Cost of materials consumed	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw material	5,076.64	4,851.87
Packing material	1,389.42	884.50
	6,466.06	5,736.37

Movement of raw materials consumption (including purchased components and packing material consumed)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	852.06	703.68
Add: Purchases #	6,371.13	5,884.75
Less: Inventory at the end of the year *	757.13	852.06
	6,466.06	5,736.37

* Includes goods-in-transit
\# net of provision for obsolete inventory INR 4.45 (31 March 2022 INR : Nil)

Note 30 Purchase of stock-in-trade	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of stock in trade	447.91	387.80
	447.91	387.80

Note 31 - Changes in inventories of finished goods, work-in-progress and stock-in-trade	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance		
- Finished goods	82.64	110.77
- Work-in-progress	117.94	99.72
- Stock-in-trade	233.79	0.28
- Right to return goods	8.26	
- Provision for obsolete inventory	-	
Add: Inventory on acquisition of subsidiary (refer note 44)		
- Stock-in-trade	-	277.44
- Right to return goods	-	9.31
Less: Utilised as CSR expenditure		
- Stock-in-trade	(9.11)	-
Closing balance		
- Finished goods	32.44	82.64
- Work-in-progress	180.61	117.94
- Stock-in-trade	202.98	233.79
- Right to return goods	14.84	8.26
	1.65	54.89

Note 32 - Employee benefits expense	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	503.05	371.30
Contribution to provident and other funds (refer note 41)	32.36	23.72
Staff welfare expenses	12.56	9.57
	547.97	404.59

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Note 33 - Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost :		
- on borrowings (other than compulsorily convertible preference shares)	97.82	48.29
- on compulsorily convertible preference shares	67.15	-
- on lease liabilities	1.86	0.68
Interest to others ^	22.53	4.05
Other borrowing cost	10.37	3.78
	199.73	56.80

^ Includes interest on shortfall of income tax of INR 0.12 (31 March 2022: INR 1.35)

Note 34 - Depreciation and amortization expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3a)	101.08	70.42
Amortization of other intangible assets (refer note 3b)	1.60	1.90
Depreciation on right-of-use assets (refer note 4)	8.09	2.71
	110.77	75.03

Note 35 - Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	95.14	79.14
Stores and spares consumed	42.92	37.85
Sub contracting charges	22.49	32.11
Packing charges	70.60	60.30
Lab consumables	29.80	14.93
Repairs and maintenance		
- Plant and machinery	26.00	5.62
- Building	3.08	0.32
- Others	8.67	31.82
Commission on sales	93.88	44.41
Sales promotion expense	9.10	9.29
Freight charges	39.45	15.64
Rates, fees and taxes	49.95	19.17
Legal and professional fee (refer note (a) below)	17.12	9.08
CSR expenditure (refer note (c) below)	14.35	7.32
Travelling and conveyance	66.04	25.84
House keeping expense	18.76	14.83
Security expenses	9.56	7.74
Printing and stationery	6.69	6.90
Rent	1.14	0.81
Expected credit loss on trade receivables	1.19	6.91
Bad debts written off	4.36	1.19
Insurance	10.81	7.45
Net loss on sale of property, plant and equipment	-	0.07
Director sitting fees	2.02	0.08
Provision for Obsolete Inventory	-	2.57
Miscellaneous expenses	20.62	20.02
	663.74	461.41

(a) Payment to auditors (excluding goods and services tax)	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
- Statutory audit	4.00	2.44
- Certification	-	0.55
- Reimbursement of expenses	0.20	0.13
Total	4.20	3.12
(b) Excludes payment to auditors (excluding goods and services tax) in relation to proposed IPO*		
- Fees	13.55	9.58
- Reimbursement of expenses	0.13	0.48
	13.68	10.06

*Total expenses (including auditor fees) in relation to proposed IPO of INR 46.25 (31 March 2022: INR 12.14, 31 March 2021: INR Nil) and INR 39.19 (31 March 2022: INR 12.14, 31 March 2021: INR Nil) have been included in "IPO expenses recoverable" under other current financial assets and "prepaid expenses" under other current assets respectively.

(c) Details of CSR expenditure:	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Amount required to be spent by the Group during the year:	14.24	9.18
(ii) Amount of expenditure incurred on:		
- Construction/acquisition of any asset:	-	-
- On purposes other than above:	22.37	10.04
(iii) Shortfall at the end of the year:		
(iv) Total of previous years shortfall:		
(v) Reason for shortfall:		
(vi) Nature of CSR activities:	Eradication of hunger and malnutrition, promoting education, promoting rural sports, art and culture, healthcare, destitute care and rehabilitation, animal welfare and COVID-19 relief.	
(vii) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard:	6.97	

(viii) CSR expenditure amounting to INR 6.97 has been incurred by Uniivents foundation through various implementing agencies.

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Note 36 - Tax expense

a. Amount recognised in Statement of Profit and Loss (including other comprehensive income):

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax:		
- Current period	223.02	217.37
-Changes in estimates related to prior year	(4.42)	0.78
Deferred tax:		
- Attributable to origination and reversal of temporary differences	19.63	(1.05)
Total tax expense recognized	238.23	217.10

b. Reconciliation of effective tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	917.95	857.20
Tax at India's statutory tax rate of 25.17%	231.05	215.76
Tax effect of non-deductible expenses	11.78	1.13
Changes in estimates related to prior year	(4.42)	0.78
Income tax expense recognized in the statement of profit and loss	238.41	217.67

c. Income tax expense recognized in other comprehensive income

Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	0.18	0.57
Total income tax recognized in other comprehensive income	0.18	0.57
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	0.18	0.57
	0.18	0.57

d. Deferred tax balances reflected in the Balance Sheet:

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset	1.20	2.20
Deferred tax liability	39.21	20.57
Deferred tax liability (net)	38.01	18.37

e. Movement in deferred tax balances

	As at 1 April 2022	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Acquisition of subsidiary*	As at 31 March 2023
Deferred tax liability					
Excess depreciation as per Income tax Act, 1961 over	37.47	21.33	-	-	58.80
Unbilled revenue	0.35	0.33	-	-	0.68
Lease liabilities	-	0.89	-	-	0.89
Deferred tax liability (A)	37.82	22.55	-	-	60.37
Deferred tax asset					
Expenses allowable on payment basis	10.19	2.14	0.18	-	12.51
Expected credit loss allowance on trade receivables	3.42	0.34	-	-	3.76
Lease liabilities	0.22	(0.22)	-	-	-
Deferred income on grants	0.32	(0.10)	-	-	0.22
Unrealised profit on stock	4.65	0.10	-	-	4.75
Provision for obsolete inventory	0.65	0.48	-	-	1.13
Deferred tax asset (B)	19.45	2.74	0.18	-	22.36
Deferred tax liability (net) (A-B)	18.37	19.81	(0.18)	-	38.01

* Refer note 44

	As at 1 April 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Acquisition of subsidiary*	As at 31 March 2022
Deferred tax liability					
Excess depreciation as per Income tax Act, 1961 over books	21.32	15.31	-	0.84	37.47
Unbilled revenue	2.80	(2.45)	-	-	0.35
Deferred tax liability (A)	24.12	12.86	-	0.84	37.82
Deferred tax asset					
Expenses allowable on payment basis	3.08	6.09	0.57	0.45	10.19
Expected credit loss allowance on trade receivables	1.17	2.25	-	-	3.42
Lease liabilities	0.18	(0.19)	-	0.23	0.22
Deferred income on grants	0.43	(0.11)	-	-	0.32
Unrealised profit on stock	-	4.65	-	-	4.65
Provision for obsolete inventory	-	0.65	-	-	0.65
Deferred tax asset (B)	4.86	13.34	0.57	0.68	19.45
Deferred tax liability (net) (A-B)	19.26	(0.48)	(0.57)	0.16	18.37

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Note 37 - Related parties

A. List of related parties and nature of relationship with whom transactions have taken place during the current and previous year.

Description of Relationship	Name of the Party
Subsidiary	Univentis Medicare Limited (with effect from 31 December 2021) Univentis foundation (incorporated on 14 June 2021)
Key management personnel ("KMP")	Mr. Manoj Kumar Lohariwala (Chairman & Whole Time Director) Mr. Vinay Kumar Lohariwala (Whole Time Director- till 17 March 2022); (Managing Director- with effect from 18 March 2022) Mr. Jayant Vasudeo Rao (Whole Time Director) Mr. Archit Aggarwal (Non-executive Director - w.e.f 1 April 2022) Ms. Priyanka Sibal (Independent Director- w.e.f 1 April 2022) Mr. Sudhir Kumar Bassi (Independent Director- w.e.f 1 April 2022) Mr. Shirish Gundopant Belapure (Independent Director- w.e.f 1 April 2022) Mr. Mahender Korthiwada (Independent Director- w.e.f 1 April 2022) Ms. Chhavi Lohariwala (Executive Director) (till 1 April 2022) Mr. Gian Parkash Aggarwal (Non-executive Director) (till 1 April 2022) Mr. Pradesh Kumar (Non Executive Independent Director) (till 1 April 2022) Mr. Anuj Agarwal (Non Executive Independent Director) (till 1 April 2022) Mr. Purushottam Sharma (Executive Director) Mr. Rishi Gupta (Chief Financial officer) (w.e.f 1 April 2022) (till 26 April 2023) Ms. Neelarika Shukla (Company Secretary) (w.e.f 9 May 2022) Ms. Priyanka Jangid (Company Secretary w.e.f 1 November 2022) Mr. Mukesh Kumar (Chief Financial officer) (till 1 April 2022) Mr. Rajveer Singh(Company Secretary) (25 January 2022- 01 April 2022) Ms. Shikha Kanwar (Company Secretary) (till 24th Jan 2022)
Entities in which KMP and/or their relatives have significant influence	Univentis Medicare Limited (upto 31 December 2021) Azine Healthcare Private Limited Pharmatech Healthcare Nugenic Pharma Private Limited Shubh Packaging

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period

Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
1 Revenue from operations (net of returns)		
Univentis Medicare Limited	-	809.07
Azine Healthcare Private Limited	5.29	23.29
Pharmatech Healthcare	14.25	14.09
Nugenic Pharma Private Limited	0.05	0.13
2 Purchase of raw material and/or packing material		
Univentis Medicare Limited	-	3.36
Shubh Packaging	112.22	73.61
Azine Healthcare Private Limited	0.34	-
Nugenic Pharma Private Limited	562.08	416.77
3 Purchase of store and spares		
Nugenic Pharma Private Limited	6.23	3.35
Shubh Packaging	0.13	-
4 Packing charges		
Shubh Packaging	0.13	0.03
5 Sale of asset		
Nugenic Pharma Private Limited	-	0.49
6 Loans repaid during the period		
Manoj Kumar Lohariwala	41.07	70.05
Vinay Kumar Lohariwala	99.71	151.46
Gian Parkash Aggarwal	100.00	45.00
7 Loans received during the period		
Manoj Kumar Lohariwala	-	154.00
Vinay Kumar Lohariwala	-	164.00
Gian Parkash Aggarwal	-	247.50
8 Finance costs		
Manoj Kumar Lohariwala	8.02	3.15
Vinay Kumar Lohariwala	5.65	3.86
Gian Parkash Aggarwal	7.97	6.55
9 Loans given to employees		
Mukesh Kumar	-	0.24
Rishi Gupta	5.00	
10 Loans repaid by employees		
Mukesh Kumar	0.10	0.14

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	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
11	**Sitting fees**		
	Anup Agarwal	-	0.03
	Pradosh Kumar	-	0.04
	Priyanka Dixit Sibal	0.43	-
	Sudhir Kumar Bassi	0.84	-
	Shirish G Belapure	0.47	-
	Mahendar Korthiwada	0.28	-
12	**CSR contribution**		
	Vinay Kumar Lohariwala	-	0.02
13	**Financial Guarantee charges#**		
	Manoj Kumar Lohariwala	0.60	-
	Vinay Kumar Lohariwala	0.60	-
	Gian Parkash Aggarwal	0.30	-
14	**Employee benefits expenses ***		
	Vinay Kumar Lohariwala	4.80	4.80
	Manoj Kumar Lohariwala	4.80	4.80
	Jayant Vasudeo Rao	1.47	1.34
	Rajveer Singh	-	0.19
	Shikha Kanwar	-	0.30
	Rishi Gupta	8.81	-
	Neeharika Shukla	0.54	-
	Priyanka Jangid	0.16	-
	Purushottam Sharma	0.45	-
	Mukesh Kumar	-	1.62

* Break-up of compensation of key managerial personnel of the Group	For the year ended 31 March 2023	For the year ended 31 March 2022
Short-term employee benefits	21.03	13.05
Post-employment benefits	2.09	1.97
Total compensation paid to key management personnel	**23.12**	**15.02**

The amount disclosed above in the table are the amounts recognized as expense during the reporting period related to key management personnel

 # Refer note 19 for details of personal guarantee provided by Vinay Kumar Lohariwala, Manoj Kumar Lohariwala and Gian Parkash Aggarwal for the borrowing facilities availed by the Company.

C. **Balances outstanding at year end**

	Nature of balances	As at 31 March 2023	As at 31 March 2022
1	**Non-current borrowings**		
	Gian Prakash Aggarwal	102.50	100.00
	Manoj Kumar Lohariwala	84.00	-
	Vinay Kumar Lohariwala	63.40	-
2	**Current borrowings**		
	Manoj Kumar Lohariwala	-	125.07
	Vinay Kumar Lohariwala	-	163.11
	Gian Parkash Aggarwal	-	102.50
3	**Trade payables**		
	Nugenic Pharma Private Limited	85.04	105.44
	Shubh Packaging	2.73	-
	Azine Healthcare private Limited	0.09	
4	**Trade receivables**		
	Pharmatech Healthcare	10.50	7.76
	Azine Healthcare private Limited	4.31	6.76
	Univentis Medicare Limited	-	153.54
5	**Interest accrued but not due on borrowings**		
	Manoj Kumar Lohariwala	1.48	0.33
	Vinay Kumar Lohariwala	0.79	1.55
	Gian Parkash Aggarwal	1.77	-

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Nature of balances	As at 31 March 2023	As at 31 March 2022
6 Loan outstanding to employees		
Mukesh Kumar	-	0.10
Rishi Gupta	5.00	-
7 Employee related payables		
Manoj Kumar Lohariwala	0.30	0.30
Vinay Kumar Lohariwala	0.30	0.30
Jayant Vasudeo Rao	0.11	0.10
Mukesh Kumar	-	0.11
Rajveer Singh	-	0.08
Rishi Gupta	0.56	-
Neeharika Shukla	0.05	-
Purushottam Sharma	0.04	-
Priyanka Jangid	0.03	-
8 CSR contribution received in advance		
Vinay kumar Lohariwala	-	0.02

D. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Refer Note 15 and 16 for IPO expenses recoverable.

Note 38 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the Consolidated Financial Information based on information available with the Group as under:

Particulars	As at 31 March 2023	As at 31 March 2022
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;		
- Principal amount remaining unpaid to any supplier	5.73	14.31
- Interest due thereon remaining unpaid to any supplier	0.00 ^	0.09
(ii) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	0.04	0.11
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	5.06	5.04
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	5.08	5.04

^ The total value of interest in absolute value was INR 350/- but for reporting rounded upto INR 0.00 million.

Note 39 - Earnings per share	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for basic/diluted earning per share of face value of INR 10 each		
Profit for the year	679.54	639.53
Calculation of Weighted average number of equity shares for (basic and diluted)	4,80,00,000	4,80,00,000
Basic and diluted earnings per share (face value of INR 10 each)	14.16	13.32

Note: The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for sub-division of shares and issue of bonus shares in the year ending 31 March 2023 in accordance with Ind AS 33 - Earnings per Share.

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Note 40 - Segment information

The Board of Directors monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Information. For management purpose, the Group has identified " Drugs and pharmaceutical products" as single operating segment.

a. Information about products and services

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from drugs and pharmaceutical products	9,253.98	7,997.74
Total	9,253.98	7,997.74

b. Information about geographical areas

The geographical information analyses the Group's revenues by the Holding Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

Revenue from customers	For the year ended 31 March 2023	For the year ended 31 March 2022
India	8,447.35	7,229.93
Outside India	806.63	767.81
	9,253.98	7,997.74

Trade receivables	As at 31 March 2023	As at 31 March 2022
India	2,443.85	1,894.90
Outside India	208.33	231.96
	2,652.18	2,126.86

(ii) Non-current assets

The Group has common non-current assets for business in domestic and overseas markets. Hence, separate figures for non-current assets/ additions to property, plant and equipment have not been furnished.

c. Information about major customers (from external customers)

For year ended 31 March 2023, none of the customer of the Group constituted more than 10% of the total revenue of Group (31 March 2022, none of the customer of the Group constituted more than 10% of the total revenue of Group).

Note 41 - Employee benefits

a. Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund and Employee State Insurance Scheme ('ESI') which are collectively defined as defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund and ESI are as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Provident fund	27.44	19.80
ESI contribution	4.93	3.92
	32.37	23.72

b. Defined benefit plans

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognized immediately in the Other Comprehensive Income (OCI).

This is an unfunded benefit plan for qualifying employees. This scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.
The above defined benefit plan exposes the Group to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	As at 31 March 2023	As at 31 March 2022
i. Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	20.09	13.31
On account of business combination during the year	-	0.37
Interest cost	1.45	0.92
Current service cost	5.58	3.69
Past service cost	-	-
Benefits paid	(0.72)	(0.65)
Actuarial loss recognized in other comprehensive income		
- from changes in financial assumptions	(2.73)	(0.35)
- from changes in demographic assumptions	2.23	1.02
- from experience adjustments	1.22	1.08
Balance at the end of the year	27.12	20.09

	For the year ended 31 March 2023	For the year ended 31 March 2022
ii. Amount recognized in statement of profit and loss		
Interest cost	1.45	0.92
Current service cost	5.58	3.69
Past service cost	-	-
	7.03	4.61
iii. Remeasurements recognized in other comprehensive income		
Actuarial loss for the period on defined benefit obligation	0.72	2.25
	0.72	2.25

iv. Actuarial assumptions

(i) Economic assumptions

The principal assumptions are the discount rate and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

	As at 31 March 2023	As at 31 March 2022
Discount rate (per annum)	7.39%	7.18%
Future salary growth rate (per annum)	3.00%	5.00%
Expected average remaining working lives (years)	26.06-27.54	27.19-27.43

(ii) Demographic assumptions

	As at 31 March 2023	As at 31 March 2022
Retirement age (years)	58	58
Mortality rate	100% (IALM) (2012-14)	100% (IALM) (2012-14)
Attrition rate (per annum)		
Upto 30 years	4.17%-50%	27%-50%
From 31 to 44 years	20%-51%	16%-51%
Above 44 years	10.43%-44%	11%-29%

	As at 31 March 2023	As at 31 March 2022
Increase		
Discount rate (0.5% movement)	(0.60)	(0.49)
Future salary growth rate (0.5% movement)	0.65	0.51
Decrease		
Discount rate (0.5% movement)	0.63	0.52
Future salary growth rate (0.5% movement)	(0.63)	(0.50)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi. Expected maturity analysis of the defined benefit plan in future years

	As at 31 March 2023	As at 31 March 2022
Within 1 year (next annual reporting year)	4.20	2.95
Between 1 to 6 years	13.18	9.56
Beyond 6 years	9.73	7.59
Total expected payments	27.11	20.10

vii. Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2023	As at 31 March 2022
Weighted average duration of the defined benefit plan (in years)	1.50 - 6.45	2.13 - 3.82
Expected employers contribution for next year	8.73	6.22

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Note 42 - Financial instrument : fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Group, other than those which are measured at FVTPL:

	Note	As at 31 March 2023 Amortised Cost	As at 31 March 2022 Amortised Cost
Financial assets			
Investments	a	0.00	0.00
Loans	c	14.89	5.16
Trade receivables	c	2,652.18	2,126.86
Cash and cash equivalents	c	35.25	1.52
Bank balances other than above	c	153.50	22.87
Other financial assets	c	77.53	50.77
		2,933.35	2,207.18
Financial liabilities			
Borrowings	b	2,351.92	1,981.82
Lease liabilities	b	17.80	9.86
Trade payables	c	1,584.83	1,448.04
Other financial liabilities	c	114.63	93.26
		4,069.18	3,532.98

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Group which are measured at FVTPL:

	Level	Note	As at 31 March 2023 FVTPL	As at 31 March 2022 FVTPL
Financial liabilities				
Other financial liabilities	3	d	78.94	-
			78.94	-

Notes:

a. The carrying value of investment in Shivalik Solid Waste Management Limited was INR 2,500/-. Fair value of this investment is not considered to be material.

b. The Group's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, in accordance with amendment Ministry of Corporate Affairs notified in Ind AS 113 on 30 March 2019, fair value measurement of lease liabilities is not required. Fair value of other non-current other financial assets has not been disclosed as there is no significant differences between carrying value and fair value.

c. Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

d. The fair value of separable derivative component has been derived by using Discounted cash flow method with terminal growth of 5% and weighted average cost of capital at 13%. (level-3). Refer below details for valuation technique and unobservable inputs for the assets or liabilities.

	Valuation technique	Significant unobservable input	Sensitivities analysis
Option value of compulsorily convertible preference share	Discounted cash flow method	Growth rate-5% Cost of equity-13%	Year on year growth rate - increase / (decrease) in growth rate by 1% would result in increase/(decrease) in CCPS liability by INR 22.46 / (15.84) Cost of equity - increase/(decrease) in cost of equity by 1% would result in (decrease)/ increase in CCPS liability by INR (26.14) / 39.66

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	Option value of compulsorily convertible preference shares
Balance at 1 April 2021	-
Gain included in Statement of Profit and Loss	
– Net change in fair value	-
Balance at 31 March 2022	-
Initial recognition on issuance of instrument	98.70
Gain included in Statement of Profit and Loss	
– Net change in fair value	(19.76)
Balance at 31 March 2023	78.94

There are no transfers between level 1, level 2 and level 3 during the years presented.

Note 42 (a) - Financial risk management

Risk management framework

The Group is exposed to market risk, credit risk and liquidity risk. The Holding Company's board of director oversees the management of these risks. The Holding Company's board of director is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are summarized below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk financial instruments affected by market risk include trade receivables, trade payables and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(a) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates; The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

The exposure of the Group's borrowing to floating interest rate as reported at the end of the reporting year are as follows:

	As at 31 March 2023	As at 31 March 2022
Floating rate borrowings	2,102.02	1,404.94
Fixed rate borrowings	249.90	573.11
Total borrowings (gross of transaction cost)	2,351.92	1,978.05

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Interest rate sensitivity analysis
A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2023				
Interest rate (0.5% movement)	0.82	(0.82)	0.62	(0.62)
Year ended 31 March 2022				
Interest rate (0.5% movement)	0.24	(0.24)	0.18	(0.18)

(b) Currency risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating activities.

The Group does not enter into trade financial instruments including derivative financial instruments for hedging its foreign currency risk.

Exposure to currency risk :
The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting.

		As at 31 March 2023		As at 31 March 2022	
		Amount in Foreign Currency	Amount in Indian Currency	Amount in Foreign Currency	Amount in Indian Currency
Trade Receivable	USD	2.83	233.32	3.06	231.91
	EUR	0.05	4.65	0.00	0.05
Trade payables	USD	0.77	64.50	1.80	136.57
	EUR	0.00	0.40	0.34	28.52

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by a derivative instrument or otherwise.

Sensitivity analysis
The following table details the Group's sensitivity to a 5% increase and decrease in the INR against relevant foreign currencies 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the year end for 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity balance below would be negative. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2023				
USD 5% movement	12.88	(12.88)	9.64	(9.64)
EURO 5% movement	0.25	(0.25)	0.19	(0.19)
As at 31 March 2022				
USD 5% movement	4.77	(4.77)	3.57	(3.57)
EURO 5% movement	1.43	(1.43)	1.07	(1.07)

(ii) Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade receivables
Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Statement of Profit and Loss within other expenses.

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Within India	2,443.85	1,894.90
Outside India	208.33	208.35
Total	**2,652.18**	**2,652.18**

The carrying amount of the Group's most significant customer is INR NIL (31 March 2022: Nil, 31 March 2021: 304.49)

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(Amount in INR millions, except for share data unless otherwise stated)

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables :

As at 31 March 2023	Gross carrying amount	Loss allowance	Weighted average loss rate	Whether credit-impaired
Not due	2,169.53	(0.74)	-0.03%	No
Less than 90 days	382.16	(0.60)	-0.16%	No.
90-180 days	66.17	(0.70)	-1.06%	No.
More than 180 days	49.06	(12.70)	-25.89%	No
Total	2,666.92	(14.74)		

As at 31 March 2022	Gross carrying amount	Loss allowance	Weighted average loss rate	Whether credit-impaired
Not due	1,490.01	(1.34)	-0.09%	No
Less than 90 days	564.40	(1.39)	-0.25%	No.
90-180 days	54.00	(0.95)	-1.77%	No.
More than 180 days	30.01	(7.88)	-26.27%	No.
Total	2,138.42	(11.56)		

(b) Cash and cash equivalents and deposits with banks
Cash and cash equivalents of the Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(c) Security deposits
The Group furnished security deposits as margin money deposits to bank. The Group considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Group expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

(iii) Liquidity risk
Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimized cost.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 March 2023	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings *	2,351.92	-	1,010.15	378.19	495.13	1,883.47
Other financial liabilities	114.63	-	114.63	-	-	114.63
Trade payables	1,584.83	-	1,584.83	-	-	1,584.83
Lease liabilities	17.80	-	5.56	49.06	-	54.62
Total	4,069.18	-	2,715.17	427.25	495.13	3,637.55

* Includes CCPS amounting to INR: 468.45

As at 31 March 2022	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings	1,981.82	220.78	1,087.52	467.11	206.41	1,981.82
Other financial liabilities	582.31	-	582.31	-	-	582.31
Trade payables	1,448.04	-	1,448.04	-	-	1,448.04
Lease liabilities	9.86	-	4.27	3.76	8.52	16.55
Total	4,022.03	220.78	3,122.14	470.87	214.93	4,028.72

(iv) Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 42 (b)- Capital risk management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, business strategies and future commitments. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade payables and borrowings, less cash and cash equivalents and other bank balances.

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Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables (Refer note 22)	1,584.83	1,448.04
Borrowings (Refer note 19)	2,351.92	1,981.82
Less: cash and cash equivalents (Refer note 12)	35.25	1.52
Less: Bank balances other than cash and cash equivalents (Refer note 13)	153.50	22.87
Net debt	3,748.00	3,405.47
Equity share capital (Refer note 17)	480.00	120.00
Other equity (Refer note 18)	2,285.06	1,966.06
Total capital	2,765.06	2,086.06
Capital and net debt	6,513.06	5,491.53
Gearing ratio	57.55%	62.01%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to maintain investor, creditor and market confidence and to sustain future development of the business.

Note 43 (i) - Contingent liabilities

Claims against the Group not acknowledged as debts (to the extent not provided for)

	As at 31 March 2023	As at 31 March 2022
Income tax matters	0.60	0.71
	0.60	0.71

(i) For assessment year 2017-2018, the Income tax Assessing Officer had raised the demand of INR 13.09 vide order dated 15 December 2019. On 19 July 2021, the Assistant Commissioner of Income Tax reduced the demand to INR 0.6. The Holding Company is of the view that the demand of INR 0.6 has been raised erroneously and accordingly, the Holding Company has filed an application for rectification with the Dy. Commissioner of Income Tax to contest the demand. No tax expense has been accrued in Consolidated Financial statement for the tax demand raised as the Holding Company is contesting the demand and the management, including its tax advisors, believe that its position will be likely be upheld in appellate process. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Group's financial position and results of operations.

(ii) For assessment year 2018-2019, the Income tax Assessing Officer had raised the demand of INR 0.11 vide order dated 15 December 2019. The subsidiary Company is of the view that the demand of INR 0.11 has been raised erroneously and accordingly, the Subsidiary Company has filed an appeal for rectification with the CIT(A) vide order no CPC/1819/U6/1978175616 to contest the demand. The same has been dismissed by the CIT(A) vide order no ITBA/NFAC/S/250/2022-23/1043627809(1). The subsidiary Company has filed appeal in ITAT against for the CIT(A) for contesting the demand. However, subsequent to year ending on 31 March 2023, ITAT also dismissed the appeal on order dated 19 May 2023 and adjusted the amount against the refund outstanding towards the subsidiary for assessment year 2019-20. Therefore, the liability has been adjusted accordingly for the year ending on 31 March 2023.

(iii) Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/ or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements.

(b) Guarantee outstanding

	As at 31 March 2023	As at 31 March 2022
Guarantee outstanding	1,000.00	-
	1,000.00	-

The subsidiary Company has guaranteed an amount of INR 350.00 (31 March 2022: Nil, 31 March 2021: Nil) to HDFC Bank on behalf of its Holding Company which was the resolution applicant and was therefore required to provide the said guarantee in relation to acquisition of Sharon Bio-Medicine Limited.
The Holding Company has guaranteed an amount of INR 350.00 (31 March 2022: Nil, 31 March 2021: Nil) to HDFC Bank on behalf of its Subsidiary Company in relation to acquisition of Sharon Bio-Medicine Limited and has guaranteed an amount of INR 300.00 (31 March 2022: Nil, 31 March 2021: Nil) to HDFC Bank on behalf of its Subsidiary Company in relation to the short term borrowing facilities availed by the Subsidiary Company.

Note 43 (ii) - Other Commitments

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) not	1,584.38	10.46
Export commitments against import of capital goods under EPCG scheme	-	126.54
	1,584.38	137.00

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Note 44 Business combination

The Group acquired 100% equity shares in Univentis Medicare Limited vide Share Purchase Agreement dated 31 December 2021 for a purchase consideration of INR 600.

This being a business purchase has been accounted for in accordance with the Ind AS 103 "Business Combinations" and price allocation as at 31 December 2021 and certain information about fair valuation of acquired assets and liabilities is as follows:

Particulars	Amount
Assets	
Property, plant and equipment	34.70
Right-of-use assets	17.46
Other intangible assets	0.06
Income tax assets (net)	26.99
Inventories	277.48
Trade Receivables	566.17
Cash and cash equivalents	2.30
Bank balances other than above	2.00
Loans	0.14
Other financial assets	3.34
Other current assets	42.24
Total Assets (A)	**972.88**
Liabilities	
Borrowings	223.58
Lease liabilities	4.55
Deferred tax liabilities (net)	0.16
Provisions	1.77
Trade payable	201.93
Other financial liabilities	44.14
Other current liabilities	63.69
Total Liabilities (B)	**539.82**
Net assets acquired (A-B)	**433.06**
Goodwill	166.94
Total consideration	**600.00**

Revenue from operations and profit/(loss) before tax for the year ended 31 March 2022 includes INR 326.55 and INR (10.68) respectively pertaining to acquisition of subsidiary made during the year. If the acquisitions had happened at the beginning of the year, management estimates that the reported revenue from operations for the year ended 31 March 2022 would have been higher by INR 1311.18 and profit before tax for the year higher by INR 172.10. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2021.

Note 45: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2023	As at 31 March 2022
Investments:		
(i) Investment in equity shares: Shivalik waste management system		
*Balance as at the year end^*	0.00	0.00
*Maximum amount outstanding at any time during the year^*	0.00	0.00
(ii) Guarantee provided by subsidiary company on behalf of Holding company		
- For acquisition of Sharon Bio Medicine Limited (refer note 50 for details)		
Balance as at the year end	350.00	-
Maximum amount outstanding at any time during the year	350.00	-
(iii) Guarantee provided by Holding Company on behalf of Subsidiary Company		
- For acquisition of Sharon Bio Medicine Limited (refer note 50 for details)		
Balance as at the year end	350.00	-
Maximum amount outstanding at any time during the year	350.00	-
(iv) Guarantee provided by Holding Company on behalf of Subsidiary Company		
- For availment of short term borrowing facilities		
Balance as at the year end	300.00	-
Maximum amount outstanding at any time during the year	300.00	-

^ The total value of shares in absolute value was INR 2,500/- but for reporting rounded upto INR 0.00 million.

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Notes to Consolidated Financial Information
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Note 46 - Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of Consolidated Financial Information' of Division II of Schedule III.

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit after tax		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive	Amount	As % of consolidated total comprehensive income	Amount
As at 31 March 2023								
Parent								
Innova Captab Limited	97.04%	2,683.18	84.69%	575.52	109.18%	(0.59)	84.67%	574.93
Subsidiary								
Univentis Medicare Limited	18.96%	524.12	15.25%	103.62	-9.18%	0.05	15.27%	103.67
Univentis Foundation	0.00%	0.00	0.10%	0.68	-	-	0.10%	0.68
Elimination	-15.99%	(442.24)	-0.04%	(0.28)	-	-	-0.04%	(0.28)
Total	100.00%	2,765.06	100.00%	679.54	100.00%	(0.54)	100.00%	679.00

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit after tax		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
As at 31 March 2022								
Parent								
Innova Captab Limited	101.06%	2,108.27	103.48%	661.78	102.34%	(1.72)	103.48%	660.06
Subsidiary								
Univentis Medicare Limited	20.15%	420.44	-1.32%	(8.44)	-2.97%	0.05	-1.32%	(8.39)
Univentis Foundation	0.00%	0.00	0.00%	0.00	-	-	0.00%	0.00
Elimination	-21.22%	(442.65)	-2.16%	(13.80)	0.64%	(0.01)	-2.17%	(13.82)
Total	100.00%	2,086.06	100.00%	639.53	100.00%	(1.68)	100.00%	637.85

Note 47 - Subsequent events

Subsequent to year ended on 31 March 2023, The Group acquired Sharon Bio Medicine Limited ("Sharon"), an entity undergoing the corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 ("IBC") before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") since April 2017. Sharon is engaged in the business of manufacturing of intermediates and active pharmaceutical ingredients and finished dosages. It also offers contract manufacturing services for formulations. It also performs pre-clinical and toxicology research services. The holding submitted a resolution plan dated 22 August 2022 (as modified on 6 October 2022) ("Resolution Plan") in relation to the CIRP involving Sharon. The Resolution Plan was approved by the committee of creditors on 16 November 2022 by a majority of 79.28% and subsequently an application for approval of the Resolution Plan was filed by the resolution professional with the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"). In line with the resolution plan, it was decided that acquisition of Sharon would be done through Univentis medicare limited ("UML") as per board resolution passed by the board of directors of UML on 20 March 2023. The resolution plan also required a performance guarantee to be furnished by holding company, which was issued by UML on behalf of the holding company and was approved in extra ordinary general meeting of shareholding of UML on 4 November 2022.

The Resolution Plan was approved by the NCLT pursuant to its order dated 17 May 2023 and implementation of the Resolution Plan commenced subsequently. In accordance with the terms of the Resolution Plan approved by the NCLT, Univentis medicare limited ("UML") infused INR 1,954.00 (INR 1,944.00 as loan and INR 10 as equity share capital) into Sharon on 26 June 2023 and closure of implementation pursuant to the Resolution Plan was achieved on 30 June 2023. Following such infusion of funds by UML, Sharon became a wholly owned subsidiary of UML.UML availed a loan of 1,450 from HDFC bank for purpose of aforesaid infusion into Sharon, The Guarantee for this loan was given by the Holding company.

Further, as per the affidavit filed by resolution professional on behalf of Company, it was submitted before NCLT that following the acquisition of Sharon by UML, Sharon would merge into UML. However, given that the order dated 17 May 2023 did not record the fact of such merger, the monitoring committee of Sharon (as constituted pursuant to the Resolution Plan) filed an application dated 16 June 2023 before the NCLT requesting for a rectification of such order dated 17 May 2023 and clarification therein to specifically mention the fact of the proposed merger of Sharon into UML. The application dated 16 June 2023 was reserved for order on 20 June 2023 and the final copy of the order is awaited.

However, Peter Beck und Partner Vermoegensverwaltung GMBH (the "Appellant", who is a financial creditor of Sharon) filed an appeal dated 30 June 2023 before the NCLAT against the order dated 17 May 2023 with Sharon, the resolution professional, Ernst & Young LLP who were the advisors to the monitoring committee of Sharon, our Company, committee of creditors and UML being named as the respondents (together, the "Respondents", and such appeal, the "Appeal"). The Appeal was filed alleging violation of the provisions of the IBC in that the approved resolution plan allegedly discriminates within the creditors of the same class including the Appellant, who was an unsecured financial creditor of Sharon, as no payment was being made to the Appellant. The first hearing of the matter was held on 31 July 2023 in which the judgement was reserved. As per legal assessment undertaken by the company, the present appeal raises no grounds permissible under Section 61 of the Code to challenge the Approval Order.

As part of implementation of plan, following administrative tasks are still being undertaken by the group:

a) The payments to various stakeholders as envisaged in plan are underway by monitoring committee in terms of resolution plan.

b) Sharon was a listed company and the delisting process has been initiated which would be completed once the payments to all public shareholders are completed.

c) As part of plan implementation, all the pre-CIRP dues and liabilities have been extinguished. The process of formal closure at various forums is underway.

Also, during the year ending on 31 March 2023, following major events took place in Sharon:

a) A Fire Broke out at API Unit at Plot No. 6, MIDC Area, Taloja on 26 February 2023 around 8.50 AM in Production Line - II, Property, plant and equipment having gross value INR 23.56 with its written down value INR 9.68 and Stock (Finished Goods) worth INR 1.10 were destroyed in the fire. The above assets were insured for which company has filed a claim of INR 40.96 for property, plant and equipment and INR 1.10 for inventory.

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Innova Captab Limited

b) On 9 March 2023, a search and Investigation was conducted by the Central Bureau of Investigation ("CBI") simultaneously at all business locations of the Company, including the Dehradun Plant, API unit at Taloja, Toxicology unit at Taloja, Satra Plaza and Corporate Office at Vashi, and the same continued overnight and was concluded on March 10, 2023. During the course of investigation, the CBI officials made enquiries with the management of the company, sought information from the key personnel and seized certain documents which are relevant for their investigation. It is pertinent to note that the CBI officials have seized and taken complete control over the server and other related accounting and secretarial records from the premises of the Corporate Office of the Company at Vashi and have carried the server with them for investigation purposes. They have also instructed the company personnel at Toxicology unit to surrender the server at the earliest, which was handed over to CBI on 6 April 2023. As per the management's assessment this search and seizure did not impact the ongoing operations of Sharon as the company had adequate data recovery measures in place. Further, the search and seizure, pertained to erstwhile promoters of Sharon and bears no negative/adverse impact on the Company.

Note 46: Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
(ii) The Group does not have any transactions with companies struck off.
(iii) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(vi) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
(vii) The group has complied with the number of layers prescribed under the Companies Act, 2013.
(viii) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
(xi)The Group including its "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC").
(x) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Panchkula
Date: 12 August 2023

For and on behalf of Board of Directors of
Innova Captab Limited

Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

Vinay Kumar Lohariwala
Managing Director
DIN : 00144700

Neelpreika Shukla
Company Secretary
Membership No. A42724

Gaurav Srivastava
Chief Financial Officer

Place: Panchkula
Date: 12 August 2023