

B S R & Co. LLP

Chartered Accountants

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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.

Independent Auditor's Report (Continued)**Innova Captab Limited****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

Independent Auditor's Report (Continued)**Innova Captab Limited**

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)

- 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

- 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.
- 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:

Independent Auditor's Report (Continued)

Innova Captab Limited

- 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:

Independent Auditor's Report (Continued)

Innova Captab Limited

- 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
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Date: 2022.09.30
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Gaurav Mahajan

Partner

Place: Panchkula

Date: 30 September 2022

Membership No.: 507857

ICAI UDIN:22507857AXPVKQ6374

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

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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

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Date: 2022.09.30
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Gaurav Mahajan

Partner

Place: Panchkula

Date: 30 September 2022

Membership No.: 507857

ICAI UDIN:22507857AXPVKQ6374

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 Digitally signed
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MAHAJAN
Date: 2022.09.30
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Gaurav Mahajan
Partner
Membership Number : 507857

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

Manoj Digitally signed
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Manoj Kumar Lohariwala
Chairman & Wholetime Director
DIN : 00144656

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Rishi Gupta
Chief Financial Officer

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Vinay Kumar Lohariwala
Managing Director
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Neeharika Shukla
Company Secretary
Membership No. A42724

Place: Panchkula
Date: 30 September 2022

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)		
<i>Items that will not be reclassified to profit or loss</i>		
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

Notes to the financial statements

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

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

GAURAV Digitally signed by GAURAV
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Date: 2022.09.30
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Gaurav Mahajan

Partner

Membership Number : 507857

For and on behalf of Board of Directors of

Innova Captab Limited

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Manoj Kumar Lohariwala

Chairman & Wholetime Director

DIN : 00144656

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Rishi Gupta

Chief Financial Officer

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Vinay Kumar Lohariwala

Managing Director

DIN : 00144700

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Neeharika Shukla

Company Secretary

Membership No. A42724

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 **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

GAURAV MAHAJAN
AN
Digitally signed by GAURAV MAHAJAN
Date: 2022.09.30 22:29:40 +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 21:24:47 +05'30'

Manoj Kumar Lohariwala

Chairman & Wholtime Director

DIN : 00144656

VINAY LOHARIWALA
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Vinay Kumar Lohariwala

Managing Director

DIN : 00144700

NEEHARIKA SHUKLA
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Neeharika Shukla

Company Secretary

Membership No. A42724

RISHI GUPTA
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Rishi Gupta

Chief Financial Officer

Place: Panchkula

Date: 30 September 2022

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

For and on behalf of Board of Directors of

Innova Captab Limited

GAURAV MAHAJAN
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Date: 2022.09.30 22:30:45 +05'30'

Gaurav Mahajan
Partner

Membership Number : 507857

Manoj Lohariwala
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Manoj Kumar Lohariwala
Chairman & Wholetime Director

DIN : 00144656

RISHI GUPTA
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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

VINAY LOHARIWALA
Digitally signed by VINAY LOHARIWALA
Date: 2022.09.30 21:44:09 +05'30'

Vinay Kumar Lohariwala
Managing Director

DIN : 00144700

NEEHAR IKA SHUKLA
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Date: 2022.09.30 21:19:32 +05'30'

Neeharika Shukla
Company Secretary

Membership No. A42724

Innova Captab Limited
Notes to the Consolidated Financial statements for the period ended 31 March 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

Innova Captab Limited
Notes to the Consolidated Financial statements for the period ended 31 March 2022

(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

Innova Captab Limited
Notes to the Consolidated Financial statements for the period ended 31 March 2022

- 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.

Innova Captab Limited
Notes to the Consolidated Financial statements for the period ended 31 March 2022

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

Innova Captab Limited
Notes to the Consolidated Financial statements for the period ended 31 March 2022

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

Innova Captab Limited
Notes to the Consolidated Financial statements for the period ended 31 March 2022

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.

Innova Captab Limited
Notes to the Consolidated Financial statements for the period ended 31 March 2022

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.

Use of significant judgments in revenue recognition:

- 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:

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 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 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

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****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	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
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Represents capital work in progress capitalised during the respective year.

Notes:

- Refer note 18 for information on property, plant and equipment pledged as security by the Holding Company.
- Refer note 42(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Plant and equipment includes INR 7.44 of capitalization towards research and development assets.

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)

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				Total
	<1 year	1-2 years	2-3 years	> 3 years	
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:

- 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.
- The terminal growth rate is 6.10% representing management view on the future long-term growth rate.
- 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.

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 :

	As at
	31 March 2022
Right-of-use assets - building	
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 :

	As at
	31 March 2022
Lease liabilities included in the balance sheet	
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:

	As at
	31 March 2022
Maturity analysis – contractual undiscounted cash flows	
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

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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 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

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

**As at
31 March 2022**

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)

Loan to employees

**As at
31 March 2022**

2.19

2.19

Note 7 -Other non-current financial asset

(unsecured considered good, unless otherwise stated)

Security deposit

Balance with banks-deposits accounts with original maturity more than 12 months #

**As at
31 March 2022**

7.13

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

Total

7.13

7.13

Note 8 - Income tax assets (net)

Advance income tax and tax deducted at source [net of provision for income tax of INR 159.65]

**As at
31 March 2022**

40.26

40.26

Note 9 - Other non-current assets

(unsecured considered good, unless otherwise stated)

Capital advances

Prepaid expenses

**As at
31 March 2022**

79.02

2.16

81.18

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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
	<u>1,283.86</u>

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)
	<u>2,126.86</u>

Break-up:

	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	-
	<u>2,138.42</u>
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	<u>2,126.86</u>

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	<u>11.56</u>

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 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	1.16	3.47	2,138.42	(11.56)	2,126.86

Note 12 - Cash and cash equivalents

	As at 31 March 2022
Balances with bank:	
- In current accounts	1.45
Cash on hand	0.07
	<u>1.52</u>

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
	<u>1.52</u>

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
	<u>22.87</u>

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
	<u>2.97</u>

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
	<u>43.02</u>

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
	<u>309.41</u>

* 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
	<u>10.06</u>

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	As at 31 March 2022		
	No. of shares	% of total shares	% change during the year
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
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Unsecured:

From Others

Deposits from directors (refer note 35)	(II)	269.90
---	------	--------

Less : Current maturities of non-current borrowings		(107.37)
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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
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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	Current
					As at 31 March 2022	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
* all facilities are denominated in INR					510.99	980.15

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-1, 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-1, 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- 1, 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 1, 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.

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(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.

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	
<i>Provision for employee benefits:</i>	
Provision for compensated absences	4.52
Provision for gratuity (refer note 39)	18.14
	22.66
B. Current	
<i>Provision for employee benefits:</i>	
Provision for compensated absences	1.55
Provision for gratuity (refer note 39)	1.95
	3.50
<i>Others:</i>	
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						Total
	Unbilled	Not due	< 1 year	1 year to 2 years	2 year to 3 years	> 3 years	
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

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 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*	6.81
- Total outstanding dues of other than micro and small enterprises	26.70
Security deposits	<u>93.26</u>

* 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
	<u>78.46</u>

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
	<u>9.67</u>

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
	<u>8,005.26</u>

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	<u>7,997.74</u>

b. Contract Balances

Contract liabilities, which are included in 'other current liabilities' *	<u>35.83</u>
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* Considering the nature of business of the Group, the above unbilled revenue generally materializes as revenue within the same operating cycle.

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)

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)	For the year ended 31 March 2022
Particulars	
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

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 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)
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Total tax expense recognized

217.10

	For the year ended 31 March 2022
b. Reconciliation of effective tax rate	
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	
<i>Arising on income and expenses recognized in other comprehensive income</i>	
Remeasurement of defined benefit obligation	0.57
Total income tax recognized in other comprehensive income	0.57
<i>Bifurcation of the income tax recognized in other comprehensive income into:-</i>	
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

	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)

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 Cptab 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	
Gian Prakash Aggarwal	100.00
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	105.44
4 Trade receivables	
Pharmatech Healthcare	7.76
Azine Healthcare	6.76
Univentis Medicare Limited	153.54
5 Interest accrued but not due on borrowings	
Manoj Kumar Lohariwala	0.33
Vinay Kumar Lohariwala	1.55
6 Loan to employees	
Mukesh Kumar	0.10
7 Employee related payables	
Manoj Kumar Lohariwala	0.30
Vinay Kumar Lohariwala	0.30
Jayant Vasudeo Rao	0.10
Mukesh Kumar	0.11
Rajveer Singh	0.08
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 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

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:

	For the year ended 31 March 2022
Revenue from customers	
India	7,202.15
Outside India	767.81
	7,969.96
	As at 31 March 2022
Trade receivables	
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:

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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) <i>Economic assumptions</i>	

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 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) <i>Demographic assumptions</i>	
	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

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:

- 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.
- 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.
- 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)

(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 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)		

(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.

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

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 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.

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 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.

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
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Gaurav Mahajan

Partner

Membership Number : 507857

For and on behalf of Board of Directors of

Innova Captab Limited

Manoj LOhariwala
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Manoj Kumar Lohariwala

Chairman & Wholtime Director

DIN : 00144656

RISHI GUPTA
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Rishi Gupta

Chief Financial Officer

VINAY LOHARIWALA
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Vinay Kumar Lohariwala

Managing Director

DIN : 00144700

NEEHAR SHUKLA
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Neeharika Shukla

Company Secretary

Membership No. A42724

Place: Panchkula
Date: 30 September 2022

Place: Panchkula
Date: 30 September 2022