B S R & Co. LLP

Innova Captab Limited

Audited Financial Statements

for the year ended 31 March 2021

Innova Captab Limited

Audited Financial Statements

for the year ended 31 March 2021

B S R & Co. LLP
Chartered Accountants

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

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INDEPENDENT AUDITORS' REPORT

To the Members of Innova Captab Limited

Report on the Audit of the Financial Statements

1. Opinion

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

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

2. Basis for Opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

6. Other Matter

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

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

7. Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAADK4079

Place: Chandigarh
Date: 30 November 2021

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

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

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

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

(INR in millions)

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

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

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

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

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

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

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

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

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

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

(Rs. in millions)

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

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

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

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

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

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

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

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

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

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

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAADK4079

Place: Chandigarh
Date: 30 November 2021

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

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

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN: 21507857AAAADK4079

Place: Chandigarh
Date: 30 November 2021

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

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

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

As per our report of even date attached.

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

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

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

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Innova Captab Limited

Statement of Profit and Loss for year ended 31 March 2021

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

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

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

As per our report of even date attached.

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

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

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

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Innova Captab Limited

Statement of Cash Flow for the year ended 31 March 2021

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

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

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

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

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

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

Vinay Kumar Lohariwal
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Innova Captab Limited

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

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

A Equity share capital

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

B Other equity (refer note 16)

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

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

The accompanying notes form an integral part of the financial statements

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

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 30 November 2021

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

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021

Note 1. Corporate Information

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

Note 2. Significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

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

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

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

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

(ii) Functional and presentation currency

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

(iii) Basis of measurement

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

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

(iv) Use of estimates and judgments

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

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

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

(v) Measurement of fair values

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

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

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

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

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

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



(b) Business combination

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

(c) Financial instrument

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

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL)

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

Financial asset at amortised cost

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Equity investments

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

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

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

Derecognition of financial assets

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

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

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

Financial liabilities

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

Derecognition of financial liabilities

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

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Offsetting

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

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

Recognition and measurement

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

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

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

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

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

Transition to Ind AS

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

Subsequent expenditure

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

Depreciation

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

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

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

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

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

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

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

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

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

Derecognition

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

(e) Leases

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

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases in which the Company is a lessee

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

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

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

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

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

Amendments to Ind AS 116

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

(f) Other Intangible assets

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

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

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

Subsequent expenditure

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

Amortisation

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

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

Derecognition

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

(g) Inventories

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

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

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The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.
Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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

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

(h) Impairment

Impairment of financial assets

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

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

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

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

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

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



Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

Impairment of non-financial assets

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

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Revenue from contract with customers

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

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

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



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

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

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

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition:

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

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

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

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

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

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



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

Export incentives

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

(j) Recognition of interest income or expense

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

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

(k) Government grant

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

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

(l) Employee benefits

Short-term employee benefits

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

Post-employment benefits

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

Defined contribution plans

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

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

Defined benefit plans

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

Other long-term employee benefits

Compensated absences

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

Termination benefits

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

Actuarial valuation

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

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

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(m) Borrowing costs

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

(n) Foreign currency transactions

Initial recognition

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

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in the Statement of profit and loss.

(o) Income tax

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

Current tax

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

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

Deferred tax

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

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

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

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

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

(p) Provisions (other than for employee benefits)

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

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

(q) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

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

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

(r) Commitments

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

(s) Operating segment

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

(t) Cash and cash equivalents

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

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

(u) Cash flow statement

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

(v) Earnings per share

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

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

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

(x) Recent Indian Accounting Standards (Ind AS)

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

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Note 3a - Property, plant and equipment

Gross carrying amount

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

Accumulated depreciation

Balance as at 1 April 2019 (refer note a)	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	30.10	54.94	4.85	1.09	4.77	0.62	1.01	97.38	-
Disposals /other adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	**-**	**-**	**30.10**	**54.94**	**4.85**	**1.09**	**4.77**	**0.62**	**1.01**	**97.38**	**-**
Balance as at 1 April 2020	-	-	30.10	54.94	4.85	1.09	4.77	0.62	1.01	97.38	-
Depreciation for the year	-	-	10.51	29.41	4.71	0.58	3.73	1.14	1.99	52.07	-
Acquisition of business on account of slump sale*	-	-	0.48	4.37	0.22	4.62	0.26	0.04	0.22	10.21	-
Disposals /other adjustments	-	-	-	(2.09)	-	-	-	-	-	(2.09)	-
Balance as at 31 March 2021	**-**	**-**	**41.09**	**86.63**	**9.78**	**6.29**	**8.76**	**1.80**	**3.22**	**157.57**	**-**

Carrying amounts (net)

As at 01 April 2019	**57.48**	**-**	**304.75**	**353.89**	**30.91**	**4.12**	**22.21**	**2.98**	**2.59**	**778.93**	**-**
As at 31 March 2020	**57.48**	**-**	**287.43**	**313.47**	**27.84**	**3.70**	**26.99**	**2.60**	**2.80**	**722.31**	**-**
As at 31 March 2021	**57.48**	**19.38**	**282.24**	**337.66**	**24.67**	**30.94**	**26.66**	**1.80**	**2.15**	**782.97**	**72.64**

* Refer note 42

Notes:

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

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

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

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

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

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

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

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Note 3b - Other intangible assets

Gross carrying amount

Particulars	Computer software
Balance as at 1 April 2019 (refer note a)	6.06
Acquired	0.26
Balance as at 31 March 2020	**6.32**
Balance as at 1 April 2020	**6.32**
Acquired	2.98
Balance as at 31 March 2021	**9.30**
Accumulated amortization	
Balance as at 1 April 2019 (refer note a)	-
Additions	2.33
Balance as at 31 March 2020	**2.33**
Balance as at 1 April 2020	2.33
Additions	2.53
Balance as at 31 March 2021	**4.86**

Carrying amounts (net)

As at 01 April 2019	**6.06**
As at 31 March 2020	**3.99**
As at 31 March 2021	**4.44**

Note:

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

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

Computer Software	0.5 - 5 years

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 5: Investments

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

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

Note 6 -Loans

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

Note 7 - Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance income tax and tax deducted at source	13.32	-	-
	13.32	**-**	**-**

Note 8 - Other non-current assets

(*unsecured considered good, unless otherwise stated*)	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Capital advances	79.23	0.30	0.88
	79.23	**0.30**	**0.88**

Note 9 - Inventories

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

Notes:

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

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

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

Movement in expected credit loss allowance of trade receivables

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance at the beginning of the year	-	-	-
Additions during the year	4.64	-	-
Balance at the end of the year	**4.64**	**-**	**-**

Note 11 - Cash and cash equivalents

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

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

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

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

Note 12 - Bank Balance other than above

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

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

Note 13 - Other financial assets

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

Note 14 - Other current assets

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

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Note 15 - Equity share capital

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

a) Rights, preferences and restrictions attached to equity shares

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

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

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

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

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

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

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

Note 16 - Other equity

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

Nature of reserves:

a. Retained earnings

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

b. Capital reserve

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

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Note 17 - Borrowings

A. Non-current borrowings

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

Notes:

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

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

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

B. Current borrowings

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

Notes:

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

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

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

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

C. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2021	As at 31 March 2020
Borrowings at the beginning of the year (current and non-current borrowings)	535.12	720.54
Proceeds from non-current borrowings	20.00	15.21
Repayments of non-current borrowings	(112.66)	(186.46)
Proceeds from/ repayments of current borrowings (net)	7.80	(14.17)
Borrowings at the end of the year (current and non-current borrowings)	**450.27**	**535.12**

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

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

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

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

Refer note 37

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

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

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

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

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Note 24 - Revenue from operations

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

Notes:

a. Reconciliation of revenue recognized with the contract price is as follows:

Contract price	4,104.86	3,729.72
Adjustments for:		
- Discounts and rebates	(9.22)	(7.16)
Revenue recognized	**4,095.64**	**3,722.56**

b. Contract Balances

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

* includes contract assets of INR 11.13 (previous year: INR 25.66)

** Considering the nature of business of the Company, the above contract liability are generally materialized as revenue within the same operating cycle.

c. Revenue from sale of products disaggregated by primary geographical market

India	3,697.73	3,418.55
Outside India	397.91	304.01
Total revenue from contracts with customers	**4,095.64**	**3,722.56**

Note 25 - Other income

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

Note 26- Cost of materials consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw material	2,637.77	2,285.80
Packing material	376.83	601.10
	3,014.60	**2,886.90**

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

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

Note 27- Purchase of stock-in-trade

	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of stock in trade	75.99	28.58
	75.99	**28.58**

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Note 28 - Changes in inventories of finished goods, work-in-progress and stock- in -trade

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

Note 29 - Employee benefits expense

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

Note 30 - Finance costs

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

Note 31 - Depreciation and amortization expense

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

Note 32 - Other expenses

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

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(a) Payment to auditors (excluding goods and services tax)	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
- Statutory audit	2.25	0.19
- Reimbursement of expenses	0.11	-
Total	**2.36**	**0.19**

(b) Details of CSR expenditure:		
Amount required to be spent by the Company during the year	4.98	4.06
Actual spent during the year:		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than above - in cash	4.98	1.66

Note 33 - Tax expense

a. Amount recognised in Statement of Profit and Loss:	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
- Current year	114.98	92.46
Deferred tax:		
- Attributable to origination and reversal of temporary differences	3.20	3.91
Total tax expense recognized	**118.19**	**96.37**

b. Reconciliation of effective tax rate		
Profit before tax	**463.44**	**375.30**
Tax at India's statutory tax rate of 25.17%	116.65	94.46
Tax effect of non-deductible expenses	1.79	1.98
Income tax expense recognized in the statement of profit and loss	**118.44**	**96.44**

c. Income tax expense recognized in other comprehensive income		
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	0.26	0.07
Total income tax recognized in other comprehensive income	**0.26**	**0.07**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	0.26	0.07
	0.26	**0.07**

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

e. Movement in deferred tax balances

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

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

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Note 34 - Earnings per share

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

Note 35 - Segment information

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

a. Information about products and services

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

b. Information about geographical areas

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

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

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

iii) Non-current assets

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

c. Information about major customers (from external customers)

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

Note 36 - Employee benefits

a. Defined contribution plans

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

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

b. Defined benefit plans

Gratuity

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

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

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

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

Interest rate risk:

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

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

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

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

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

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

iv. Actuarial assumptions

(i) Economic assumptions

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

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

(ii) Demographic assumptions

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

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

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

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

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

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

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vii. Weighted average duration of the defined benefit plan:

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

Note 37 - Related parties

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

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

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

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

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vii. Weighted average duration of the defined benefit plan:

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

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

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

C. Balances outstanding at year end

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

D. Terms and conditions of transactions with related parties

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

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

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

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

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Note 39 - Financial instrument : fair value measurements

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

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

Notes:

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

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

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

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

Note 40 - Financial risk management

Risk management framework

The Company is exposed to market risk, credit risk and liquidity risk. The Company's board of director oversees the management of these risks. The Company's board of director is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are summarized below.

(i) Market risk

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

(a) Interest Rate Risk

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

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

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

Interest rate sensitivity

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

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

(b) Currency risk

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

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

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Exposure to currency risk :

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

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

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

Sensitivity analysis:

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

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

(ii) Credit risk

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

(a) Trade receivables

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

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

The ageing of trade receivables at the reporting date was:

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

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

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

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

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

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

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(b) Cash and cash equivalents and deposits with banks

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

(c) Security deposits

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

(iii) Liquidity risk

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

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

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

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

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

(iv) Excessive risk concentration

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

(v) Risk related to COVID-19

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

Note 40- Capital risk management

(i) Risk Management

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

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

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

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

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

(a) Claims against the company not acknowledged as debts

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

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

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

(b) Other Commitments

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

Note 42 - Business combination

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

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

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

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

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

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

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

Note 44 - First time adoption

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

I. Exemptions applied:

1. Mandatory exceptions:

a) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Determination of the discounted value for financial instruments carried are amortised cost.
- Impairment of financial assets based on the expected credit loss model.

b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

2. Optional exemptions:

a) Deemed cost for property, plant and equipment

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

b) Leases

The Company has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (1 April 2019) when applying Ind AS 116 initially:

i) lease liability is recognized, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

ii) a right-of-use assets is recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Statement of assets and liabilities immediately before the date of initial application.

The Company also applied the available practical expedients wherein it:

a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

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

I. Reconciliation between previous GAAP and Ind AS

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

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

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

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

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

III. Statement of Cash Flow

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

IV Notes to Reconciliation

a. Leases

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

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

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

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b. Government Grant

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

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

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

c. Revenue from contracts with customers:

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

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

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

d. Remeasurements of the defined benefit plans reclassified to OCI

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

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

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

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

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f. Deferred tax liabilities (net)

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

The impact arising from the change is as follows:	**Increase/ (decrease)**
Statement of Profit and Loss	**For the year ended 31 March 2020**
Tax adjustment	
Current tax	(1.37)
Deferred tax	(7.86)
Adjustment after income tax - Profit / (loss)	**(9.23)**
Deferred tax	0.07
Adjustment other comprehensive income	**0.07**

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

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

Gaurav Mahajan
Partner
Membership Number : 507857

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

Vinay Kumar Lohariwala
Director
DIN : 00144700

Manoj Kumar Lohariwala
Director
DIN : 00144656

Shikha Kanwar
Company Secretary
Membership No. A62260

Mukesh Kumar Singh
Chief Financial Officer

Place: Baddi
Date: 30 November 2021