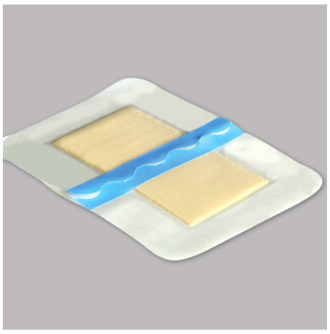



Healthium




REDEFINING PATIENT CARE THROUGH INNOVATION

ANNUAL REPORT 2021-22

WE ARE HEALTHIUM

Creating access to high-quality medical devices for all – this is what drives us.

We believe everyone must have access to precision medtech.

We are passionate and committed towards making a difference in the lives of patients all across the world.

Guided by precision, we are constantly innovating to fill market gaps to offer high-quality products which aid our surgeons.

With unwavering commitment towards our vision "Access to precision medtech for every patient, globally", we are out to create a healthier and happier world.

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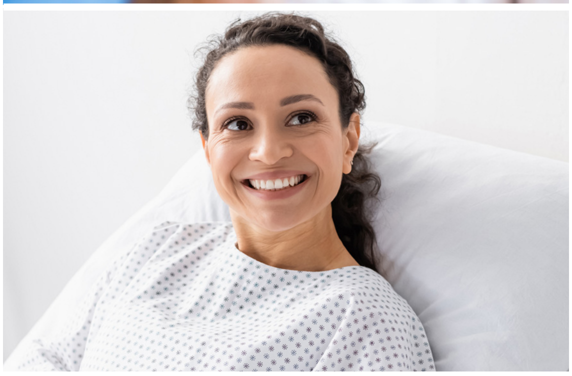


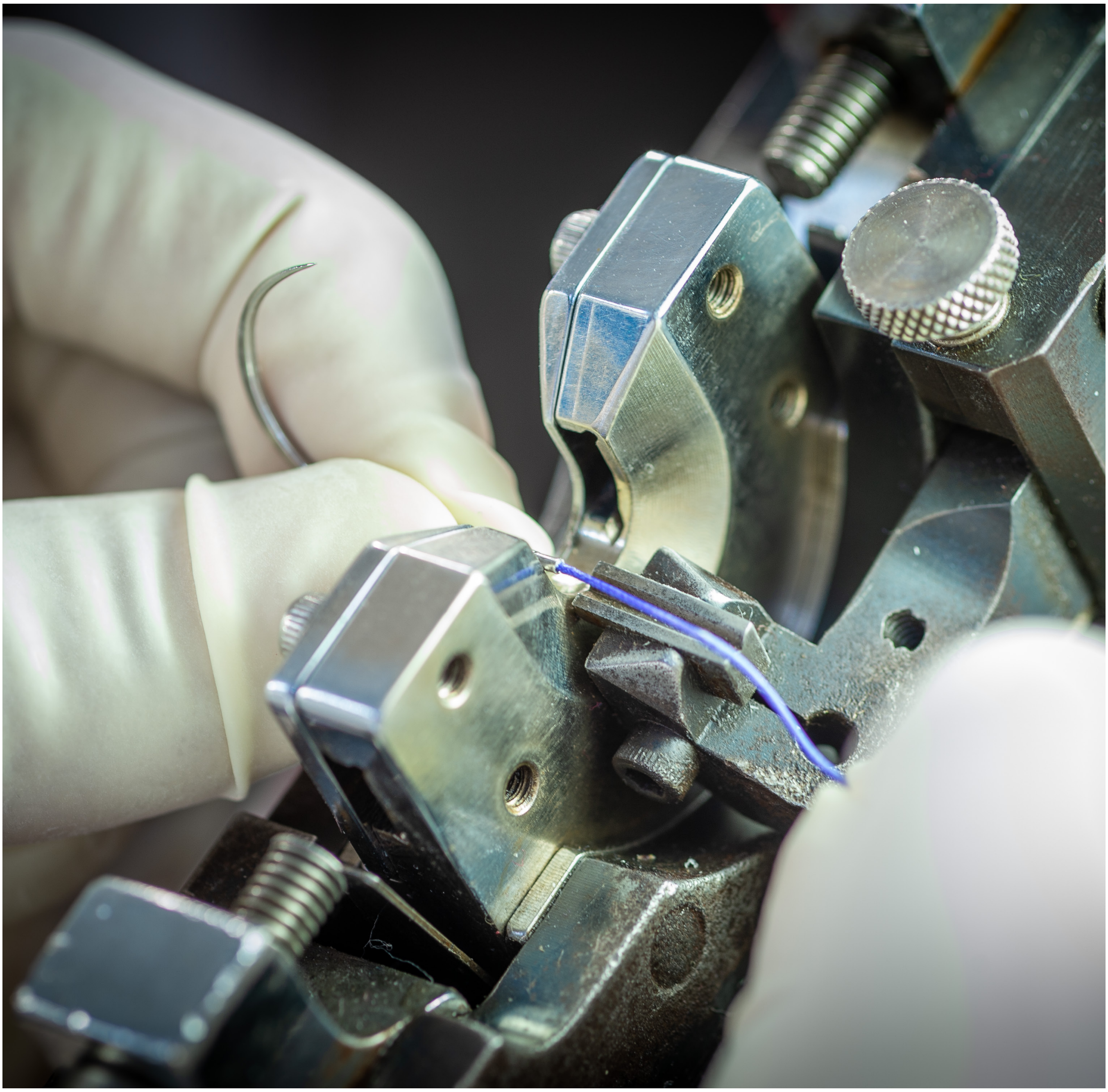
THE MEDTECH INDUSTRY

The global medical devices market was estimated to be USD 394.4 Billion in 2020, and is likely to grow at a CAGR of 6.3% (2021-2025) (Source Frost & Sullivan)

The Indian medical devices market was valued at USD 7.3 Billion in 2020 and is expected to grow at a CAGR (2021-2025) of 9.2% reaching USD 11.25 Billion by 2025. The market is highly fragmented and import-dependent and is driven by 80% imports from the US, China and Germany.

The medical devices industry in India is a sunrise sector for the Indian economy, and the demographic and epidemiological trends in the country are further driving growth for medtech. India is among the top 20 markets for medical devices worldwide.

In order to create self-reliance, the industry is driven by various government initiatives to boost the sector including export opportunities and increasing investment. Healthium is at the inflection point of the transformations occurring in the medtech industry – in India and globally. With its high-quality products, expertise in R&D and strong global presence, the Company is well-poised to leverage the opportunities offered by this booming industry.



HEALTHIUM – CREATING ACCESS TO PRECISION MEDTECH

Healthium Medtech Limited (Healthium) is a global medtech company focused on products used in surgical, post-surgical and chronic care.

We manufacture products across the four focus areas of advanced surgery, urology, arthroscopy and wound care, and operate across three key markets – India, UK and rest of the world. We partner with governments, hospitals and surgeons to provide affordable, accessible, high-quality healthcare. Today, 1 in 5 surgeries globally, uses a Healthium product.

We have also acquired organisations that have allowed us to expand our product portfolio and geographic presence, thus establishing new and strengthening existing customer relationships.

Our strength lies in our strong R&D and innovation expertise, and robust global footprint, which allows us to extend quality medical care to those in need. We are available across 80 countries and 90% of districts in India with secondary healthcare facilities.

TOUCHING LIVES GLOBALLY

1 in 5 surgeries
conducted globally uses a Healthium product

No.1
independent Indian medical device company

No.1
non-captive surgical needles manufacturer globally, by volume sales

No.1
exporter of sutures from India

No.3
in the urology collection devices market in the UK

Revenue:
Standalone -
INR 4,804 Mn
Consolidated -
INR 9,293 Mn

PAT:
Standalone -
INR 314 Mn
Consolidated -
INR 793 Mn

EBITDA:
Standalone -
INR 678 Mn
Consolidated -
INR 1,854 Mn

Covering **90%** of all districts in India with secondary healthcare facilities

8
manufacturing facilities globally

52,000
product SKUs

30
new products launched since FY2018

64
patents in the US, Europe and India, including pending applications

Presence in
80 countries

25
fulfilment centres

1,200
stockists

1,966
employees

Covering **40,000** surgeons across **18,000** hospitals in India

JOURNEY

Healthium began operations in 1992 and since then, has been tenaciously marching towards its ambition of making high-quality medtech affordable and accessible to patients globally, through care and innovation.

FY 2022

- Acquired VitalCare, engaged in the business of white-labelled urology and anal irrigation products
- Acquired the AbGel gelatin sponge business
- Acquired CareNow Medical to strengthen our wound care portfolio

FY 2021

Filed our 50th patent application

FY 2020

Initiated clinical trials to comply with EU MDR

FY 2018

A new management team came on board

FY 2017

- Acquired Quality Needles Private Limited (QNPL), engaged in manufacuring and selling all sorts of surgical needles and instruments.
- Acquired the first patent in the name of the Company

Diversify our portfolio and our geographical reach

FY 2002

Accredited with EC certification for absorbable and non-absorbable sutures

FY 2016

Acquired Clinisupplies Ltd. to expand our geographical reach and product portfolio into the urology market

Building on our scale through acquisitions

Evolving into a high-quality suture manufacturer

FY 2006

Received first letter of approval from the US FDA

FY 1993

Started operations

MANUFACTURING PROWESS

We have 8 vertically integrated, state-of-the-art, globally accredited manufacturing facilities that cater to the demand in our three key geographic areas of India, the UK and rest of the world. Our facilities use our in-house developed technology to ensure precision, quality and product customisation according to our customers' needs

Our manufacturing facilities come with several global certifications and approvals that include US FDA, CE, ISO 9001, ISO 13485, ISO 14001, ISO 45001 TGA and CDSCO.

A GLIMPSE OF OUR MANUFACTURING STRENGTHS

- **Pioneering medical technology company in India to use a laser drilling process in needle manufacturing.**
- **Bandage Facility – The only one in India to have a compression bandage, retention bandage and anti-allergenic garment plant**
- **4 US FDA registered plants**
- **TGA and CE certified products**

REDEFINING PATIENT CARE THROUGH INNOVATION

Everything we do revolves around patients and their needs.

We find innovative solutions for unmet surgical needs, and make them accessible and available to all. We also empower surgeons and healthcare professionals to step up on the continuum of care for patients, with our highly innovative products.

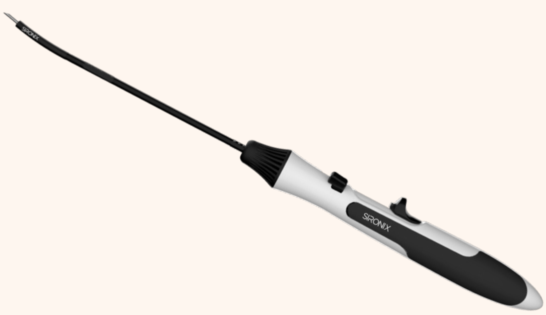
Leveraging our strengths of robust R&D and manufacturing capabilities, we manufacture products of the highest global quality and the most stringent certifications such as US FDA, CE under EU MDR, TGA, CDSCO, ISO etc.

And given our passion to improve the standards of healthcare for patients, we are redefining patient care through better and easier-to-deploy solutions

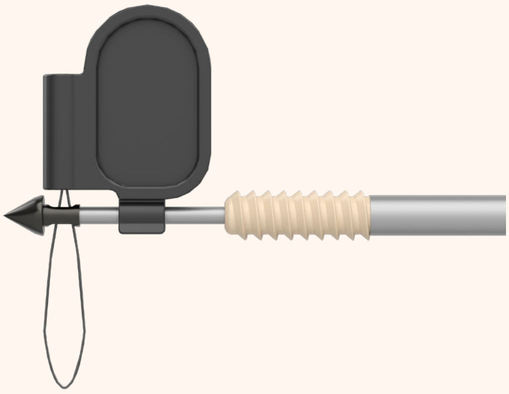
We have invested heavily in R&D and opened an Innovation Centre in Noida. The Centre showcases our strong focus on engineering skills that are essential for developing high-precision medical devices such as surgical needles and arthroscopy implants, which involve a high degree of skill and numerous tests so that they can be manufactured according to global standards. We have also added chemistry and bio-technology skills to create patented formulations that have bettered standards in patient care and enabled us to create a variety of applications that are helping us expand our footprint.

LAUNCHING SEVERAL FIRSTS

Indigenously created Arthroscopy range



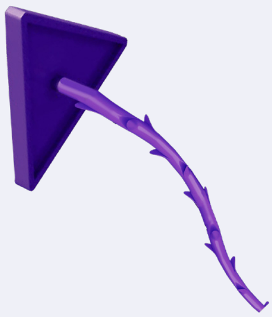
SURESTITCH



VIPLOK

COMOC MG for surgical management of postpartum haemorrhage

- TRUBARB, barbed sutures with a first-of-its-kind triangular stopper

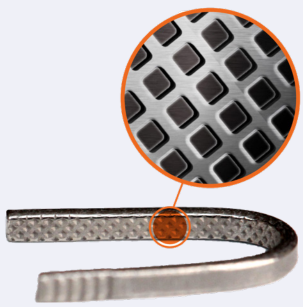


- TRUSHIELD, anti-microbial gloves for prevention against nosocomial infections

NEW PRODUCT LAUNCHES

In FY 2021, we launched:

- Trutie ligating clip with a patent pending knurling design



- An antibacterial range for prevention from nosocomial infections

ACQUISITIONS

During the year, we continued to leverage our global platform and add new products and specialties, acquire new technologies and expand our geographic presence through acquisitions to realise cost and revenue synergies.

We completed the acquisition of Abgel, Vital Care and CareNow during FY 2022.

- Abgel is a leading gelatin sponge brand in India and is a valuable addition to our advanced surgery portfolio, which we expect to grow by leveraging our sales network
- Vital Care is a private label manufacturer of urology and anal irrigation products catering to multiple developed markets across US, Europe, Australia and Asia. It has a US FDA registered manufacturing facility near Nanjing, China. The addition of Vital Care is expected to expand margins and geographical footprint, and boost our R&D capabilities in urology.
- The acquisition of CareNow has helped the Company enter the wound care segment with its patented products, including advanced wound management products and infection prevention products.

ABGEL

Ecobath

VITAL CARE

RESILIENCE DURING THE PANDEMIC

As a global leader in medical devices, we have leveraged our strengths and expertise to support India during the pandemic:

- Kept manufacturing facilities open during the lockdown and fast-tracked the deliveries of essential medical devices to support frontline healthcare workers
- Expanded our supply chain to support quicker deliveries and access healthcare facilities in remote parts of India
- Ramped up stock of critical product codes required for child birth and emergency surgeries such as cardio-vascular surgeries and OB-GYN led surgeries, which continued despite the pandemic.
- Deployed multiple production lines in action and stepped up the production of the first-of-its-kind anti-microbial gloves TRUSHIELD, that protects both surgeons and patients against microbes.
- Earmarked a significant production of gloves for government hospitals.

At the same time, putting our people's safety first was our priority. We undertook several steps to safeguard our employees, who continued to work to deliver essential medical devices during these challenging times:

- Organised vaccination drives, mental counselling sessions and several safety measures at the manufacturing facilities, including making oxygen concentrators available in case of need
- Announced pay-outs to the family of the bereaved, in case of loss of life due to COVID and full gratuity pay-out irrespective of eligibility criteria
- Increased benefits under Health insurance, Group Personal Accident (GPA) insurance, Employees' Deposit Linked Insurance Scheme (EDLI) and term benefits for employees

These, together with creating a cross-functional COVID task force that included our doctors, helped us keep in close touch with employees or their families who had contracted COVID and advise and counsel them.

BOARD OF DIRECTORS

Our Board comprises experienced and visionary professionals who are aligned towards the common goal of making Indian precision medtech accessible to everyone across the globe. They set and review Healthium's main corporate objectives, strategic plans and overall key performance indicators. Together, they ensure the highest standards of corporate governance and ethical and fair business practices are maintained.

AJAY GUPTA Chairman and Non-executive Independent Director

Member – Nomination and Remuneration Committee

Ajay holds a bachelor's degree in Technology from the Indian Institute of Technology, Delhi and a master's degree in Business Administration from Leland Stanford Junior University. He has more than 28 years of global management consulting experience. He was previously a senior partner at McKinsey & Company, Inc.

ANISH BAFNA Managing Director and Chief Executive Officer

Member – Corporate Social Responsibility Committee

Anish Bafna holds a post-graduate diploma in Management from IMDR, Pune. He has significant experience in the healthcare industry. He manages the overall operations and resources in the Company. In FY 2022, he won Healthcare Personality of the Year from Medgate magazine. He was previously working as president- Japan for Baxter Healthcare

MOHAMMED AZEEZ Whole-time Director and the Chief Operating Officer

Mohammad Azeez holds a bachelor's degree in Science from Bangalore University and a master's degree in Science, specialising in Microbiology from Bangalore University. Prior to joining Healthium, he was working with the United Medical Industries Co. Limited as a microbiologist, quality control supervisor and a quality assurance manager. He oversees all daily operations and sets strategies for overall production planning for both export and domestic business.

RAMESH SUBRAHMANIAN Non-executive Independent Director

Chairman – Audit Committee

Ramesh Subrahmanian holds a bachelor's degree in Commerce from the University of Mumbai and has qualified as a Chartered Accountant in England and Wales. He has significant experience in the pharmaceutical and medical devices industries. He has previously worked with KCI Medical Asia Pte. Limited, Stryker Corporation and MERCK.

SHASHANK SINGH Non-executive Nominee Director

Member – Audit Committee

Shashank Singh holds a bachelor's degree in Arts, specialising in Economics, University of Delhi and bachelor's degree in Arts and master's degree in Arts from Cambridge University. He also holds a master's degree in Business Administration from the Harvard Business School. He has over 16 years of experience in private equity investment advisory. He is currently the Managing Director at Apax Partners UK Limited.

STEVE DYSON Non-executive Nominee Director

Member – Nomination and Remuneration Committee

Steve Dyson holds a bachelor's degree in Biochemistry from Oxford University and a doctorate from Cambridge University. He has over 21 years of experience in private equity investment advisory. He is currently a partner and co-head of the healthcare team at Apax Partners LLP.

SUDARSHAN JAIN Non-executive Nominee Director

Chairperson - Corporate Social Responsibility Committee

Sudarshan Jain holds a bachelor's degree in Science, specialising in Physics from Delhi University and a post-graduate diploma in Management from the Indian Institute of Management, Ahmedabad. He has 40 years of experience in the healthcare industry and education sector. He has previously worked at Abbott Healthcare Private Limited, Boots Pharmaceuticals Limited, Ethnor Limited and Piramal Healthcare and is presently the Secretary General of the Indian Pharmaceutical Alliance.

NAMRATA KAUL Non-executive Independent Director

Chairperson – Nomination and Remuneration Committee; Corporate Social Responsibility Committee
Member – Audit Committee

Namrata Kaul holds a post graduate diploma in Management from the Indian Institute of Management, Ahmedabad. She has also been awarded the Chevening Gurukul Scholarship in Leadership and Excellence Programme by the Foreign and Commonwealth Office to study at the London School of Economics and Political Science. She was previously working with ANZ Grindlays Bank PLC and the Deutsche Bank AG.

LEADERSHIP TEAM

Diverse inclusive workforce led by a seasoned leadership team.

ANISH BAFNA
Managing Director and Chief Executive Officer

VISHAL MAHESHWARI
Chief Financial Officer

KANKANA BARUA
Chief Human Resources Officer

PAUL COOK
Head - UK(Clinisupplies)

VIVEK SINGH
Head-Needle Business(QNPL)

MOHAMMED AZEEZ
Whole-time Director and the Chief Operating Officer, Healthium

ANAND VENKAT
Chief Innovation Officer, Healthium

EHSAN HUQ
Head - India, Healthium Medtech

ANOOP PENUPOLU
Head - Arthroscopy, Healthium Medtech

DR ASHOK MOHARANA
Head -Clinical Affairs, Healthium Medtech

PALLAVI KARKERA
Company Secretary and Compliance Officer

AWARDS AND RECOGNITIONS

The awards and recognitions conferred on us are a testimony to the quality of our products and our efforts towards meeting the healthcare needs of patients and surgeons alike. They motivate us to continue doing what we do best – providing access to Indian-made precision medtech for every patient, globally.

2015

The State Export Excellence Award in the category of Drugs & Pharmaceuticals Micro/ Small Enterprise from Department of Industries & Commerce, Bengaluru, Government of Karnataka

2016

The Indian Medical Consumables Company of the Year award from Frost and Sullivan

2017

An award for Excellence of the Year for Leadership Medical Consumables India at the Le Fonti IAIR Awards

An award for Best HR Practice in Healthcare from World Health and Wellness Congress & Awards

2021

The FP&A Tool of the Year award at the Transformance FP&A Excellence Awards

Manufacturing Icon of the Year award from World Leadership Congress & Awards

Exporter of the Year: Medium-sized Industry from FKCCI

2022

Medical Devices Leader of the Year Runner-up from Ministry of Chemicals & Fertilizers, Government of India

Award for building a gender-inclusive workplace by Global Workforce Management, 2022

MESSAGE FROM THE MD & CEO

DEAR SHAREHOLDERS,

Thank you for making FY 2022 a memorable year for us. This year, despite the difficulties created by the pandemic for the industry, in a market that recorded negative growth, we have grown from being the No.1 independent Indian company in surgical consumables to being the No.1 independent medical devices company in India. My sincere thanks to our teams, partners, customers and the Board for steering us through successfully.

A YEAR OF ACCELERATION

In FY 2022, owing to the continued impact of the pandemic, elective surgeries were postponed and the industry degrew. Despite this, our revenue from operations stood at INR 9,293 Million, marking a double-digit growth of 30% over FY 2021. We recorded a PAT of INR 793 Million, down by 7% over FY 2021. Our EBITDA stood at INR 1,854 Million, up by 19%. We continued to export our products to over 80 countries, including developed markets such as the US, UK, Germany and France, and the developing markets in South America, Asia and Africa.

We also grew inorganically by acquiring VitalCare, AbGel and CareNow – that have helped us to increase market share, consolidate markets and offer our global customers a larger basket of choices.

Making Healthium a viable choice to MNCs has been a constant endeavour. So we have invested in R&D and high-quality standards to continuously work towards manufacturing to global standards with certifications and approvals. Our Sri City facility received the US FDA registration in FY 2022 and by adding the CareNow and VitalCare facilities, we now have four plants with the US FDA registration. We are also among the first in Asia to receive the CE certification under the stringent new EU MDR, This opens entry for us into European and other markets, which will only accept products with the new CE under EU MDR.

Innovation forms the cornerstone of our success. We forayed into the wound care segment by launching TRUSHIELD NXT, a complete wound care solution with patented technology. We also challenged the pace of new launches by introducing a slew of products –Trutie ligation clips with patent-pending design added to our indigenously made arthroscopy range, Surestitch meniscal repair gun and TRUSHIELD anti-microbial gloves that against microbes. Further, as of FY 2022, we have over 64 patents, including pending applications in the US, Europe and India.

STEPPING UP DURING THE PANDEMIC

To help India in its fight against the pandemic, we scaled the production of essential medical devices, expanded our supply chain and strengthened operations to fast-track delivery. We took the necessary permissions and precautionary measures to keep our plants running even during the lockdown.

To safeguard our teams we organised vaccination drives, mental counselling sessions, and undertook several safety and financial measures

TOWARDS AN EMPOWERED AND SUSTAINABLE FUTURE

We also made progress on our environmental and CSR activities, which are an essential part of our growth strategy. We focused on women empowerment, healthcare and the sports sector. We set up a cancer-screening camp and screened 700 women for oral, breast and cervical cancer.

Being a company that has created a patented indigenous range of arthroscopy implants and devices, we felt that giving back to the development of sports in India was an important part of our CSR strategy. In collaboration with the Abhinav Bindra Foundation Trust (ABFT), we launched “The Sport of Life” initiative through which ABFT will support players who have sports injuries and need help with the cost of medical treatment, doctors, surgeries and rehabilitation facilities to recover and return to sport. We will also provide arthroscopy implants required for the surgeries free of cost.

Our vision is to ensure our high-quality medtech products reach all those across the globe who need them. Thus, we are focused on creating access in the domestic market where we cover 90% of districts in India with secondary healthcare facilities and expanding our footprint internationally. We are also focusing on strengthening our R&D capabilities to expand our portfolio to serve the unmet needs.

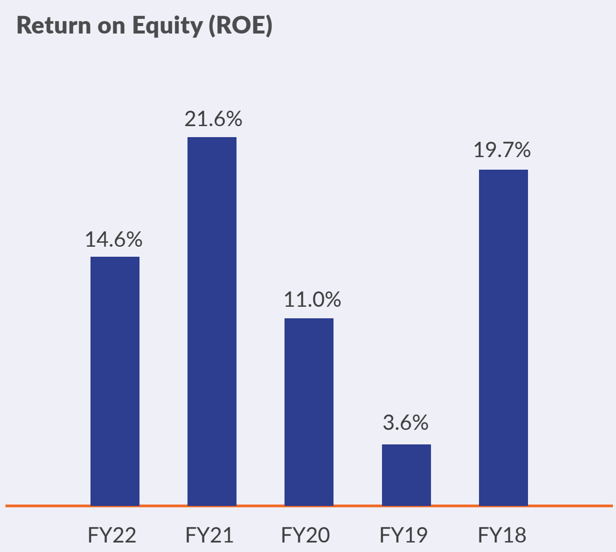
I thank each and every one of you who has trusted and supported us in our journey. Leveraging our innovation and R&D capabilities, we will continue to chart new frontiers in medtech and deliver value for all our stakeholders.

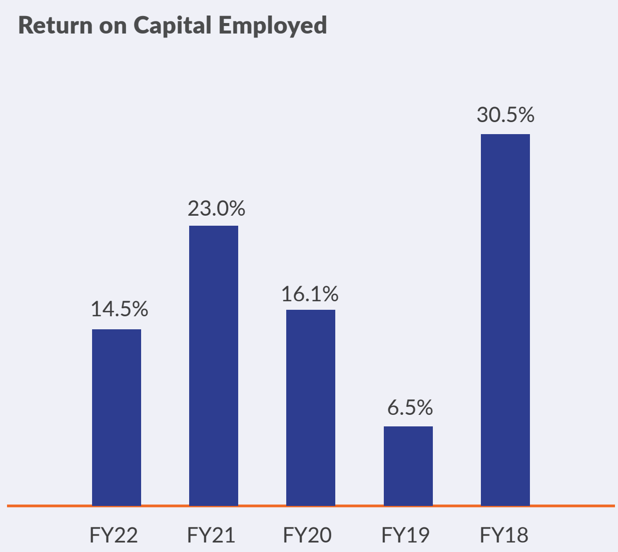
Best wishes,

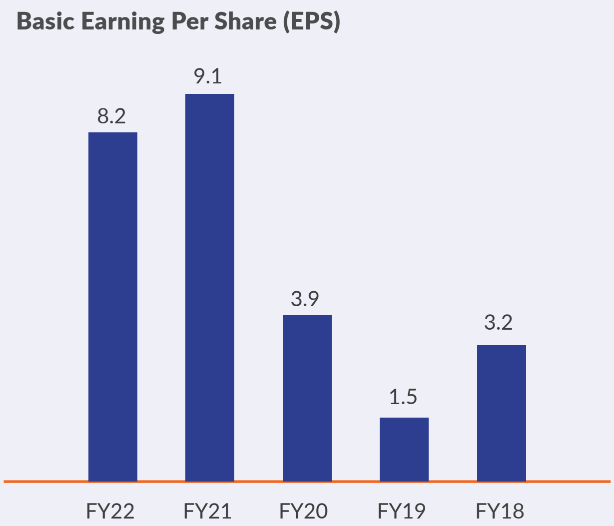
Anish Bafna

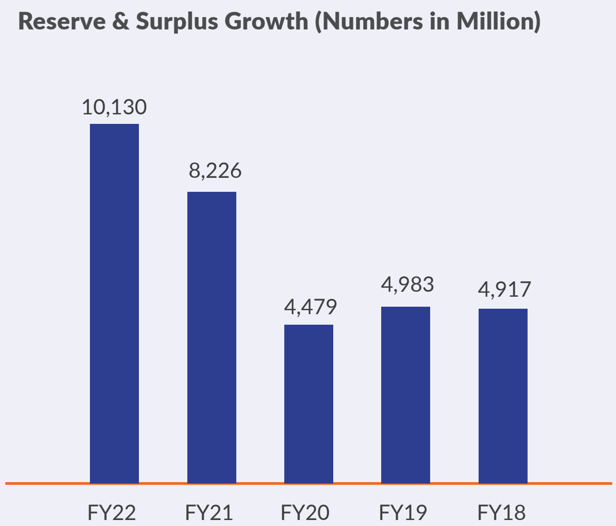
Healthium

KEY PERFORMANCE INDICATORS









EMPOWERING COMMUNITIES

For us, sustainable entrepreneurship and profitability go hand in hand. We believe that we remain competitive and successful only by creating added value for society.

We have a strong commitment to our community through both our business and our CSR initiatives. Through our extensive market access, we play a leading role in ensuring the availability of high-quality products to communities with limited access, including semi-urban and rural areas in India, Africa and South America. Our CSR initiatives are also focused on supporting charities and community projects across India and the UK.

PROMOTING EDUCATION

During the year, we adopted a school in Kunigal and contributed to building toilets and refurbishing the school building. In North Karnataka, we funded the building of a school compound, donated books, promoted education, including special education and employment enhancing vocation skills for children, women, elderly and the differently abled.

We also contributed to IIT Delhi's incubator fund to promote indigenous innovation.

EMPOWERING WOMEN AND CHILDREN

In FY 2022, we continued focus on women, healthcare and the sports sector. We partnered with Healthbox Trust to set up a cancer screening camp set to screen 700 women in and around Peenya for oral, breast and cervical cancer. From April 2022 onward, we will allocate part of our CSR fund towards our flagship project for improvement of Maternal Health and Early Childhood Development (ECD) in partnership with Karnataka Health Promotion Trust (KHPT) through a comprehensive convergence-based intervention model. We plan to harness resources available through the government and other sources at the community level based on a lifecycle approach.

CONTRIBUTING TOWARDS THE SPORTS SECTOR

Being a company that has created a patented indigenous range of arthroscopy implants and devices, we felt that it was important to give back to the development of sports in India.

We launched the Sport of Life initiative in collaboration with Abhinav Bindra Foundation Trust (ABFT), to support players who have sports injuries and need help with the cost of medical treatment, doctors, surgeries and rehabilitation facilities to recover and return to active sports.

We will provide free of cost arthroscopy implants required for the surgeries. Abhinav Bindra and Bhaichung Bhutia inaugurated the initiative in March.

Healthium has also sponsored the cost of 3 athletes that includes training, medical screening, care therapy sessions, expert mentoring and assessment costs.

DIRECTOR'S REPORT

To,
The Members
M/s. Healthium Medtech Limited
Bengaluru.

Your Directors take pleasure in presenting the 30th Annual Report of the Company for the Financial Year ended on March 31st, 2022 consisting of Balance Sheet and Profit & Loss Account and the Auditors Report thereon. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2021-22 (INR In Millions)	2020-21 (INR In Millions)	2021-22 (INR In Millions)	2020-21 (INR In Millions)
Total Revenue	4,870.32	3,914.44	9,383.78	7,267.58
Total Revenue from operations	4,804.42	3,478.73	9,292.83	7,133.57
Total Expenditure before Finance Cost & Depreciation	4,192.39	3,001.90	7,529.45	5,709.28
Profit / (Loss) before Depreciation and Finance Cost	**677.93**	**912.54**	**1,854.33**	**1,558.30**
Finance Cost (incl bank charges and interest on lease liability)	60.23	36.69	181.00	94.87
Depreciation	186.42	181.65	562.43	353.31
Profit / (Loss) after Depreciation and before exceptional & extraordinary items	**431.28**	**694.20**	**1,110.90**	**1,110.12**
Exceptional Item	(20.13)	22.72	(20.13)	20.21
Profit /(Loss) before Tax	**411.15**	**716.92**	**1,090.77**	**1,130.33**
Tax Expenses	97.10	76.75	297.80	276.05
Profit After Tax	**314.05**	**640.17**	**792.97**	**854.28**

Note: *Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.*

2. COMPANY'S PERFORMANCE

The Company have adopted Indian Accounting Standards (IND AS) from April 01, 2017. The financial statements have been prepared as per the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI).

Standalone Financials: During the year under review, your Company has achieved a turnover of INR 4,804.42 Million against INR 3,478.73 Million during previous year registering a growth of 38.11% over the previous year. The Company reported a Net Profit of INR 314.05 Million as against Net Profit last year amounting to INR 640.17 Million, registering a de-growth over 103.84%.

Consolidated Financials: During the year under review, your Company has achieved a consolidated turnover of INR 9,292.83 Million against INR 7,133.57 Million during previous year registering a growth of 30.27% over the previous year. The Company reported a Net Profit of INR 793.93 Million as against INR 854.28 Million earned during previous year registering de- growth over 7.06%.

3. ECONOMIC OUTLOOK AND IMPACT ON COMPANY

The outlook for the Indian economy for FY22 on almost all counts was better than FY21 on account of a negative base effect. The pandemic induced lockdown had pushed growth down to the negative region of 6.6% in FY21. FY22 GDP growth was at 8.7% with both the negative base effect as well as the pent-up demand for consumption and investment helping to accelerate the process. However, the advent of the second wave of the pandemic in the beginning of the financial year which led to state induced lockdowns has upended this assumption to an extent. Seven months on, India began the New Year with the threat of a highly transmissible, though milder, variant Omicron heralding a third Covid-19 wave.

Health & Safety at Healthium

The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic. The Company has set up the medical helplines and organized vaccination drives within the premises, and has also extended counselling and self-help services providing mental & emotional support to employees. The new ways of working and managing businesses provide a great opportunity to recover from the consequences of the pandemic and drive transformation.

Learning and Development (L&D)

The Company has proactively revamped the organization's L & D requirements to a completely online and versatile format. It has completely moved product trainings from face-to-face (f2f) to online capsules. This has necessitated converting f2f training into interesting, on-demand audio-visual capsules illustrating use of our products, creating interactive FAQ (frequently asked questions) content, building in summaries, assessment sheets and online help as required to create a seamless atmosphere for learning, clearing doubts, recapping the learnings and assessing the knowledge simulating a real-life classroom.

The company also organized trainings with cadavers to enable our sales team to enhance their understanding of product usage. For Manufacturing, where most employees worked on-site, given the high requirements for safety and a focus on quality, General safety trainings, Trainings on Quality like EUMDR, ISO, Risk management, GM, and Lean Sigma were conducted in surroundings that supported the new normal.

4. MATERIAL EVENTS DURING THE YEAR

I. Material Acquisitions

(a) Acquisition of AbGEL-(Absorbable Gelatin sponge) Business

The Company has entered into a Business Transfer Agreement for purchase of the gelatin sponge business owned by Sri Gopal Krishna Labs Private Limited under the brand name AbGEL on a slump sale basis in accordance with the terms of the Business Transfer Agreement entered and executed on May 26, 2021. The business was acquired effective August 1st, 2021 and this acquisition strengthened our product portfolio through the addition of a market leading brand in the gelatin sponge segment.

(b) Acquisition of VitalCare Group by Clinisupplies Ltd (UK)

Healthium Group acquired VitalCare Group, a manufacturer of urology consumable care products, through its subsidiary Clinisupplies Ltd on July 01, 2021.

VitalCare is a manufacturer of urology consumable care products, with relationships with healthcare customers worldwide. The company is headquartered in U.K. with manufacturing operations in China.

This acquisition helps us grow in urology products and increasing market share in the Europe and US.

(c) Acquisition of CareNow Medical Private Limited

Healthium Group acquired CareNow Medical Private Limited on August 31st, 2021, which is primarily engaged in the designing, manufacturing, marketing and sale of products in the focus area of advanced wound management and infection prevention for patients and hospitals.

This acquisition would help us in strengthening the product portfolio with patented and differentiated products in the advanced wound management and patient hygiene segments.

II. Other Material Events:

Company has been converted into the Public Limited Company and the name of the company has been changed from "Healthium Medtech Private Limited" to "Healthium Medtech Limited" with the approval of the Registrar vide its Certificate of Incorporation dated August 4th, 2021.

Company vide its Board approval dated August 6th, 2021 and Shareholders approval dated August 7th, 2021 approved subdivision of nominal value of its equity shares and sub-divided from nominal value of INR 2/- (Rupees Two only) each to nominal value of INR 1/- (Rupees One Only) each.

Company has filed the Draft Red-Herring Prospectus ("DRHP") with Securities Exchange Board of India ("SEBI") on September 6th, 2021 for which company received in principle approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on September 30th, 2021 and September 28th, 2021 respectively. The Company also received approval letter for filing DRHP from SEBI on November 24th, 2021.

Owing to market conditions, the Company and its selling shareholders have decided to withdraw DRHP filing and in the Board of Directors Meeting held on May 19th, 2022, have approved withdrawal of DRHP.

Apart from aforementioned, there were no material changes occurred since the end of the financial year and till the date of this report.

5. MATERIAL DEVELOPMENT

During the year FY 2021-22, your Company has launched below listed new products in the markets including some innovations –

We launched Trutie ligating clip (In April 2021) and TruShield NXT surgical wound dressing (November, 2021). Both the products were developed internally and helps in realizing our vision of "Access to precision Medtech for every patient, globally".

TruTie is a ligating clip which was developed in-house using our R&D strength in metallurgy. The company created a unique "knurling" design for which a patent has been applied for. In addition, the company also launched a TruTie applicator which will be used to apply the TruTie ligating clips during a surgery.

The company also launched TruShield NXT in November 2021. The product was developed by the CareNow Medical Private Limited team and has patents in multiple countries including US, Germany, UK and India. The innovative product, the first of its kind to be developed and manufactured in India, helps us improve the standard of care and serve the patients better. It also marks our entry into the wound care segment.

We have launched 'T-Button' One of its kind (patent pending) Tibial Fixation Device, with a pre-fixed adjustable loop for superior tibial fixation of graft in ACL & PCL Surgeries. Product developed by Indian Surgeon and Validated and tested by an advisory board of 8 eminent surgeons, is set to change the way ACL/ PCL surgery is done currently. In addition, the company acquired the following in Q2 FY 2021-22:

1. Abgel business from Sri Gopal Krishna Labs Private Limited in a slump sale transaction
2. 100% outstanding equity shares in CareNow Medical Private Limited
3. 100% outstanding equity Shares in VitalCare Trading (UK) Ltd

All the aforementioned acquisitions have helped the organization strengthen its position in the medical device market.

6. SHARE CAPITAL

During the year under review, Company increased its authorised capital vide its board approval dated July 15th, 2021 and Shareholders approval dates July 17th, 2021 from INR 20,00,00,000/- (Indian Rupees Twenty Crores) to INR 50,00,00,000/- (Indian Rupees Fifty Crores).

Further, vide its Board approval dated August 06th, 2021 and Shareholders approval dated August 07th, 2021 the Company approved subdivision of nominal value of its equity shares and sub-divided from nominal value of INR 2/- (Rupees Two only) each to nominal value of INR 1/- (Rupees One Only) each and consequently the number of shares of the company has increased from 46,280,564 to 92,561,128 due to Sub-division of the shares.

Company has also issued and allotted fully paid up 51,99,996 equity shares under the Rights issue basis on August 26th, 2021. As a result, the issued, subscribed and paid up share capital of the Company has increased from INR 9,25,61,128 /- (divided into 9,25,61,128 equity shares of face value INR 1/- each) to INR 9,77,61,124 (divided into 9,77,61,124 equity shares of face value INR 1/- each). The equity shares issued under the rights issue ranked in pari-passu with existing equity shares of the Company.

During the year, the Company have also approved the accelerated vesting of the specified number of options vide its Nomination and Remuneration Committee and Board of Directors approval in circular resolution dated October 10th, 2021 and October 11th, 2021 respectively. Later on October 20th, 2022 Company has allotted 9,42,200 shares Equity Shares of face value of INR 1/- (Indian Rupees One only) on exercise of options under time-based key employee stock incentive plan 2019 (the "time based scheme"). As a result of which total number of shares of the company increased from 9,77,61,124 to 9,87,03,324.

Details of Capital Movement during the FY 2021-22 as follows:

Date of Issue/ allotment	Type of Capital Movement	Face Value	Issue Price	No. of Shares allotted
August 07, 2021	Sub-Division	INR 2 to INR 1	Nil	NIL
August 26, 2021	Rights-issue	INR 1	INR 250	51,99,996
October 20, 2021	Exercise of Time based Key Employee stock Incentive Plan 2019	INR 1	INR 259	9,42,200

As at March 31st, 2022, Authorized Share Capital of the Company stands at INR 50,00,00,000/- divided into 50,00,00,000 equity shares of face value INR 1/- each. The paid-up share capital of the company stands at INR 9,87,03,324/- divided into 9,87,03,324 equity shares of face value INR 1/- each.

Apart from aforementioned, there were no changes in the capital structure of the Company during the period under review.

I. Issue of Equity shares with differential rights:

The Company has not issued Equity shares with differential rights during the year and hence the disclosure requirements in this connection will not apply to the Company.

II. Issue of sweat equity shares:

The Company has not issued sweat equity shares during the year and hence the disclosure requirements in this connection will not apply to the Company.

III. Issue of employee stock options:

The Company has issued option under 'Healthium Performance Based Key Employee Stock Incentive Plan 2019' ("PMIP") and Healthium Time Based Key Employee Stock Incentive Plan 2019' ("TMIP"). The details of the same is provided in **Annexure - A**

IV. Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the employees:

There are no shares of the Company which are held in trust during the FY 2021-2022 and hence, the disclosure requirements in this connection will not apply to the Company.

V. Issue of debentures, bonds, warrants or any non-convertible securities:

The Company has not issued debentures, bonds, warrants or any non-convertible securities during the FY 2021-2022, hence the disclosure requirements in this connection will not apply to the Company.

VI. Buy Back of Shares:

The Company has not bought back any of the shares during the FY 2021-22 and hence the disclosure requirements in this connection will not apply to the Company.

7. DIVIDEND

The Board of Directors of your company has decided that it would be prudent, not to recommend any Dividend for the period under review.

7a) Dividend Distribution Policy

Dividend Distribution Policy adopted by the Company is available on the Company's website at https://www.healthiummedtech.com/investorrelations/. The said policy lays down various factors which are considered by the Board while recommending dividend for the year.

8. CHANGE IN THE NATURE OF BUSINESS

The Company is engaged in the business of manufacturing, marketing and sale of medical devices. During the period under review, there has been no change in the nature of business of the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

As per Section 134(3) (c) read with sub-section (5) of the Companies Act, 2013 the Board of Directors makes the following statements:

(a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

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

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) The directors had laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(e) The Directors had prepared the Annual Accounts on a going concern basis.

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

10. SUBSIDIARIES/ JOINT VENTURES /ASSOCIATE COMPANIES

Pursuant to Section 129 of the Companies Act, the details of Subsidiaries and Joint Ventures of the Company for the year ended on March 31st, 2022 is prescribed in the Form AOC-1, which is enclosed to this report as **Annexure-B**.

11. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an internal control mechanism commensurate with its size and nature of business. These systems provide a reasonable assurance on achievement of its operational, compliance and reporting objectives, including safeguarding the Company's assets, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

This mechanism is sound in design and the framework is continuously evaluated for effectiveness and adequacy. The mechanism operates through well-documented standard operating procedures, policies and process guidelines.

The Internal audit plan is finalized based on current perception of internal control risk and compliance requirement in consultation with the operating divisions. The Internal Auditors, as a part of their audits, review the design of key processes to assess the adequacy of controls and also propose remedial measures, wherever required.

The internal financial controls system over financial reporting are 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 Company has a well-equipped monitoring mechanism in place which enables the Company to ensure maintenance of required financial standards for the management of affairs of the Company.

12. DEPOSITS

Your Company has not accepted any deposit from the public in terms of Section 73 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments as per Section 186 of the Companies Act, 2013 by the Company has been disclosed in the notes to the financial statements.

14. RESERVES

The Company has not transferred any amount to Reserves and Surplus Account during the period under review.

15. MEETINGS HELD DURING THE FINANCIAL YEAR

(a) GENERAL MEETING

The Twenty Ninth Annual General Meeting of members of the Company was held on August 17th, 2021.

During the FY 2021-22, Five (5) Extra-Ordinary General Meeting of members of the Company were held on July 19th, 2021, August 07th, 2021, August 27th, 2021, September 02nd, 2021 and March 04th, 2022 respectively.

(b) BOARD MEETINGS & COMMITTEE MEETINGS

The Board of Directors had met Eleven (11) times during the financial year i.e., on May 20th, 2021, July 15th, 2021, August 06th, 2021, August 16th, 2021, August 17th, 2021, August 26th, 2021, September 01st, 2021, September 05th, 2021, September 30th, 2021, November 08th, 2021, and February 17th, 2022. The maximum interval, as prescribed by the Companies Act, 2013, between any two meetings have not exceeded 120 days anytime.

During the financial year, three (3) Audit Committee meetings were held on September 01st, 2021, September 30th, 2021, and November 08th, 2021; one (1) CSR Committee Meeting was held on March 30th, 2022; and one (1) NRC Committee Meeting was held on February 17th, 2022.

Following are the details of the attendance of the Directors with respect to the aforementioned Board Meetings and Committee Meetings:

Board Meeting:

Sl. No.	Name of Director	Number of Board Meetings Eligible to attend	No. of Meetings attended
1.	Mr. Anish Vanraj Bafna	11	11
2.	Mr. Sudarshan Kailash Chandra Jain	11	9
3.	Mr. Shashank Singh	11	10
4.	Mr. Mohammed Azeez	11	9
5.	Mr. Steven Lewis Dyson	11	7
6.	Mr. Ramesh Subrahamanian	11	11
7.	Mr. Ajay Gupta	11	11
8.	Mrs. Namrata Kaul	7	4

Committee Meetings:

Sl. No.	Name of Director	Type of Meeting	Number of Meetings held	No. of Meetings attended
1.	Mrs. Namrata Kaul	Audit Committee	3	1
2.	Mr. Ramesh Subrahamanian	Audit Committee	3	3
3.	Mr. Shashank Singh	Audit Committee	3	3
4.	Mrs. Namrata Kaul	CSR Committee	1	1
5.	Mr. Sudarshan Kailash Chandra Jain	CSR Committee	1	1
6.	Mr. Anish Vanraj Bafna	CSR Committee	1	1
7.	Mrs. Namrata Kaul	NRC Committee	1	1
8.	Mr. Steven Lewis Dyson	NRC Committee	1	0
9.	Mr. Ajay Gupta	NRC Committee	1	1

16. SECRETARIAL STANDARDS

During the year under review, your Company has duly complied with Secretarial Standard 1 dealing with Meetings of the Board of Directors & Secretarial Standard 2 dealing with General Meetings, as notified by Central Government.

17. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Conservation of Energy and Technology Absorption and Foreign Exchange earnings and outgo are given in **Annexure-C**, and forms part of this report.

18. RELATED PARTY TRANSACTIONS

The particulars of all the contracts or/and arrangements entered into with the related parties are provided in prescribed **Form: AOC-2**, which is enclosed to this report as **Annexure-D**. Further, all related party transactions were in ordinary course of business and are at arm's length prices.

19. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the annual return as on March 31, 2022 is available on the Company's website on www.healthiummedtech.com.

20. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

There are employees who were in receipt of remuneration of not less than Rs. 1,02,00,000 during the year ended March 31st, 2022 or not less than Rs. 8,50,000 per month during any part of the year.

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available during 21 days before the Annual General Meeting in electronic mode to any Shareholder upon request sent at cs@healthiummedtech.com.

21. MATERIAL CHANGES AND COMMITMENTS HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report also there has been no change in the nature of business of the Company.

22. LIQUIDATION OF MENA MEDICAL MANUFACTURING FZC

The Company in their Extra ordinary general meeting held on May 25th, 2020 has approved and authorised the directors to take all necessary decisions and actions to exit as Joint Venture partners in Mena Medical Manufacturing FZC by transfer of shares/liquidating the entity/or any other option favourable to the Company by selling and disposing off 765 equity shares of face value AED 100 each held in Mena Medical FZC.

As of March 31st, 2022, the Company continues to hold impairment provision amounting to INR 1.12 million (March 31st, 2021: INR 1.12 million) towards investments in Mena Medical Manufacturing FZC, INR 215.02 million (March 31st, 2021: INR 215.02 million) being expected credit loss towards recovery of loan and INR 19.35 million (March 31st, 2021: 19.35 million provision) being expected credit loss provision towards trade receivable.

Further, the Company while representing in shareholders meeting of Mena Medical Manufacturing FZC held on November 16th, 2020 has approved liquidation application to be filed with the Court of First Preference, Sharjah. The application along with the statutory charges for filing the petition for liquidation was made on December 16th, 2020. The case was accepted on file by the Court on February 11th, 2021 and is currently pending. The next date of hearing is scheduled on September 15th, 2022.

Based on the decision of the Company to exit from Mena Medical Manufacturing FZC, the Company has not accrued the interest income on loan granted for the year ended March 31st, 2022 and March 31st, 2021. The Company has ensured compliance with the applicable provisions of Companies Act, 2013 with respect to loans granted and interest receivable from Mena Medical Manufacturing FZC.

23. RISK MANAGEMENT POLICY

The Company has a proper risk management policy towards operations and administrative affairs which aims at enhancing the Shareholders value and providing an optimum risk- reward trade-off. The risk management approach is based on a clear understanding of the variety of risk that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures. The Directors will be reviewing the policy at regular intervals of time and ensure proper Implementation of the policy formulated.

24. DIRECTORS / KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Ramesh Subrahamanian, Mr. Ajay Gupta and Mrs. Namrata Kaul were appointed as Independent directors of the Company with effect from August 17th, 2021. Pursuant to the provisions of section 149 and 152 read with Schedule IV Section 161 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules and regulations made thereunder all the independent directors shall hold office for a period of three consecutive years from August 17th, 2021 to August 16th, 2024.

Further, Mr. Sudarshan Kailash Chandra Jain (DIN: 00927487), Mr. Shashank Singh (DIN: 02826978) and Mr. Steven Lewis Dyson (DIN: 08145761) has been re-designated as the Nominee directors of the Quinag with effect from August 26th, 2021.

The company has adopted the policy and complied with the code of conduct for Directors and senior management personnel during the appointment of Independent Directors and policy is available on company's website - https://www.healthiummedtech.com/investorrelations/.

(a) Declaration by Independent Directors

Definition of 'Independence' of Directors is derived Section 149(6) of the Companies Act, 2013. The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, stating that they meet the prescribed criteria for independence. The Board, after undertaking assessment and on examination of the relationships disclosed, considered the following Non-Executive Directors as Independent Directors:

1. Ajay Gupta (DIN: 08941393)
2. Ramesh Subrahmanian (DIN: 02933019)
3. Namrata Kaul (DIN: 00994532)

(b) Policy On Directors' Appointment and Remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31st, 2022, the Board had eight members, two of whom are executive directors, three are non-executive and non-independent director and three independent directors. one of the independent directors of the Board is women. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website at https://www.healthiummedtech.com/investorrelations. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company

(c) Familiarization Program for Independent Directors

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The details of the Familiarization Program is hosted on the web-site of the Company at https://www.healthiummedtech.com/investorrelations/

(d) Statement Regarding Integrity, Expertise and Experience Of The Independent Directors Appointed During The Year

i. **Ajay Gupta** is the Chairman and Non-Executive Independent Director of our Company. He holds a bachelor's degree in technology from the Indian Institute of Technology, Delhi and a master's degree in business administration from Leland Stanford Junior University. He has more than 28 years of global management consulting experience. He was previously a senior partner at McKinsey & Company, Inc.

Mr. Gupta is registered under Independent Director's Databank and which is valid up to 27th August 2026 is yet to clear the Independent Director's proficiency test.

ii. **Ramesh Subrahmanian** is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and qualified as a Chartered Accountant in England and Wales. He has significant experience in the pharmaceutical and medical devices industries. He previously worked at KCI Medical Asia Pte. Limited, Stryker Corporation and MERCK. Mr. Subrahmanian is exempted for registering under Independent Director's Databank and clearing Independent Director's proficiency test based on his experiences.

iii. **Namrata Kaul** is a Non-Executive Independent Director of our Company. She holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. She has also been awarded the chevening/gurukul scholarship in leadership and excellence programme by the Foreign and Commonwealth Office to study at the London School of Economics and Political Science. She was previously working with ANZ Grindlays Bank PLC and the Deutsche Bank AG.

Mrs. Kaul is registered under Independent Director's Databank and which is valid up to February 25th, 2025 and cleared the Independent Director's proficiency test as well.

(e) Below mentioned directors continued as the directors of the Company

Sr. No.	Name of the Directors	Designation
1.	Mr. Anish Vanraj Bafna	Managing Director & CEO
2.	Mr. Sudarshan Kailash Chandra Jain	Nominee Director
3.	Mr. Shashank Singh	Nominee Director
4.	Mr. Mohammed Azeez	Whole- Time Director
5.	Mr. Steven Lewis Dyson	Nominee Director
6.	Mr. Ramesh Subrahamanian	Independent Director
7.	Mr. Ajay Gupta	Chairman & Independent Director
8.	Mrs. Namrata Kaul	Independent Director

(f) As on March 31, 2022, the Company has the following Key Managerial Personnel (KMPs) as per Section 2(51) of the Companies Act, 2013:

Sr. No.	Name of the Key Managerial Personnel	Designation
1.	Mr. Anish Bafna	Chief Executive Officer
2.	Mr. Vishal Maheshwari	Chief Financial Officer
3.	Mrs. Pallavi Karkera	Company Secretary & Compliance Officer

(g) Director Liable to Retire by Rotation and Re-Appointment:

As per the provisions of the Companies Act, 2013, Mr. Sudarshan Kailash Chandra Jain (DIN: 00927487), Non-executive nominee director, whose office is liable to retire at the ensuing AGM, and is eligible, for reappointment in ensuring Annual General Meeting subject to approval.

(h) Re-appointment

During the period under review, The reappointment of Mr. Mohammed Azeez (DIN: 03527725), whole-time director of the Company has been approved by the Shareholders of the Company via Extra-Ordinary General Meeting held on March 4th, 2022 for the period of 5years i.e., from March 5th, 2022 to March 4th, 2027.

25. SIGNIFICANT & MATERIAL ORDERS PASSED BY AUTHORITIES

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

26. CORPORATE SOCIAL RESPONSIBILITY

The Company's Corporate Social Responsibility Committee comprises of the following members

Sr. No.	Members Name	Designation
1.	Mrs. Namrata Kaul	Chairman
2.	Mr. Sudarshan Jain	Member
3.	Mr. Anish Vanraj Bafna	Member

CSR Fund of FY 2021-22:

- CSR fund of FY 2021-22 is INR 9.34 Million and amount overspent in last year is INR 0.73 Million.
- CSR fund required to be spent by the Company during the year was INR 8.61 Million.

CSR Spending

- Considering the COVID-19 outbreak and as a part of CSR process , the Company has funded E&H Foundation for Installing Oxygen Generators in Hospital/Covid Relief worth INR 0.50 Million.
- Company has provided Medical & Food Kits to Villagers situated near Kunigal Plant through Tahsildar's Office amounting to INR 24,000.
- Company has procured 125 KVA Generator for Kunigal Government Hospital of INR 0.565 Million.
- Company has contributed INR 1 Million from CSR fund towards Abhinav Bindra Foundation Trust that built an ecosystem of Excellence which brings athletes, amateur players, their stakeholders, and the general public together.
- Company also contributed funds towards development of Government School, Kodase Village, Yellapur Taluk, North Karnataka by spending INR 0.50 Million.
- Contributions made for the development of The Govt. Higher Primary School, Doddapete, Kunigal Town worth INR 1.25 Million.
- Company has set up Cancer screening Camp in collaboration with Health Box and screen 700 women in and around Peenya – total amount spent of setting up camp and screening INR 0.50 Million.
- As on March 31st, 2022, Company as allocated INR 42.71 Million from the budget of FY 2021-22 towards its flagship project "**Maternal Health and Child Development**" in collaboration with Karnataka Health Promotion Board, which remained unspent during the year and will be utilized for the project in current and subsequent year. The amount was transferred to separate bank account named HML CSR Unspent Account and same will be utilized toward ongoing projected in collaboration with Karnataka Health Promotion Board.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in annexure of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Detailed CSR report along with the key policy highlights is annexed as **Annexure- E**.

27. AUDITORS & REPORTS

(a) Statutory Auditor

M/s. S.R. Batliboi and Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company having office at 12th and 13th floor UB City Canberra Block No.24, Vittal Mallya Road Bengaluru 560001, who were reappointed as Statutory auditors in the 27th Annual General Meeting of the Members held on August 09th, 2019 to hold the office for the period of 5 years until the conclusion of 32nd Annual General Meeting. M/s. S.R. Batliboi and Associates LLP, Chartered Accountants continue to hold office as Statutory auditors of the Company.

(b) Statutory Auditor Report

The Auditors' Report for the FY 2021-22 does not contain any adverse remarks, qualifications or reservations or disclaimers, which require explanations/ comments by the Board.

(c) Cost Auditors

The Company has appointed M/s. K.S. Kamalakara & Co., as the Cost Auditors for the FY 2021-22. Cost Accountants have confirmed their appointment is within the prescribed limits and also certified that they are free from any disqualification.

(d) Cost Audit Report

As per the provisions of the Section 148(1) of the Companies Act, 2013, the Company has maintained the cost records, as specified by the Central Government. Cost Audit Report for the FY 2021-22, issued by M/s. K.S. Kamalakara & Co., Cost Auditors, was filed with the Ministry of Corporate Affairs.

(e) Secretarial Auditor

The Company has appointed Mr. C Dwarakanath, Company Secretary in Practice (FCS: 7723; COP:4847) as the Secretarial Auditor of the Company for the FY 2020-21, pursuant to the provision of the Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration personnel) Rules 2014 as amended and other applicable provisions if any of the Companies Act, 2013.

(f) Secretarial Audit Report

The Secretarial Audit Report issued by Mr. C Dwarakanath, Practicing Company Secretary for the financial year ended March 31st, 2022 does not contain any adverse remark, qualifications, reservations or declaimer. The said Report is annexed as "Annexure F" and forms part of this Report.

(g) Internal Auditor

The Company has appointed M/s. PwC Services LLP, Bengaluru as an Internal Auditor for FY 2021-22.

(h) Internal Financial Controls

The Company has appointed M/s. Manian & Rao, Chartered Accountant as an Internal Financial Controls auditor for FY 2021-22.

(i) Reporting of fraud by Auditors

During the year under review, the Statutory Auditors, Cost Auditors, Internal Auditors, IFC Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

28. SEXUAL HARASSMENT

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees regardless of position or contractual status, i.e., permanent, short-term contract, visitors and casual employees are covered under this Policy.

The Policy is gender neutral. During the year under review, there was one complaint with allegation of sexual harassment which was filed with Internal Committee and the same was addressed and action taken during the year.

29. WHISTLEBLOWER POLICY

Your Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information that could adversely impact your Company's operations, business performance and/ or reputation. The Company has adopted the policy and available on Company's website https://www.healthiummedtech.com/investorrelations/.

30. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

As per the provision of Section 125(2) of the Companies Act, 2013, the company do not have any amount as an unclaimed dividend and hence, it is not required to transfer any fund to the Investor Education and Protection Fund.

31. DETAILS OF PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under reporting, there is no application made and also no proceedings were pending under the Insolvency and Bankruptcy Code, 2016 (IBC, 2016). Hence, the details relating to proceedings under IBC, 2016 and their status as at the end of the financial year were not offered.

32. DETAILS OF THE DIFFERENCE AMOUNT OF THE VALUATION AT THE TIME OF ONE- TIME SETTLEMENT AND VALUATION AT THE TIME OF AVAILING LOANS FROM BANK OR FINANCIAL INSTITUTION

The Company has not entered into any one-time settlement with the any of its lender. Hence, disclosure relating to difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions and its reasons are not applicable.

33. COMPOSITION OF COMMITTEES OF BOARD

Company has constituted and /or reconstituted committees in compliance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committees became effective from September 1st, 2021.

Audit Committee

Name	Member/ Chairperson	Designation
Mr. Ramesh Subrahmanian	Chairperson	Non-Executive Independent Director
Mrs. Namrata Kaul	Member	Non-Executive Independent Director
Mr. Shashank Singh	Member	Non-Executive Nominee Director

Nomination & Remuneration Committee

Name	Member/ Chairperson	Designation
Mrs. Namrata Kaul	Chairperson	Non-Executive Independent Director
Mr. Ajay Gupta	Member	Chairman & Non-Executive Independent Director
Mr. Steven Dyson	Member	Non-Executive Nominee Director

Stakeholder Relationship Committee

Name	Member/ Chairperson	Designation
Mr. Shashank Singh	Chairperson	Non-Executive Nominee Director
Mr. Sudarshan Jain	Member	Non-Executive Nominee Director
Mr. Ajay Gupta	Member	Chairman & Non-Executive Independent Director
Mr. Anish Bafna	Member	Managing Director & Chief Executive Officer

Risk Management Committee

Name	Member/ Chairperson	Designation
Mr. Sudarshan Jain	Chairperson	Non-Executive Nominee Director
Mr. Shashank Singh	Member	Non-Executive Nominee Director
Mr. Ramesh Subrahmanian	Member	Non-Executive Independent Director
Mr. Anish Bafna	Member	Managing Director & Chief Executive Officer

Corporate Social Responsibility Committee

Name	Member/ Chairperson	Designation
Mrs. Namrata Kaul	Chairperson	Non-Executive Independent Director
Mr. Sudarshan Jain	Member	Non-Executive Nominee Director
Mr. Anish Bafna	Member	Managing Director & Chief Executive Officer

IPO Committee

Name	Member/ Chairperson	Designation
Mr. Shashank Singh	Chairperson	Non-Executive Nominee Director
Mr. Ramesh Subrahmanian	Member	Non-Executive Independent Director
Mr. Anish Bafna	Member	Managing Director and Chief Executive Officer

34. ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation of the support and assistance extended by the Customers, Vendors, Bankers, Shareholders and Employees of the Company and look forward to their continued cooperation in future as well.

BY ORDER OF THE BOARD

For HEALTHIUM MEDTECH LIMITED

ANISH VANRAJ BAFNA
CEO and Managing Director
(DIN:02925792)

Address: 31, Embassy Boulevard, Hisahalli, Near Yehlahanka Airforce Base, Hunsamaranahalli Post, Hunsamaranahalli, Bengaluru, Karnataka- 562157

Place: Bangalore

Date: 26th May, 2022

MOHAMMED AZEEZ
Whole- Time Director
(DIN: 03527725)

Address: No. 56, SMS Residency, behind Robert Bosch, Popular Colony, Bangalore South, Bommanahalli, Bengaluru, Karnataka - 560068

Place: Bangalore

Date: 26th May, 2022

Enclosures:

Annexure A Particulars of ESOP
Annexure B Form no. AOC-1
Annexure C Details of conservation of Energy and Technology
Annexure D Form no. AOC-2
Annexure E Annual Report on Corporate Social Responsibility (CSR) activities
Annexure F Form MR-3 Secretarial Audit Report

ANNEXURE - A

PARTICULARS OF EMPLOYEES STOCK OPTION PLAN

(a) Time Based MIP 2019

Sl No	Description	ESOP
1	Total Number of Options Granted as on March 31st, 2022	1,140,300
2	Total Granted during the year	153,300
3	Options outstanding as on April 01st, 2021	1,115,100
4	Options vested during the year	17,500
5	Options exercised during the year	942,200
6	Total number of shares arising as a result of exercise of options(as on 31/03/2022)	942,200
7	Total Number of Options settled through cash	Nil
8	Total Number of Options provided for cash settlement	Nil
9	Option Cancelled/ Forfeited during the year	(8,400)
10	The Exercise Price	$4.66
11	Variation of Term of Options up to March 31st, 2022	

The Shareholders vide their resolution dated August 27th, 2021 have amended the Healthium Time Based Key Employee Stock Incentive Plan 2019 has been updated in terms aligning the plan with the Companies Act, 2013 read with rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time along with Circulars, Notifications and Guidelines issued thereunder apart from few other changes with a view to better efficacy and administration of the Plan.

Following variations have been taken place in the Scheme:

Clause 9.1: The following lines have been deleted "in no event may any vested options be exercised during the one-year period following a Listing and the exercise period set-forth in Clause 10 shall be extended by the duration of such one-year period (or shorter period determined by the Administrator), so that the vested Options may be exercised following the expiration of the period during the period set forth in Clause 10"

Clause 10.2.E: Upon Termination of the employee due to Permanent Disability which occurred while in employment with the Company/ Group, all unvested options will vest as on the date of permanent disability.

Clause 10.2.F: In the event of death while in employment with the Company/Group, all unvested options will vest as on the date of death of the Option Holder.

Clause 10.2.H: in case of transfer or deputation to a Group Company or an Associate Company, All Vested Options may be exercised by an Option Holder at any time during the employment with the Group Company or the Associate Company, as the case may be, subject to Clause 13. The Options exercised by the Option Holder shall be treated in the manner as set out in Clause 13. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then the Vested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2. And in case of unvested options the Options would Vest as per the terms of this Plan and the Grant Letter which will be issued as per the terms hereof. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then the Unvested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2.

Clause 12: Post a Listing, the Administrator may also reprice the Options which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the Equity Shares in the stock market provided such repricing is not detrimental to the interests of the employees and the requisite procedures as per Clause 16 are followed.

Clause 15: New subclause 3 has been inserted stating "No Option granted under this Plan may be pledged, hypothecated, mortgaged or otherwise alienated in any other manner".

Sl No	Description	ESOP
12	Money realized by exercise of options during the year	INR 244.03 Million
13	Total number of options in force at the end of the year	168,000
14	Employee wise details of options granted to Key Managerial Personnel	
	Anish Bafna	490,000
	Mohammed Azeez	28,000
	Vishal Maheshwari	84,000
	Pallavi Karkera	2,100
	**Above KMP options have been exercised except for Mr. Mohammed Azeez out of 28,000 options, only 14,000 options are exercised.*	
	Senior Management holding 5% or more of the total number of options granted during the year	
	Anoop Penupolu	32,900
	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (exceeding outstanding warrants and conversion) of the company at the time of grant	NIL

(b) Performance Based MIP 2019

Sl No	Description	ESOP
1	Total Number of Options Granted as on March 31st, 2022	5,157,320
2	Total Granted during the year	560,720
3	Options outstanding as on April 01st, 2021	5,039,960
4	Options vested during the year	Nil
5	Options exercised during the year	Nil
6	Total number of shares arising as a result of exercise of options(as on 31/03/2022)	Nil
7	Total Number of Options settled through cash	Nil
8	Total Number of Options provided for cash settlement	Nil
9	Option Lapsed/ Forfeited during the year	(48,900)
10	The Exercise Price	$4.66
11	Variation of term of Options upto March 31st, 2022: The Shareholders vide their resolution dated August 27th, 2021 have amended the Healthium Performance Based Key Employee Stock Incentive Plan 2019 in terms aligning the plan with the Companies Act, 2013 read with rules made thereunder and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time along with Circulars, Notifications and Guidelines issued thereunder apart from few other changes with a view to better efficacy and administration of the Plan. Following variations have been taken place in the Scheme: Clause 9.1: The following lines have been deleted “in no event may any vested options be exercised during the one-year period following a Listing and the exercise period set-forth in Clause 10 shall be extended by the duration of such one-year period (or shorter period determined by the Administrator), so that the vested Options may be exercised following the expiration of the period during the period set forth in Clause 10” Clause 9.4: Clause 9.4 has been added as follows: Notwithstanding anything contained in this Plan and Annexures and subject to Clause 9.5 below, in the event of a Partial Exit Event occurring upon or after a Listing, there shall be a one-time acceleration event allowing for the Vesting of a percentage of the overall entitlement of the Option Holder in the following manner:	

Sl No	Description	ESOP
	% of Options Vested = 50%, times % stake in the Company sold by the Holding Entity upon Listing, times % of Vesting which would have occurred had a Complete Exit Event taken place at the valuation of the Company upon Listing, where both (i) and (ii) shall take into account any Partial Exit Events upon or prior to such Listing, and the weighted average valuation of such Partial Exit Events. It is clarified that the above acceleration event is a one-time event which shall only be applicable to the first Partial Exit Event that takes place upon a Listing. Clause 9.5: Clause 9.5 has been added as follows: The Option Holder shall have the right, at his or her sole discretion, to opt out of such accelerated Vesting set out in Clause 9.4 above. Should the Option Holder choose not to participate in such an accelerated Vesting event, he/she will intimate the Company in writing within five days from the occurrence of the Partial Exit Event triggering such accelerated Vesting. Clause 10.2.H: in case of transfer or deputation to a Group Company or an Associate Company, All Vested Options may be exercised by an Option Holder at any time during the employment with the Group Company or the Associate Company, as the case may be, subject to Clause 13. The Options exercised by the Option Holder shall be treated in the manner as set out in Clause 13. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then the Vested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2. And in case of unvested options the Options would Vest as per the terms of this Plan and the Grant Letter which will be issued as per the terms hereof. Should the Option Holder leave the employment of the Group Company or the Associate Company, as the case may be, then the Unvested Options shall be treated depending upon the reason for leaving, as outlined in this Clause 10.2. Clause 12: Post a Listing, the Administrator may also reprice the Options which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the Equity Shares in the stock market provided such repricing is not detrimental to the interests of the employees and the requisite procedures as per Clause 16 are followed. Clause 15: New subclause 3 has been inserted stating "No Option granted under this Plan may be pledged, hypothecated, mortgaged or otherwise alienated in any other manner"	
12	Money realized by exercise of options during the year	Nil
13	Total number of options in force at the end of the year	5,017,140
14	Employee wise details of options granted to Key Managerial Personnel	
	Anish Bafna	2,282,000
	Mohammed Azeez	130,400
	Vishal Maheshwari	391,200
	Pallavi Karkera	9,780
	Senior Management holding 5% or more of the total number of options granted during the year	Nil
	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (exceeding outstanding warrants and conversion) of the company at the time of grant	
	Anish Bafna	2,282,000

BY ORDER OF THE BOARD

For HEALTHIUM MEDTECH LIMITED

ANISH VANRAJ BAFNA

CEO and Managing Director
(DIN:02925792)

Address: 31, Embassy Boulevard, Hisahalli, Near Yehlahanka Airforce Base, Hunsamaranahalli Post, Hunsamaranahalli, Bengaluru, Karnataka- 562157

Place: Bangalore

Date: 26th May, 2022

MOHAMMED AZEEZ

Whole- Time Director
(DIN: 03527725)

Address: No. 56, SMS Residency, behind Robert Bosch, Popular Colony, Bangalore South, Bommanahalli, Bengaluru, Karnataka - 560068

Place: Bangalore

Date: 26th May, 2022

ANNEXURE - B

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

Name of the subsidiary	Healthium OEM Private Limited (CIN: U25191KA2001PTC133870)
The date since when subsidiary was acquired	03/12/2007
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	INR in Millions
Share capital	831.19
Reserves and surplus	3,706.93
Total assets	4,538.50
Total Liabilities (excluding Share Capital and Reserves)	0.38
Investments	4,500
Turnover	NIL
Profit before taxation	0.48
Taxation	0.13
Profit after taxation	0.35
Proposed Dividend	NA
Extent of shareholding (in percentage)	100%

Name of the subsidiary	CareNow Medical Private Limited (CIN: U33119TZ2010PTC016376)
The date since when subsidiary was acquired	31/08/2021
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	INR in Millions
Share capital (Equity & Preference)	0.34
Reserves and surplus	209.67
Total assets	226.83
Total Liabilities (excluding Share Capital and Reserves)	16.81
Investments	NA
Turnover	277.35
Profit before taxation	25.24
Taxation	6.25
Profit after taxation	18.99
Proposed Dividend	NA
Extent of shareholding (Equity Shares) (in percentage)	99.91%

Name of the subsidiary	Sironix Medicals Technologies B.V
The date since when subsidiary was acquired	20/03/2015
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	Amount in Euro
Share capital	100
Reserves and surplus	2,478,236
Total assets	20,302,553
Total Liabilities (excluding Share Capital and Reserves)	17,824,217
Investments	20,154,203
Turnover	Nil
Profit before taxation	(1,571,750)
Taxation	Nil
Profit after taxation	(1,571,750)
Proposed Dividend	-
Extent of shareholding (in percentage)	100%

Name of the subsidiary	Sironium Medical Technologies Limited
The date since when subsidiary was acquired	26/04/2017
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	Amount in GBP
Share capital	3,95,000
Reserves and surplus	(18,823)
Total assets	378,477
Total Liabilities (excluding Share Capital and Reserves)	2,300
Investments	NIL
Turnover	NIL
Profit before taxation	(13,422)
Taxation	NIL
Profit after taxation	(13,422)
Proposed Dividend	-
Extent of shareholding (in percentage)	100%

Name of the subsidiary	Quality Needles Private Limited CIN: U74899DL1984PTC017706
The date since when subsidiary was acquired	29/03/2017
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	INR in Millions
Share capital	5.21
Reserves and surplus	2,135.26
Total assets	2,352.65
Total Liabilities (excluding Share Capital and Reserves)	212.18
Investments	40.22
Turnover	1,750.47
Profit before taxation	823.95
Taxation	210.88
Profit after taxation	613.07
Proposed Dividend	NIL
Extent of shareholding (in percentage)	99.99% *(subsidiary of Healthium OEM Private Limited)*

Name of the subsidiary	Clinisupplies Ltd
The date since when subsidiary was acquired	07/05/2015
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	Amount in GBP
Share capital	2,694
Reserves and surplus	9,449,791
Total assets	36,109,463
Total Liabilities (excluding Share Capital and Reserves)	26,656,978
Investments	12,275,000
Turnover	25,484,819
Profit before taxation	1,798,798
Taxation	64,223
Profit after taxation	1,734,575
Proposed Dividend	-
Extent of shareholding (in percentage)	100% Subsidiary of Sironix Medicals Technologies B. V

Name of the subsidiary	Clinisupplies Ltd
The date since when subsidiary was acquired	07/05/2015
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	Amount in GBP
Share capital	1,000
Reserves and surplus	(151,016)
Total assets	875,673
Total Liabilities (excluding Share Capital and Reserves)	1,025,689
Investments	NIL
Turnover	1,488,393
Profit before taxation	5,93,312
Taxation	NIL
Profit after taxation	5,93,312
Proposed Dividend	-
Extent of shareholding (in percentage)	100% Subsidiary of Sironix Medicals Technologies B. V

Name of the subsidiary	Meditex Supplies Limited
The date since when subsidiary was acquired (Acquisition of by Clinisupplies Ltd)	07/05/2015
Reporting period for the subsidiary concerned	01/04/2021 to 31/03/2022
Reporting currency and Exchange rate	Amount in GBP
Share capital	400
Reserves and surplus	310,477
Total assets	313,728
Total Liabilities (excluding Share Capital and Reserves)	2,851
Investments	Nil
Turnover	Nil
Profit before taxation	(2,015)
Taxation	Nil
Profit after taxation	(2,015)
Proposed Dividend	Nil
Extent of shareholding (in percentage)	100% Subsidiary of Clinisupplies Ltd

Name of the subsidiary	VitalCare Group
The date since when subsidiary was acquired (Acquisition of Vital Care by Clinisupplies)	01/07/2021
Reporting period for the subsidiary concerned	01/07/2021 to 31/03/2022
Reporting currency and Exchange rate	Amount in GBP
Share capital	100 (Ordinaryshares of £1 each)
Reserves and surplus	2,416,157 (as on 31st March 2022)
Total assets	4,472,222 (as on 31st March 2022)
Total Liabilities (excluding Share Capital and Reserves)	2,055,965 (as on 31st March 2022)
Investments	Nil (VC UK investment in VC china of 1,757,846)
Turnover	5,188,104
Profit before taxation	431,591
Taxation	22,773
Profit after taxation	408,818
OCI - Net exchange differences on translation of foreign operations	(93,752)
Net Profit after tax and OCI	315,066
Proposed Dividend	-
Extent of shareholding (in percentage)	100% Subsidiary of Clinisupplies Ltd

Part - B

Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Mena Medical Manufacture FZC
Latest audited Balance Sheet Date	31/03/2022
Date on which the Associate or Joint Venture was associated or acquired	02/07/2012
Shares of Associate or Joint Ventures held by the company on the year end	765 Shares
Amount of Investment in Associates or Joint Venture	1.12(Provision)
Extent of Holding (in percentage)	51%
Description of how there is significant influence	It is a Joint Venture of the Company holding majority of Shares
Reason why the associate/joint venture is not consolidated	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	(12,371,679)
Profit or Loss for the year	(14,902)
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

BY ORDER OF THE BOARD

For HEALTHIUM MEDTECH LIMITED

ANISH VANRAJ BAFNA
CEO and Managing Director
(DIN:02925792)

Address: 31, Embassy Boulevard, Hisahalli, Near Yehlahanka Airforce Base, Hunsamaranahalli Post, Hunsamaranahalli, Bengaluru, Karnataka- 562157

Place: Bangalore

Date: 26th May, 2022

MOHAMMED AZEEZ
Whole- Time Director
(DIN: 03527725)

Address: No. 56, SMS Residency, behind Robert Bosch, Popular Colony, Bangalore South, Bommanahalli, Bengaluru, Karnataka - 560068

Place: Bangalore

Date: 26th May, 2022

ANNEXURE - C

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(Pursuant to provision of Section 134 (3) (m) read with Rule 8 of Cost (Accounts) Rules, 2014)

(A)	**Conservation of energy**	
Steps taken / impact on conservation of energy, with special reference to the following:		
i	Steps taken by the company for utilizing alternate sources of energy including waste generated	(A) Company has moved to LED lighting CFL. Will achieve savings of 2184 KW/year in Peenya. (B) Company is continuing to use refrigerant gas R410A which is more environment friendly (C) Solar Power project implemented & we have started using it from July 2021 in Kunigal plant. FY22 saving INR 23.2 Lakh
ii	Capital investment on energy conservation equipment	NIL

(B)	**Technology Absorption**	
i.	Efforts, in brief, made towards technology absorption	During the year, Company has introduced multiple machines & technology, also launched multiple products which are technologically advanced in- patient care like:
ii.	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	1 Titanium ligating clip-Trutie300 & Trutie 400. 2 Sternum closure steel suture (Titan Double wire) for US customer-Jace medical 3 Company invested money in developing Racetrack tray which is superior packaging mode for surgical suture i.e. RTT. 4 New cassettes products. 5 Patent registration for most of the above development is under process. 6 Automatic Screen-Printing machines 7 Single color offset machine for in house small items printing 8 PLC based foil cutting machine 9 PLC based pouch sealing machine 10 PLC based aluminum foil auto forming machine. 11 6 -up pouch sealing machine. 12 New UPS for IT server room- Savings of INR 8K /month 13 In Kunigal -Peel packing for gloves 14 In Kunigal-Wallet printing machine
iii.	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:	
	a. Details of technology imported.	NA
	b. Year of import.	
	c. Whether the technology been fully absorbed	NA
	d. If not fully absorbed, areas where absorption has not taken place, and the reasons, therefore.	NA
	iv. Expenditure incurred on Research and Development	NA

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The transactions involving Foreign exchange are as follows: -

Sl. No.	PARTICULARS	2021-22(Amount in millions)	2020-21 (Amount in millions)
1	Foreign Exchange earnings	1435.10	1,201.41
2	Foreign Exchange outgo	651.83	675.23

BY ORDER OF THE BOARD

For HEALTHIUM MEDTECH LIMITED

ANISH VANRAJ BAFNA
CEO and Managing Director
(DIN:02925792)

Address: 31, Embassy Boulevard, Hisahalli, Near Yehlahanka Airforce Base, Hunsamaranahalli Post, Hunsamaranahalli, Bengaluru, Karnataka- 562157

Place: Bangalore

Date: 26th May, 2022

MOHAMMED AZEEZ
Whole- Time Director
(DIN: 03527725)

Address: No. 56, SMS Residency, behind Robert Bosch, Popular Colony, Bangalore South, Bommanahalli, Bengaluru, Karnataka - 560068

Place: Bangalore

Date: 26th May, 2022

ANNEXURE – D

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

(Pursuant to provision of Section 134 (3) (m) read with Rule 8(2) of Company (Accounts) Rules, 2014)

Form AOC – 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not applicable
b)	Nature of contracts/arrangements/transaction	Not applicable
c)	Duration of the contracts/arrangements/transaction	Not applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not applicable
e)	Justification for entering into such contracts or arrangements or transactions'	Not applicable
f)	Date of approval by the Board	Not applicable
g)	Amount paid as advances, if any	Not applicable
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not applicable

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangement/ transaction	Salient terms of the contracts or arrangements or transaction including the value (in millions), if any	Date of approval by the Board	Amount paid as advances, if any
1	Sironix Medical Technologies BV (Wholly owned subsidiary)	Reversal of impairment provision for doubtful intercorporate loan	During the year	(36.25)	July 15th, 2021	NIL
		Write-off of doubtful intercorporate loan	During the year	36.25		NIL
		Interest Income	In continuation with previous year	28.51		NIL
2	Quality Needles Private Limited (Indirect subsidiary)	Purchase of goods	In continuation with previous year	143.82	July 15th, 2021	NIL
		Employee share based payments	In continuation with previous year	6.15	October 20th, 2021(Circular resolution of the Board)	NIL
		Employee share based payments received	During the year	8.03	October 20th,2021(Circular resolution of the Board)	NIL
3	Mr. Mahadevan Narayanamoni	Share issue expenses	During the year	0.42	September 01st, 2021	NIL
4	Vitalcare (Nanjing) Co, Ltd	Purchase of Goods (1 July 2021 to 31 March 2022)	During the year	16.42	August 16th, 2021	NIL

Sl. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangement/ transaction	Salient terms of the contracts or arrangements or transaction including the value (in millions), if any	Date of approval by the Board	Amount paid as advances, if any
5	CareNow Medical Private Limited	Investments in equity shares	During the year	1792.20	August 16th, 2021	NIL
		Purchase of Goods (1 September 2021 to 31 March 2022)	During the year	31.51	September 30th, 2021	NIL
6	Quinag Acquisition (FDI) Ltd	Issue of equity shares on rights issue	During the year	1297.21	August 26th, 2021	NIL
		Share issue expenses	During the year	165.53	September 1st, 2021	NIL
7	Clinisupplies Limited (Indirect subsidiary)	Sale of goods	In continuation with previous year	246.01	July 15th, 2021	NIL
		Guarantee commission on letter of awareness	During the year	1.49		NIL

BY ORDER OF THE BOARD

For HEALTHIUM MEDTECH LIMITED

ANISH VANRAJ BAFNA
CEO and Managing Director
(DIN:02925792)

Address: 31, Embassy Boulevard, Hisahalli, Near Yehlahanka Airforce Base, Hunsamaranahalli Post, Hunsamaranahalli, Bengaluru, Karnataka- 562157

Place: Bangalore

Date: 26th May, 2022

MOHAMMED AZEEZ
Whole- Time Director
(DIN: 03527725)

Address: No. 56, SMS Residency, behind Robert Bosch, Popular Colony, Bangalore South, Bommanahalli, Bengaluru, Karnataka - 560068

Place: Bangalore

Date: 26th May, 2022

ANNEXURE - E

Annual Report on Corporate Social Responsibility (CSR) activities

1. A brief outline of the Company's CSR policy of the Company

Healthium intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

The objective of the Policy is:

i. to lay down guidelines to make CSR a key business process for sustainable development of the society in alignment with the Companies Act, 2013;

ii. to undertake projects and programs that will enhance the quality of life and economic well-being of the under privileged sections of the society;

iii. to generate awareness, goodwill and recognition among all stakeholders of the Company.

The purpose of this CSR Policy is to make clear to all stakeholders what we mean by CSR and how we propose to work towards achieving it. The CSR Policy applies throughout all of the procurement service and governs our approach to all our activities. In implementing this Policy, we aim to be responsible and be an example of good practice.

2. The Composition of the CSR Committee

The Company has constituted a CSR Committee of the Board. The members of the CSR Committee:

Sl. No.	Name	Designation
1.	Mrs. Namrata Kaul	Chairman
2.	Mr. Sudarshan Kailash Chandra Jain	Member
3.	Mr. Anish Vanraj Bafna	Member

3. Web-link where composition of CSR Committee and CSR policy disclosed

The Company Composition of the CSR committee mentioned above, CSR Policy and CSR Annual Action Plan is available on the Company's website at https://www.healthiummedtech.com/investorrelations/.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub- rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and there are no projects undertaken or completed after January 22nd, 2021, for which the impact assessment report is applicable in FY 2021-22.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for Set-off from preceding financial year (in INR Million)	Amount carried forward for the financial year, if any (in INR Million)
1	FY 2020-21	0.73	NIL

6. Average net profit of the Company as per Section 135(5): INR 466.93 Million

7. (a) Two percent of average net profit of the Company as per section 135(5): **INR 9.34 Million**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year, if any: **INR 0.73 Million**

(d) Total CSR obligation for the financial year (7a+7b-7c): **INR 8.61 Million**

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
9.32	Nil	-	-	Nil	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project	Project Duration	Amount allocated for the Project	Amount Spent in the current financial Year	Amount transferred to Unspent CSR Account for the Project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency
1.	Improving Maternal Health and Early Childhood Development through a life cycle approach – a pilot intervention in a block in Karnataka.	Schedule VII (i)	Yes	Bengaluru, Karnataka	2 Years	INR 43.81 Million	Nil	INR 4.381 Million	No	Yes via Karnataka Health Promotion Board

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project	Amount allocated for the Project	Amount Spent for the Project	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency
1.	Contribution to Abhinav bindra foundation trust (ABFT)	(vii)	No	PAN India	INR 1 Million	INR 1 Million	No	Abhinav bindra foundation trust (ABFT)
2.	Development of Government School, Kodase Village, Yellapur Taluk North, Karnataka.	(ii)	Yes	Kodase Village, Yellapur Taluk North	INR 0.50 Million	INR 0.50 Million	Yes	NA
3.	Development of The Govt. Higher Primary School, Doddapete, Kunigal Town	(ii)	Yes	Doddapete, Kunigal Town, Karnataka	INR 1.25 Million	INR 1.25 Million	Yes	NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the Project**	**Amount allocated for the Project**	**Amount Spent for the Project**	**Mode of Implementation Direct (Yes/No)**	**Mode of Implementation through Implementing Agency**
4.	Cancer Screening Camp in partnership with Healthbox Trust	(i)	Yes	Peenya, Bangalore, Karnataka	INR 0.50 Million	INR 0.50 Million	No	Heathbox Trust
5.	Contribution towards installing 125KVA Generators for Kunigal Government Hospital	(i)	Yes	Kunigal, Karnataka	INR 0.565 Million	INR 0.565 Million	Yes	NA
6.	Installing Oxygen Generators in Hospitals/ Covid Relief via E&H Foundation	(i)	No	New Delhi	INR 0.5 Million	INR 0.5 Million	No	E&H Foundation
7.	Distribution of Covid essential kits	(i)	Yes	Kunigal, Karnataka	INR 0.024 Million	INR 0.024 Million	Yes	NA

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 4.339 Million

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in million)
i	Two percent of average net profit of the Company as per Section 135(5)	9.340
ii	Overspent amount carried forward from the previous year	0.730
iii	Total Amount required to be spent in Financial Year	8.610
iv	Total amount spent for the Financial Year	4.339
v	Excess amount spent for the financial year [(i)+ (ii)-(iii)]	Nil
vi	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
vii	Amount available for set off in succeeding financial years	Nil

9. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

10. **(a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1.	FY 2020-21	NIL	NIL	NIL	NIL	NIL	NIL
2.	FY 2019-20	Nil	0.33	NIL	Nil	NIL	Nil

11. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): One

Sl. No.	Name of the Project	Financial Year in which the Project was commenced	Project Duration	Total Amount Allocated for the Project	Amount Spent on the Project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the Project – Completed/ Ongoing
1.	Improving Maternal Health and Early Childhood Development through a life cycle approach – a pilot intervention in a block in Karnataka.	FY 2021-22	2 Years	INR 4.381 Million	NIL	NIL	Ongoing

12. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

13. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Company has transferred unspent CSR Amount to a separate account for the Ongoing Project entered by and Between Company and Karnataka Health Promotion Board.

BY ORDER OF THE BOARD

For HEALTHIUM MEDTECH LIMITED

ANISH VANRAJ BAFNA
CEO and Managing Director
(DIN:02925792)

Address: 31, Embassy Boulevard, Hisahalli, Near Yehlahanka Airforce Base, Hunsamaranahalli Post, Hunsamaranahalli, Bengaluru, Karnataka- 562157

Place: Bangalore

Date: 26th May, 2022

MOHAMMED AZEEZ
Whole- Time Director
(DIN: 03527725)

Address: No. 56, SMS Residency, behind Robert Bosch, Popular Colony, Bangalore South, Bommanahalli, Bengaluru, Karnataka - 560068

Place: Bangalore

Date: 26th May, 2022

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
HEALTHIUM MEDTECH LIMITED
(Formerly known as Healthium Medtech Private Limited)
(CIN: U03311KA1992PLC013831)
472/D, 4th Phase, 13th Cross,
Peenya Industrial Area, Bengaluru-560058

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Healthium Medtech Limited** *(Formerly known as Healthium Medtech Private Limited)* ("the **Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (**"Audit Period"**), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for Audit Period, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – **Not Applicable;**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder ("FEMA") to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. However, the Company has not raised any external commercial borrowing during the Audit Period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable;**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not applicable;**

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable;**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable;**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable;**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable;**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2021 - **Not applicable;** and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018 - **Not applicable;**

(vi) Other laws informed by the management of the Company as applicable to the Company is enclosed as **Annexure-I** hereto.

Further, I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meetings.

(ii) The Listing Agreements entered by the Company with Stock Exchanges (s); - **Not Applicable**

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and by complying with the prescribed procedure where the meetings are called with less than seven days' notice as per the relevant Article of Articles of Association of the Company), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions at the Board and Committee meetings are carried out unanimously, as recorded in the minutes.

I further report that during the Audit Period, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc., mentioned above, subject to the following observation:

- During the audit period, the Company had filed forms and returns within the due date except for couple of instances where they have filed beyond due date, with additional fee.

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

  I further report that

- During the audit period, the Company had changed its status from "Private Limited" to "Public Limited" and altered its Memorandum of Association and Articles of Association after passing a special resolution in the Extra-Ordinary General Meeting of the Company held on 19th July 2021.

- The Company had filed Draft Red Herring Prospectus ('DRHP') with the Stock Exchange Board of India ('SEBI') for public issue of equity shares aggregating to Rs. 3,900 million and offer for sale of up to 3,91,00,000 equity shares under the Initial Public Offer ('IPO') and the same has been approved by SEBI on 24th November 2021.

  However, the Company has deferred their plan of raising funds through IPO during the audit period due to prevailing market conditions and passed the necessary resolution for the withdrawal of the DRHP filed with the SEBI in its board meeting held on 19th May 2022 and same is intimated to the relevant authorities.

- Healthium OEM Private Limited, a 100% Wholly Owned Subsidiary of the Company has filed a petition before the Hon'ble National Company Law Tribunal ("NCLT") -Bengaluru Bench vide case no. C.P. (CAA) No.11/BB/2021 for amalgamation with the Company, as per the Scheme of Amalgamation approved by the Board of Directors of the Company in the meeting dated 10th September 2020.

  It may be noted that the said petition is pending for disposal before the Hon'ble NCLT - Bengaluru Bench.

- During the audit period, the Company has invested in CareNow Medical Private Limited, a Private Limited Company incorporated in India by acquiring 3380 equity shares of Rs. 100/- each for a consideration of Rs.134,30,00,000/- (Rupees One Hundred and Thirty-Four Crore Thirty Lakhs Only). Out of the above-mentioned investment, the Company has raised Rs. 129,99,99,000/- (Rupees One Hundred and Twenty-Nine Crores Ninety-Nine Lakhs and Ninety-Nine Thousand Only) through rights issue of equity shares of the Company to the existing shareholders which includes both Quinag Acquisition (FDI) Limited, a foreign shareholder and other Indian Resident shareholders. The amount raised through rights issue was used to fund the investment made in the Carenow Medical Private Limited. *Hence, this amounts to Downstream investment under the FEMA regulations.*

Due to inadvertence the Company has filed Form DI on 12th May 2022 with the RBI beyond the prescribed time and the said form was rejected by RBI on 17th May 2022 for seeking additional documentations, the Company is in the process of re-submissions of the Form along with the additional documents sought by the AD Banker.

Place: Bengaluru
Date: 26th May 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; C P No: 4847
UDIN: F007723D000473694
Peer Review Certificate No: 674/2020

*Note: This report is to be read with my letter of even date which is annexed as **Annexure-2** hereto and forms an integral part of this report.*

Annexure – 1

List of Other Major Laws Applicable (other than Companies Act, SEBI regulations, FEMA)

A. Corporate laws

1. The Depositories Act, 1996 and regulation and bye-laws thereunder

B. Labour laws

1. Shops & Commercial Establishments Act of applicable states;
2. Child Labour (Prohibition and Regulation) Act, 1986;
3. Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
4. The Contract Labour (Regulation and Abolition) Act, 1970;
5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
6. The Employees' State Insurance Act, 1948;
7. The Employees Compensation Act, 1923 and Workmen's Compensation Rules, 1924;
8. The Equal Remuneration Act, 1976;
9. The Factories Act, 1948;
10. The Industrial Disputes Act, 1947;
11. The Industrial Employment (Standing Orders) Act, 1946;
12. The Maternity Benefit Act, 1961;
13. The Minimum Wages Act, 1948;
14. The Payment of Bonus Act, 1965;
15. The Payment of Gratuity Act, 1972;
16. The Payment of Wages Act, 1936; and
17. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

C. Taxation laws

1. The Income Tax Act, 1961 and Income Tax Rules 1962;
2. The Customs Act, 1961;
3. Goods and Services Tax 2017;
4. Andhra Pradesh Tax on Professions, Trades, Callings and Employment Act, 1987 and Rules, 2004
5. Karnataka Tax on Professions, Trades, Callings and Employment Act, 1987 and Rules, 2004.

D. Intellectual property laws

1. The Patents Act, 1970;
2. The Trade Marks Act, 1999
3. Indian Copy right Act 1957 and Copy right rules 2013

E. Environmental laws

1. The Water (Prevention and Control of Pollution) Act, 1974;
2. The Air (Prevention and Control of Pollution) Act, 1981;
3. The Environment Protection Act, 1986
4. The Environment Protection Rules, 1986
5. The Ozone Depleting Substances (Regulation and Control) Rules, 2000
6. The Solid Waste Management Rules, 2016
7. The Batteries (Management and Handling) Rules, 2001
8. The Manufacture, Storage, Import of Hazardous Chemicals Rules; and
9. The Water (Prevention & Control of Pollution) Cess Act, 1977 and Water (Prevention & Control of Pollution) Cess Rules, 1978.

F. Laws & policies applicable to Manufacturing Sector:

1. Medical Device Rules, 2017.
2. Drugs and Cosmetics Rules, 1945
3. Drugs (Price Control) Order, 1995
4. EU MDR & US FDA

G. Miscellaneous laws:

1. The Prevention of Money Laundering Act, 2002;
2. The Micro, Small and Medium Enterprises Development Act, 2006;
3. The Competition Act, 2002;
4. The Legal Metrology Act, 2009;
5. Electricity Act, 2003;
6. Explosives Act, 1884 and Gas Cylinders Rules, 2016
7. Petroleum Act, 1934 and Petroleum Rules, 2002

Place: Bengaluru
Date: 26th May 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; C P No: 4847
UDIN: F007723D000473694
Peer Review Certificate No: 674/2020

Annexure – 2

To

The Members
HEALTHIUM MEDTECH LIMITED
(Formerly known as Healthium Medtech Private Limited)
(CIN: U03311KA1992PLC013831)
472/D, 4th Phase, 13th Cross,
Peenya Industrial Area, Bengaluru-560058

My Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, etc., is the responsibility of the management of the Company. My examination was limited to the verification of procedures on random test basis.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening events etc.
6. The list of laws applicable to the Company enclosed as **Annexure-1** to the Secretarial Audit report is as confirmed by the management of the Company. The Secretarial audit report is neither an assurance nor a confirmation that the list is exhaustive.
7. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: 26th May 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; C P No: 4847
UDIN: F007723D000473694
Peer Review Certificate No: 674/2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Healthium Medtech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Healthium Medtech Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive income/(loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of 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 standalone financial statements give the information required by the Companies Act, 2013, as amended ("the 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 March 31, 2022, its profit including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 audit opinion on the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 standalone financial statements, including the disclosures, and whether the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Statement of Other Comprehensive income/(loss), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 on its financial position in its standalone financial statements – Refer Note 31(b) to the standalone 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. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 40 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 40 to the standalone financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. As stated in note 41 to the standalone financial statements, the Board of Directors of the Company have proposed interim dividend. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803AJRUXS4060

Place of Signature: Bengaluru
Date: May 26, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HEALTHIUM MEDTECH LIMITED

In terms of the information and explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were notice on such verification.

(c) According to the information and explanations given by the management and confirmation from a bank relating to title deeds of immovable properties mortgaged with the said bank, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company and in respect of immovable properties of land that have been taken on lease and disclosed as Right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory have were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and no discrepancies were noticed in respect of such confirmation.

(b) As disclosed in note 14 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. Five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies or any other parties as follows:

(INR in million)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Others	-	-	0.37	20.00
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	398.37	-	699.57	-
- Others	-	-	2.61	35.00

The aforesaid Balance outstanding as at balance sheet date in respect of subsidiaries is net of the following:

(a) The Company has granted the loan to one of its subsidiary, aggregating to INR 215.02 million in earlier years which have been fully impaired in the books of the Company in earlier years. Further, no interest is accrued in respect of these loans. Refer note 37(b)(ii) to the financial statement in this regard.

(b) In respect to interest receivable amounting to INR 36.25 million from one of its subsidiary, considering the uncertainty in relation to recoverability the Company has provided the amount in earlier years. In the current year, the Company has written off the interest receivable amount. Refer note 37(b)(i) to the financial statement in this regard.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies or any other parties are not prejudicial to the Company's interest. Also, refer note 37(b)(ii), to the financial statement in this regard.

(c) The Company has granted loans and advance in the nature of loans during the year to companies or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. Also, refer note 37(b)(ii), to the financial statement in this regard.

(d) There are no amounts of loans and advances in the nature of loans granted to companies or any other parties which are overdue for more than ninety days. Also, refer note 37(b)(ii), to the financial statement in this regard.

(e) There were no loans or advance in the nature of loan granted to companies or any other parties which had fallen due during the year.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company. However, in case of one subsidiary where the loan granted during previous years and interest accrued upto March 31, 2019 aggregating to INR 215.02 million had been provided for in previous years considering the financial position of the said subsidiary. Also refer note 37(b)(ii), to the financial statement in this regard.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of hospital consumables, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, 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 applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Total disputed dues (INR in millions)	Paid under protest (INR in millions)	Period to which the amount relates (Financial year)	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	5.28	4.67	2008-09	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994	Service Tax	11.86	1.08	August 2012 to June 2017	Customs, Excise and Service Tax Appellate Tribunal,Bengaluru
Finance Act, 1994	Service Tax	9.91	-	April 2016 to June 2017	Commissioner Appeals, Bengaluru
Income Tax Act, 1961	Income tax	6.11	0.87	2008-09 to 2009-10	High Court, Karnataka
Income Tax Act, 1961	Income tax	10.66	10.66	2012-13	Commissioner of Income Tax (Appeals),Bengaluru
Income Tax Act, 1961	Income tax	27.68	27.68	2013-14	Commissioner of Income Tax (Appeals), Bengaluru
Income Tax Act, 1961	Income tax	3.03	3.03	2015-16	Commissioner of Income Tax (Appeals), Bengaluru
Income Tax Act, 1961	Income tax	36.64	-	2016-17	Assessing Officer, Bengaluru

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority..

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.

(d) The Group has one Core Investment Company ('CIC'), basis legal opinion the management is of the view that the said CIC is not required to be registered under Reserve Bank of India Act, 1934.

(xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 39 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37(c) to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 37(c) to the financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803AJRUXS4060

Place of Signature: Bengaluru
Date: May 26, 2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HEALTHIUM MEDTECH LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Healthium Medtech Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803AJRUXS4060

Place of Signature: Bengaluru
Date: May 26, 2022

STANDALONE BALANCE SHEET

as at 31 March 2022

in INR million

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	615.07	632.40
Capital work in progress	3	6.74	9.67
Goodwill	4(A)	38.70	-
Intangible assets	4(B)	555.53	128.89
Intangible assets under development	4(B)	25.29	2.86
Right-of-use assets	5	59.14	75.19
Financial assets			
Investments	6	6,966.66	5,174.46
Loans	6	699.57	662.74
Other financial assets	6	82.86	88.48
Income tax assets (Net)		168.09	163.87
Deferred tax assets (Net)	19	176.12	144.88
Other non-current assets	10	53.47	17.03
		9,447.24	**7,100.47**
Current assets			
Inventories	7	882.96	684.92
Financial assets			
Investments	6	424.00	0.24
Trade receivables	8	821.29	627.75
Cash and cash equivalents	9	161.60	628.93
Bank balances other than cash and cash equivalents	6	55.83	9.99
Loans	6	2.61	3.22
Other financial assets	6	175.80	20.37
Other current assets	10	297.88	271.67
		2,821.97	**2,247.09**
Total assets		**12,269.21**	**9,347.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	98.70	92.56
Other equity	13	10,129.93	8,226.30
Total equity		**10,228.63**	**8,318.86**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	93.70	0.32
Lease liabilities	5	28.50	43.14
Other financial liabilities	16	628.08	122.48
Other non-current liabilities	17	5.14	6.02
		755.42	**171.96**
Current liabilities			
Financial liabilities			
Borrowings	14	432.63	204.81
Lease liabilities	5	24.76	24.57
Trade payables	15		
- total outstanding dues of micro and small enterprises		55.42	15.15
- total outstanding dues of creditors other than micro and small enterprises		399.21	298.42
Other financial liabilities	16	216.74	131.28
Other current liabilities	17	86.88	143.80
Provisions	18	31.63	26.00
Current tax liabilities (Net)		37.89	12.71
		1,285.16	**856.74**
Total liabilities		**2,040.58**	**1,028.70**
Total equity and liabilities		**12,269.21**	**9,347.56**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date : 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date : 26 May 2022

Healthium

STANDALONE STATEMENT OF PROFIT AND LOSS

for year ended 31 March 2022

in INR million

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	20	4,804.42	3,478.73
Other income	21	24.92	387.28
Finance income	22	40.98	48.43
Total income (I)		**4,870.32**	**3,914.44**
Expenses			
Cost of raw material and components consumed	23 (a)	2,091.34	1,359.72
Purchase of traded goods	23 (b)	198.64	76.37
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	23 (c)	(124.27)	49.17
Employee benefits expense	24	924.91	795.54
Finance costs	27	60.23	36.69
Depreciation and amortization expense	25	186.42	181.65
Other expenses	26	1,101.77	721.10
Total expense (II)		**4,439.04**	**3,220.24**
Profit before exceptional items and tax (III) [I-II]		**431.28**	**694.20**
Exceptional items (IV)	38	(20.13)	22.72
Profit before tax (V) [III+IV]		**411.15**	**716.92**
(1) Current tax	19	126.63	80.34
(2) Income tax credit pertaining to earlier period	19	-	(43.53)
(2) Deferred tax (credit)/charge	19	(29.53)	39.94
Income tax expense (VI)		**97.10**	**76.75**
Profit for the year (VII) [V-VI]		**314.05**	**640.17**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	29	(6.78)	(3.67)
Income tax effect on above	19	1.71	1.07
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**(5.07)**	**(2.60)**
Other comprehensive income/(loss) for the year, net of tax (VIII)		**(5.07)**	**(2.60)**
Total comprehensive income for the year, net of tax attributable to equity holders (IX) [VII+VIII]		**308.98**	**637.57**
Earnings per share	28		
Basic, computed on the basis of profit attributable to equity holders		3.25	6.85
Diluted, computed on the basis of profit attributable to equity holders		3.23	6.85
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date : 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date : 26 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

in INR million

a. Equity share capital:

Equity shares of INR 1 each issued, subscribed and fully paid (31 March 2021: INR 2)	Number	Amount
As at 1 April 2020	**4,62,37,064**	**92.47**
Shares issued during the year (Refer note 11(i))	43,500	0.09
As at 31 March 2021	**4,62,80,564**	**92.56**
Share split from INR 2 to INR 1 (Refer Note 11(ii))	4,62,80,564	-
Shares issued during the year (Refer note 11(ii))	61,42,196	6.14
As at 31 March 2022	**9,87,03,324**	**98.70**

b. Other equity

For the year ended 31 March 2022

	Reserves and surplus					
	Securities premium (Note 13)	Share-based payment (SBP) reserves (Note 13)	General reserve (Note 13)	Capital reserve (Note 13)	Retained earnings (Note 13)	Total other equity
As at 1 April 2021	**5,697.22**	**81.70**	**1,528.80**	**7.59**	**910.99**	**8,226.30**
Profit for the year	-	-	-	-	314.05	314.05
Other comprehensive income/(loss)						
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(5.07)	(5.07)
Total comprehensive income/(loss)					**308.98**	**308.98**
Issue of equity shares on Rights issue (Note 11(ii))	1,294.80	-	-	-	-	1,294.80
Issue of equity shares on exercise of TMIP options (Note 11(ii))	243.08	-	-	-	-	243.08
Transfer from SBP reserves on exercise of TMIP options (Note 11(ii))	57.34	(57.34)	-	-	-	-
Share based payment (Note 13)	-	56.77	-	-	-	56.77
As at 31 March 2022	**7,292.44**	**81.13**	**1,528.80**	**7.59**	**1,219.97**	**10,129.93**

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

in INR million

For the year ended 31 March 2021

	Reserves and surplus					
	Securities premium (Note 13)	**Share-based payment (SBP) reserves (Note 13)**	**General reserve (Note 13)**	**Capital reserve (Note 13)**	**Retained earnings (Note 13)**	**Total other equity**
As at 1 April 2020	**5,677.27**	**20.19**	**1,528.80**	**7.59**	**586.75**	**7,820.60**
Profit for the year	-	-	-	-	640.17	640.17
Other comprehensive income/(loss)						
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(2.60)	(2.60)
Total comprehensive income/(loss)					**637.57**	**637.57**
Issue of equity shares on Preferential allotment (Note 11(i))	19.95	-	-	-	-	19.95
Share based payment (Note 13)	-	61.51	-	-	-	61.51
Cash dividends (Note 12)	-	-	-	-	(312.39)	(312.39)
Dividend distribution tax (DDT) (Note 12)	-	-	-	-	(0.94)	(0.94)
As at 31 March 2021	**5,697.22**	**81.70**	**1,528.80**	**7.59**	**910.99**	**8,226.30**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date : 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date : 26 May 2022

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

in INR million

	Year ended 31 March 2022	Year ended 31 March 2021
Operating activities		
Profit after exceptional items and before tax	**411.15**	**716.92**
Adjustments to reconcile profit after exceptional items and before tax to net cash flows:		
Depreciation of Property, plant and equipment and Right of use assets	109.37	130.15
Amortisation of intangible assets	77.05	51.50
Allowances for doubtful debts and advances	61.34	17.79
Provision for export incentives	1.75	-
Liabilities/ provisions no longer required written back	(1.97)	(1.45)
(Gain)/ Loss on sale/ write off of property, plant and equipment (net)	(6.96)	2.51
Share-based payment expense	50.63	35.84
Net unrealised foreign exchange differences	(7.61)	(8.10)
Dividend income	-	(356.83)
Interest expense	60.23	36.69
Interest income	(40.98)	(48.43)
Guarantee commission on letter of awarness	(1.49)	-
Working capital adjustments:		
(Increase)/ decrease in trade receivables	(246.49)	83.40
(Increase)/ decrease in loans	0.61	0.59
(Increase)/ decrease in inventories	(195.52)	64.27
Increase/ (decrease) in trade payables and other financial liabilities	187.24	(97.52)
Increase/ (decrease) in other liabilities and provisions	(58.95)	(3.19)
(Increase)/ decrease in other financial assets including bank balances other than cash and cash equivalents	(149.53)	(24.41)
(Increase)/ decrease in other assets	(27.96)	(52.05)
	221.91	547.68
Income taxes paid	(105.67)	(91.41)
Net cash flows from operating activities (A)	**116.24**	**456.27**
Investing activities		
Proceeds from sale of property, plant and equipment, right-of-use assets and intangible assets	11.04	10.88
Purchase of property, plant and equipment, including capital work in progress and capital advances	(103.64)	(58.80)
Purchase of intangible assets	(35.63)	(7.89)
Acquisition of business	(500.00)	-
Investment in subsidiaries	(1293.00)	-
Loan granted to subsidiary	-	(29.25)
Loan re-paid by subsidiary	-	68.19
Investments in bank deposits, mutual funds and margin money deposit (net)	(461.47)	49.55
Dividend income	-	356.83
Interest received	11.70	42.43
Net cash flows (used in)/from investing activities (B)	**(2371.00)**	**431.94**
Financing activities		
Proceeds from issuance of share capital	1,544.03	20.04
Interest paid	(52.36)	(36.42)
Proceeds from/(repayment of) from long term borrowings, net	403.66	(7.06)
(Repayment of)/Proceeds from current borrowings, net	(82.46)	(26.26)
Payment of lease liabilities	(23.12)	(22.91)
Dividends paid to equity holders (including tax on dividend)	-	(312.39)
Dividend distribution tax paid	-	(0.94)
Net cash flows from/(used in) financing activities (C)	**1789.75**	**(385.94)**

Healthium

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

in INR million

	Year ended 31 March 2022	Year ended 31 March 2021
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(465.01)	502.27
Net foreign exchange difference	(2.32)	(3.15)
Cash and cash equivalents at the beginning of the year	628.93	129.81
Cash and cash equivalents at year end (Refer note 9)	**161.60**	**628.93**
Cash and cash equivalents at year end comprises :-		
Cash on hand	0.73	0.13
Balances with banks on		
- Current accounts	160.87	94.80
- Deposits with original maturity of less than three months	-	534.00
Total cash and cash equivalent	**161.60**	**628.93**
Non-cash financing and investing activities		
Acquisition of Right-of-use assets	**7.88**	**2.03**

Explanatory notes on statement of cash flows

Changes in liabilities arising from financing activities :-	Current borrowings	Long term borrowings #
As at 1 April 2020	**228.50**	**9.95**
Proceeds/(repayment) [net]	(26.26)	(7.06)
As at 1 April 2021	**202.24**	**2.89**
Proceeds/(repayment) [net]	(82.46)	403.66
As at 31 March 2022	**119.78**	**406.55**

includes current maturities of long term borrowings
refer note 5 for changes in lease liabilities arising from financing activities.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date : 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date : 26 May 2022

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

1 **(a) Corporate information**

Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited) ("the Company") is a public limited company incorporated under the Companies Act 1956 and is engaged in the business of production and marketing of a variety of Medical Devices comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology and wound care products with state of art facility in (1) Bengaluru and Kunigal in the State of Karnataka, and (2) Sricity SEZ, Chittoor in Andhra Pradesh (3) Mumbai in Maharashtra. All these products are distributed to wholesalers, hospitals and retailers and used predominantly in the medical profession by surgeons, physicians, nurses, hospitals, nursing homes and clinics. The Company markets the products both in India and in several other countries. Our product portfolio includes (a) Sutures: Full range of surgical sutures – absorbable (natural and synthetic), non-absorbable, and specialty sutures (b) Wound Closure Products: Hernia meshes, cardiac pacing wires, skin staplers, haemostats (c) Minimally Invasive Solutions which are arthroscopy and endoscopy implants and ancillary devices.

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. On 22 June 2018, the Group had become a subsidiary of Quinag Acquisition (FDI) Ltd. ("the holding company" or "Quinag"'), which is ultimately held by Tummel HoldCo Ltd., Mauritius (indirectly owned by funds advised by Apax Partners LLP).

The registered office of the Company is located at 472/D, 13th cross, 4th Phase, Peenya Industrial Area, Bengaluru, Karnataka, India. The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 19 July 2021 and consequently the name of the Company has changed to Healthium Medtech Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 4 August 2021.

The standalone financial statements are approved for issue by the Board of Directors on 26 May 2022.

2 **Significant Accounting Policies**

2.1 **Basis of preparation**

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The Company has presented its financial statements in Indian Rupees ("INR") and all values are rounded off to the nearest million (INR 000,000), except otherwise indicated.

The standalone financial statements provide comparative information in respect of previous period. In addition, the Company presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in standalone financial statements. The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassed as required. Considering the reclassification is not significant, a third balance sheet has not been given.

2.2 **Summary of significant policies, assumptions and judgements**

a. **Use of estimates, assumptions and judgements**

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty as at the date of standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Impairment of financial assets

In accordance with Ind AS 109, the Company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The Company provides for impairment of trade receivables based on assumptions about risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data

in INR million

from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Business combinations and goodwill

The Company accounts for its business combinations using acquisition method of accounting. Acquisition related costs are recognized in the standalone statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the business combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the standalone statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Contingent consideration

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Share based compensation to employees

Determining the fair value of stock options on the grant date for equity-settled transaction and on each standalone balance sheet date for cash-settled transaction, requires judgment related to the choice of a pricing model, the estimation of stock price volatility, dividend yield, risk free interest rates and the expected life of share option. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's reported operating results, liabilities or other components of shareholders' equity.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the standalone balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

about these factors could affect the reported fair value of financial instruments.

Intangible assets under development

The Company capitalises intangible assets under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, future economic benefits are probable, the Company has the intention and ability to complete and use the asset and the cost can be measured reliably.

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note 19 and 31(b).

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

b. Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Foreign currencies

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

ii. Foreign currency transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized in standalone statement of profit and loss in the period in which they arise.

d. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an

in INR million

amount that reflects the consideration which the Company expects to receive in exchange for those products or services. To recognize revenues, the Company applies following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognize revenues when a performance obligation is satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

The method for recognizing revenues and costs depends on the nature of the services rendered:

i. *Sale of products*

Revenue on product sales are recognized when the customer obtains control of the specified product.

ii. *Rendering of Services*

Service income is recognised as per the terms of the contracts/arrangements when revenues and costs relating to time and materials, transaction-based or volume-based contracts are recognized as the related services are rendered and is stated net of service tax/ goods and services tax (GST).

iii. *Interest income*

Interest income is recognised on a time proportion basis as and when accrued. Interest income on financial instruments are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

iv. *Dividend income*

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

v. *Export incentive*

Export entitlements in the form of Merchandise Export from India Scheme (MEIS) and Remission of Duties or Taxes on Export Products (RoDTEP) are accounted for in the standalone statement of profit and loss on export of goods, if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

vi. *Others*

- The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled.
- Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.
- Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.

The Company assesses the timing of the transfer of goods or services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist. The Company may enter into arrangements with third party suppliers to resell products or services. In such cases, the Company evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Company first evaluates whether it controls the goods or services before it is transferred to the customer. If the Company controls the goods or services before it is transferred to the customer, it is the principal; if not, it is agent.

Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue).

Trade receivables

A receivable is recognised if an amount of sales consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.2 (u).Financial instruments – initial recognition and subsequent measurement.

e. Income taxes

Tax expense comprises of current tax and deferred tax and is recognised in the standalone statement of profit and loss.

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the standalone statement of profit and loss (either in other comprehensive income or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the asset and liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in the OCI or in the equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use is capitalised up to the date the assets are ready for commercial use.

Subsequent expenditure relating to an item of the asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other related expenses, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the standalone statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Gains or losses arising from derecognition of property, plant and equipment are measured as differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in standalone statement of profit and loss in the period in which the expenditure is incurred. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset

- How the asset will generate future economic benefits

- The availability of resources to complete the asset

- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

During the period of development, the asset is tested for impairment annually.

Intellectual Property rights

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed and developed products, trademarks, industrial and other designs, service marks, copy rights and other application license and rights are capitalised. The Company capitalises such intangible assets when the receipt of economic benefits embodied in each intangible asset separately purchased or licensed in the transaction is considered to be probable.

h. Borrowing costs

Borrowing costs are recognised in the standalone statement of profit and loss in the period in which they are incurred, except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. Depreciation on Property, plant and equipment

Depreciation on property, plant and equipment is calculated on a written down value method using the rates arrived at based on the useful life of the assets prescribed under Schedule II to the Companies Act 2013 except in case of certain assets wherein depreciation is calculated using the rates arrived at based on the useful life estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset Category	Estimated useful life (years)
Buildings	30
Plant and machinery *	15
Computer and peripherals	3 to 6
Electrical installation	10
Office equipments	5
Furniture and fittings	10
Motor vehicles	8 to 10

* Plant and machinery used for double and triple shifts are depreciated in 10 years and 7.5 years respectively.

j. Amortisation of intangible assets

Intangibles are amortised on a straight line basis over the estimated useful economic life. Amortisation of internally developed asset begins when development is complete and the asset is available for use. Amortisation expense is recognised in the standalone

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful economic life of intangibles are as below:

Asset Category	Estimated useful economic life (years)
Computer software	3
Product development cost	3
Patent and Intellectual Property	6 to 15
Brand	10
Customer relationship value	3

k. Inventories

Raw materials and components are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a First in First Out (FIFO) basis.

Work-in -progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

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

l. Equity investments in subsidiaries

Investments in subsidiaries are classified as non-current investments. Impairment recognized, if any, is reduced from the carrying value.Investment in subsidiaries are measured at cost less impairment loss, if any. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the standalone statement of profit and loss.

m. Leases

Where the Company is a lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to paragraph 2.2 (n) of the accounting policies for impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

in INR million

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

n. Impairment of assets

Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is provided for to arrive at its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortisation/depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the standalone statement of profit and loss. This amount is reflected in a separate line under the head 'other expenses' in the standalone statement of profit and loss. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

o. Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund and employee state insurance which are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the standalone balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the

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for the year ended 31 March 2022

in INR million

extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund i.e. Employee's Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the standalone statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the standalone statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all potentially dilutive securities.

r. Cash and cash equivalents

Cash and cash equivalents in the standalone balance sheet comprise cheques in hand and cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above, net of outstanding bank overdrafts facilities as they are considered an integral part of the Company's cash management.

s. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

t. Fair value measurement

The Company measures financial instruments at fair value at each standalone balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marked participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient date are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

u. Financial Instruments

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.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit or loss.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv)Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

(v)Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the standalone balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in standalone statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's standalone balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

v. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

w. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) and cash (cash-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Cash-settled transactions

In case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through standalone statement of profit and loss.

When the terms of a cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in standalone statement of profit and loss.

x. Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

y. Contributed Equity

Equity shares are classified as equity.

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Qualifying transaction costs incurred in anticipation of an issuance of equity instrument is recognised. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognised.

The transaction costs incurred with respect to the proposed IPO of the Company is recognised as an asset to the extent recoverable from the selling shareholders. The remaining costs are allocated between new issue of shares and listing of existing equity shares. The costs attributable to listing of existing shares is recognised in standalone statement of profit and loss. The remaining costs attributable to new issuance of shares is deferred on the standalone statement of assets and liabilities and recognised in equity once the instrument is issued.

in INR million

If the equity instruments are not subsequently issued, the deferred transaction costs are charged off to the standalone statement of profit and loss.

z. **Recent Pronouncements on significant accounting policies**

The Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company’s financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

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for the year ended 31 March 2022

in INR million

3 Property, plant and equipment (PPE) and and Capital work in progress (CWIP)

	Land freehold	Buildings	Plant and machinery	Computer and peripherals	Electrical installation	Office equipments	Furniture and fittings	Motor vehicles	Total	Capital work in progress (CWIP)
Cost or valuation										
At 1 April 2020	**250.27**	**289.65**	**329.57**	**27.63**	**40.82**	**15.26**	**30.71**	**39.36**	**1,023.27**	**-**
Additions	-	-	56.52	2.19	0.06	1.17	2.65	-	62.59	9.67
Disposals/ CWIP capitalisation	-	-	(9.80)	(3.18)	(0.31)	(3.46)	(3.79)	(7.91)	(28.45)	-
At 31 March 2021	**250.27**	**289.65**	**376.29**	**26.64**	**40.57**	**12.97**	**29.57**	**31.45**	**1057.41**	**9.67**
Additions	-	6.74	34.66	6.28	1.55	16.43	3.26	1.19	70.11	6.74
Additions through acquisition (Refer note 37(f))	-	-	1.05	-	-	0.13	0.11	-	1.29	-
Disposals/ CWIP capitalisation	-	-	(14.93)	(0.52)	-	-	(0.02)	(2.97)	(18.44)	(9.67)
At 31 March 2022	**250.27**	**296.39**	**397.07**	**32.40**	**42.12**	**29.53**	**32.92**	**29.67**	**1,110.37**	**6.74**
Accumulated Depreciation										
At 1 April 2020	**-**	**88.65**	**165.30**	**21.22**	**20.98**	**9.59**	**13.22**	**20.18**	**339.14**	**-**
Depreciation charge for the year	-	21.09	62.10	4.11	5.06	2.97	5.37	5.38	106.08	-
Disposals	-	-	(6.75)	(2.80)	(0.01)	(2.66)	(2.93)	(5.06)	(20.21)	-
At 31 March 2021	**-**	**109.74**	**220.65**	**22.53**	**26.03**	**9.90**	**15.66**	**20.50**	**425.01**	**-**
Depreciation charge for the year	-	18.88	49.42	3.37	3.47	2.09	3.99	3.43	84.65	-
Disposals	-	-	(11.98)	(0.33)	-	-	(0.01)	(2.04)	(14.36)	-
At 31 March 2022	**-**	**128.62**	**258.09**	**25.57**	**29.50**	**11.99**	**19.64**	**21.89**	**495.30**	**-**
Net book value										
At 31 March 2022	250.27	167.77	138.98	6.83	12.62	17.54	13.28	7.78	**615.07**	6.74
At 31 March 2021	250.27	179.91	155.64	4.11	14.54	3.07	13.91	10.95	**632.40**	9.67

in INR million

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Net book value	31 March 2022	31 March 2021
Plant, property and equipment	615.07	632.40
Capital work in progress	6.74	9.67

Note 1: The title deeds of the immovable properties are held in the name of the Company subject to charge created for borrowings as detailed in note 14 and Sub note 3 below.

Note 2: The amount of contractual commitments for the acquisition of PPE is disclosed in note 31 (a).

Note 3: Sironix Medical Technologies BV ('Sironix') had availed loans from HSBC, Hong Kong which was repaid during the year ended 31 March 2019. The Company had provided counter indemnity for the loan. The loans and counter indemnity was secured by a charge on Company's land and building and property, plant and equipment. The Company has closed this charge by way of filing satisfaction of charge on 25 June 2021.

Capital work in progress (CWIP)

As at 31 March 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.74	-	-	-	6.74
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	9.67	-	-	-	9.67
Projects temporarily suspended	-	-	-	-	-

There are no overdue or cost overrun projects compared to its original plan and no CWIP which are temporarily suspended, on the above mentioned reporting dates.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

4(A) Goodwill

Goodwill acquired through business acquisition are pertaining to acquired business of:

	As at 31 March 2022	As at 31 March 2021
AbGel Business (Refer note 37(f))	38.70	-
	38.70	**-**

Goodwill impairment testing

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management.

The Company assessed the carrying value of its goodwill at CGU level to which the goodwill is attributable, based on future operational plan, projected cash flows and carried out valuation. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill is appropriate.

	As at 31 March 2022	As at 31 March 2021
Terminal growth rate	4%	-
Operating margins	61.60%	-
Discount rate	15.92%	-

4(B) Intangible assets

Goodwill acquired through business acquisition are pertaining to acquired business of:

Cost	Brand	Customer Relationship Value	Computer software	Patent and Intellectual Property	Product development cost	Total	Intangible assets under development
At 1 April 2020	**-**	**-**	**43.38**	**2.20**	**94.21**	**139.79**	**1.76**
Additions (Refer note (i))	-	-	1.38	111.80	4.81	117.99	1.70
Deletion/Adjustment (Refer note (ii))	-	-	-	-	(5.15)	(5.15)	(0.60)
At 31 March 2021	**-**	**-**	**44.76**	**114.00**	**93.87**	**252.63**	**2.86**
Additions (Refer note (i))	-	-	8.65	0.40	0.14	9.19	22.76
Additions through acquisition (Refer note 37(f))	488.60	5.90	-	-	-	494.50	-
Deletion/Adjustment (Refer note (ii))	-	-	-	-	-	-	(0.33)
At 31 March 2022	**488.60**	**5.90**	**53.41**	**114.40**	**94.01**	**756.32**	**25.29**
Accumulated Amortisation							
At 1 April 2020	**-**	**-**	**36.34**	**0.17**	**35.73**	**72.24**	**-**
Amortisation	-	-	4.87	18.75	27.88	51.50	-
At 31 March 2021	**-**	**-**	**41.21**	**18.92**	**63.61**	**123.74**	**-**
Amortisation	32.56	1.31	5.29	18.77	19.12	77.05	-
At 31 March 2022	**32.56**	**1.31**	**46.50**	**37.69**	**82.73**	**200.79**	**-**
Net book value							
At 31 March 2022	456.04	4.59	6.91	76.71	11.28	555.53	25.29
At 31 March 2021	-	-	3.55	95.08	30.26	128.89	2.86

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Net book value

	As at 31 March 2022	As at 31 March 2021
Intangible assets	555.53	128.89
Intangible assets under development	25.29	2.86

(i) *Patent and Intellectual Property*

On 1 April 2020, the Company has entered into intellectual property assignment agreement under which certain patent and IP rights relating to arthroscopy products have been exclusively licensed to the Company for a fixed yearly consideration in addition to a variable consideration payable on occurrence of a transaction event resulting in the "Holding Company" owning less than 20% of the outstanding voting shares in the Company. The Company assessed exit event to occur by 31 March 2025 and accordingly estimated the total pay-out of INR 150 million over the period of the agreement representing INR 10 million fixed yearly consideration payable for 5 years and INR 100 million payable as variable consideration on the exit date. The Company has discounted the total pay-out at 7.25% representing the borrowing rate and capitalised INR 111.80 million towards the intellectual property rights acquired. Expected useful life of the intellectual property is estimated to be 6 years and amortisation is done on straight-line basis.

(ii) *Product development cost*

The Company has capitalised development cost of Arthroscopy and Urology products. The product development team has created new innovative products under the arthroscopy division and eligible product development cost incurred in the product development activities have been capitalised during the year. The activities include designing, prototyping and development. Expected useful life of the intangible is estimated to be 3 years and amortisation is done on straight-line basis.

Additionally, during the previous year ended 31 March 2021, the Company has reversed INR 5.15 milion out of previous year capitalised product development cost of INR 47.50 million incurred towards urology products in line with the settlement agreement entered in August 2020.

(iii) There are no overdue or cost overrun projects compared to its original plan and no Intangible assets under development which are temporarily suspended, on the above mentioned reporting dates.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

5 Leases

The Company has entered into property leases consisting of the land, office space, depot and warehouse. These leases are for a period of three to five years and lease of land is for 99 years with renewal option included in the contracts.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemption for these leases.

Right-of-use assets

Following are the changes in the carrying value of right of use assets :

Cost	Land	Building	Total
At 1 April 2020	**15.96**	**106.32**	**122.28**
Additions	-	2.03	2.03
Modification	-	(4.25)	(4.25)
At 31 March 2021	**15.96**	**104.10**	**120.06**
Additions	-	7.88	7.88
Modification	-	0.79	0.79
At 31 March 2022	**15.96**	**112.77**	**128.73**
Accumulated depreciation			
At 1 April 2020	**0.17**	**20.63**	**20.80**
Depreciation	0.18	23.89	24.07
At 31 March 2021	**0.35**	**44.52**	**44.87**
Depreciation	0.19	24.53	24.72
At 31 March 2022	**0.54**	**69.05**	**69.59**
Net book value			
At 31 March 2022	15.42	43.72	59.14
At 31 March 2021	15.61	59.58	75.19

Lease liabilities

The following is the break-up of current and non-current lease liabilities:

	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	24.76	24.57
Non-current lease liabilities	28.50	43.14
	53.26	**67.71**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

The following is the movement in lease liabilities :

	For the year ended
At 1 April 2020	**92.84**
Additions	2.03
Modifications	(4.25)
Finance cost accrued during the year	3.20
Payment of lease liabilities	(26.11)
At 31 March 2021	**67.71**
Additions	7.88
Modifications	0.79
Finance cost accrued during the year	4.19
Payment of lease liabilities	(27.31)
At 31 March 2022	**53.26**

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. There are no future cash outflows relating to leases that have not yet commenced.

The effective interest rate for lease liabilities is 6.60% to 6.70%, with maturity between 2021-2024.

For the year ended 31 March 2022, the Company has cash outflow amounting to INR 4.49 million (31 March 2021 : INR 0.56 million) relating to low value assets and short term leases.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

6 Financial assets

	As at 31 March 2022	As at 31 March 2021
Investments		
Non-current		
Investments in equity instruments (carried at cost)		
Unquoted equity shares		
83,119,363 (31 March 2021: 83,119,363) Equity shares of INR 10 each fully paid up in Healthium OEM Private Limited (Refer note 37 (b)(iii))	4,554.01	4,554.01
765 (31 March 2021: 765) Equity shares of AED 100 each fully paid up in Mena Medical Manufacturing (FZC) ('MMM') (Refer note 37 (b)(ii))	1.12	1.12
100 (31 March 2021: 100) Equity shares of Euro 1 each in Sironix Medical Technologies B.V (Refer note 37 (b)(i)) *	584.41	584.41
395,000 (31 March 2021: 395,000) Equity shares of GBP 1 each in Sironium Medical Technologies Limited *	36.02	36.02
3,380 (31 March 2021: Nil) Equity shares of INR 100 each in CareNow Medical Private Limited (Refer note 37 (b)(iv))	1,792.20	-
	6,967.76	**5,175.56**
Less: Provision for impairment in value of investments (Refer note 37 (b)(ii))	(1.12)	(1.12)
Total	**6,966.64**	**5,174.44**
* Refer note 31(b)(vii) in respect of charge created on assets of Sironix Medical Technologies B.V and Sironium Medical Technologies Limited.		
Investments carried at amortised cost (fully paid)		
Unquoted Government and trust securities		
Investment in Government securities in National Saving Certificates	0.02	0.02
Total	**0.02**	**0.02**
Total non-current investments	**6,966.66**	**5,174.46**
Current		
Investments at fair value through profit or loss ('FVTPL') (fully paid)		
Unquoted equity shares		
Renewable Wind Energy Private Limited [2,400 Equity shares of INR 10 each (31 March 2021: 2,400)]	**0.24**	**0.24**
Quoted mutual funds		
ABSL Overnight Fund-Direct Plan-Growth [13,989.22 units of INR 1,149.58 each (31 March 2021 : Nil)]	16.08	-
Aditya Birla Sun Life Money Manager Fund-Growth [101,761.86 units of INR 298.81 each (31 March 2021 : Nil)]	30.41	-
Axis MF-Axis Money Market Fund-Direct [35,095.71 units of INR 1,151.79 each (31 March 2021 : Nil)]"	40.42	-
Axis Overnight Fund - Direct Plan - Growth [10,223.95 units of INR 1,123.84 each (31 March 2021 : Nil)]	11.49	-
DSP Overnight Fund - Direct Plan - Growth [36,530.41 units of INR 1,138.38 each (31 March 2021 : Nil)]	41.59	-

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

	As at 31 March 2022	As at 31 March 2021
HDFC Money Market Fund - Direct Plan - Growth [12,984.68 units of INR 4,654.8 each (31 March 2021 : Nil)]	60.44	-
HDFC Overnight Fund- Direct Plan- Growth [320.44 units of INR 3,157.45 each (31 March 2021 : Nil)]	1.01	-
ICICI Prudential Money Market Fund Option - Direct [180,601.48 units of INR 306.79 each (31 March 2021 : Nil)]	55.41	-
ICICI Prudential Overnight Fund Direct Plan Growth [8,828.97 units of INR 114.6 each (31 March 2021 : Nil)]	1.01	-
IDFC Cash Fund -Direct Plan -Growth [7,791.04 units of INR 2,570.94 each (31 March 2021 : Nil)]	20.03	-
IDFC Overnight Fund - Direct Plan - Growth [27,444.56 units of INR 1,133.78 each (31 March 2021 : Nil)]	31.12	-
Kotak Floater Short Term-Growth - Direct [6,911.98 units of INR 3,620.71 each (31 March 2021 : Nil)]	25.03	-
Kotak Overnight Fund-Direct-Growth [27,444.49 units of INR 1,133.68 each (31 March 2021 : Nil)]	31.11	-
Nippon India MF-Nippon India Overnight Fund-Direct [232,591.48 units of INR 114.12 each (31 March 2021 : Nil)]	26.54	-
Nippon India Money Market Fund Directgrowth [8,967.78 units of INR 3,350.56 each (31 March 2021 : Nil)]	30.05	-
SBI Magnum Insta Cash Fund - Liquid Floater - Direct [291.92 units of INR 3,461.35 each (31 March 2021 : Nil)]	1.01	-
Tata Overnight Fund - Direct Plan - Growth [902.32 units of INR 1,121.34 each (31 March 2021 : Nil)]	1.01	-
Total FVTPL investments	**424.00**	**0.24**
Total investments	**7,390.66**	**5,174.70**
Current	**424.00**	**0.24**
Non-current	**6,966.66**	**5,174.46**
Total	**7,390.66**	**5,174.70**
Aggregate cost of quoted investments	421.27	-
Aggregate market value of quoted investments	423.76	-
Aggregate cost and value of unquoted investments	6,968.02	5,175.82

	As at 31 March 2022	As at 31 March 2021
Loans (Unsecured considered good unless otherwise stated)		
(carried at amortised cost)		
Non-current		
Loans to related parties **		
Loans receivables	914.59	914.01
Less: Loss allowance (Refer note 37(b)(i) and (b)(ii))	(215.02)	(251.27)
Total Loan to related parties	699.57	662.74
Total non-current loans	**699.57**	**662.74**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

	As at 31 March 2022	As at 31 March 2021
Current		
Others		
Loan to employees	2.61	3.22
Total current loans	**2.61**	**3.22**
** The management is not expecting repayment by Sironix Medical Technologies BV towards the loan in next 12 months		
Bank balances other than cash and cash equivalents		
(carried at amortised cost)		
Current		
Balances with banks		
Deposits with original maturity of more than three months but less than twelve months	55.83	9.99
Total current bank balances other than cash and cash equivalents	**55.83**	**9.99**
Other financial assets		
(carried at amortised cost)		
Non-current		
Security deposit	44.26	52.65
Security deposit - credit impaired	15.04	3.01
	59.30	55.66
Impairment allowance		
Security deposit - credit impaired	(15.04)	(3.01)
Total security deposit	44.26	52.65
Balances with banks		
Deposits with remaining maturity of more than twelve months	1.10	2.43
Margin money deposits ***		
- with banks	37.50	33.40
Total other non-current financial assets	**82.86**	**88.48**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Movement in provision for doubtful security deposit	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	3.01	9.14
Add: Charge for the year	12.03	1.34
Less: Write off during the year	-	(7.47)
Closing balance	**15.04**	**3.01**
Current		
Margin money deposits ***		
- with banks	-	10.90
Interest accrued	5.80	5.03
Dues from related parties****	4.05	4.44
Share Issue expenses (Refer note (i))	165.95	-
Total other current financial assets	**175.80**	**20.37**

*** Includes margin money deposits that are intended to secure bank guarantees obtained by the Company.

"**** (i) Includes receivable from Quality Needles Private Limited on account of Healthium Performance Based Key Employee Stock Incentive Plan 2019 ("PMIP") and Healthium Time Based Key Employee Stock Incentive Plan 2019 ("TMIP") cost cross charge amounting to INR 2.56 million (Employee share based payments cost cross charge amounting to 31 March 2021: INR 4.44 million) (Refer note 32). (ii) Includes receivable of INR 1.49 million (31 March 2021: Nil) from Clinisupplies Limited on account of guarantee commission on letter of awareness (Refer note 31(b)(ii) and 32).

(i) Represents amount towards the fees and expenses incurred by the Company in relation to the proposed initial public offer filed with Securities and Exchange Board of India (SEBI). Pursuant to the Offer Agreement entered with Quinag Acquisition (FDI) Ltd, the Holding Company and other selling shareholders on 5 September 2021, the fees and expenses are reimbursable in portion to the shares that are offered to the public as part of the offering. In the event of withdrawal or failure of the offer, all Offer related costs and expenses except listing fees, audit fees of statutory auditors (to the extent not directly attributable) and expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which shall be borne by the Company shall be shared between the Company and the Selling Shareholders in proportion to the number of Equity Shares that was originally proposed to be issued and/or transferred by each of the Company and the Selling Shareholders in the Offer respectively. On recognition of equity transaction, the Company's share of expenses directly attributable to issuance of equity instrument will be deducted from equity.

The Company vide resolution passed in its Board Meeting held on 19 May 2022 has decided to withdraw the proposed initial public offer filed with Securities and Exchange Board of India (SEBI) and according to the terms of Offer Agreement the Company's share of expenses is charged to Statement of Profit and Loss during the year ended 31 March 2022 and the remaining share of expenses are reimbursed by Selling Shareholders.

Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013

Name of the loanee	As at 31 March 2022	As at 31 March 2021
Sironix Medical Technologies BV	699.57	662.74
Unsecured, 5% rate of interest, payable by November 2025		
The loan has been utilized for the purpose of settling the EMI obligation on the HSBC loan taken to fund the CliniSupplies Limited and CliniDirect Limited acquisition. (Refer note 32)		
Mena Medical Manufacturing (FZC) *****	215.02	215.02
Unsecured, 8.5% rate of interest, payable by April 2020		
The loan has been utilized for meeting their working capital requirements.		

***** The Company has made full provision towards the loan (including interest) provided to MMM. Also, application for liquidation of MMM has been filed.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

7 Inventories

(at the lower of cost and net realisable value)

	As at 31 March 2022	As at 31 March 2021
Raw materials (including goods in transit INR 29.75 million (31 March 2021 : INR 40.83 million))	303.71	229.94
Work in progress	233.67	173.81
Finished goods	252.50	241.98
Traded goods	93.08	39.19
Total inventories	**882.96**	**684.92**

Total inventories is net of provision towards ageing, slow moving/non moving inventories and other provisions, INR 173.44 million (31 March 2021: INR 153.50 million).

The inventories of the Company are subject to charge created for borrowings as detailed in note 14.

8 Trade receivables

(carried at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Trade receivables *	700.12	560.97
Receivables from related parties (Note 32) **	121.17	66.78
Total trade receivables	**821.29**	**627.75**
Break-up for security details:		
Current		
Secured, considered good	29.80	29.30
Unsecured, considered good	791.49	598.45
Trade receivables - credit impaired	87.46	59.16
	908.75	**686.91**
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(87.46)	(59.16)
Total trade receivables	**821.29**	**627.75**

* No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

** Trade receivables includes dues from companies where directors are interested.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

The trade receivables of the Company are subject to charge created for borrowings as detailed in note 14

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Movement in loss allowance (allowance for bad and doubtful debts)	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	59.16	71.69
Add: Charge for the year	38.29	16.45
Less: Bad debts written off during the year	(9.99)	(28.98)
Closing balance	87.46	59.16

Trade receivables ageing schedule:

As at 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	316.08	468.52	24.03	4.38	1.74	6.54	821.29
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	2.70	3.92	4.05	8.23	32.04	24.10	75.04
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	2.79	7.97	0.46	1.20	-	-	12.42
Total	**321.57**	**480.41**	**28.54**	**13.81**	**33.78**	**30.64**	**908.75**

As at 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	348.95	236.49	18.50	23.81	-	-	627.75
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	5.13	23.15	24.73	53.01
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	1.61	1.09	3.45	-	-	6.15
Total	**348.95**	**238.10**	**19.59**	**32.39**	**23.15**	**24.73**	**686.91**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

9 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
- On current accounts	160.87	94.80
- Deposits with original maturity of less than three months	-	534.00
Cash on hand	0.73	0.13
Total cash and cash equivalents	**161.60**	**628.93**

10 Other assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
Balances with statutory / government authorities	7.55	7.55
Capital advances	45.92	9.48
Total other non-current assets	**53.47**	**17.03**
Current		
Advances recoverable in cash or kind, unsecured and considered good	97.63	112.89
Advances to related parties (Note 32)	5.47	-
Total Advances recoverable in cash or kind, unsecured and considered good	**103.10**	**112.89**
Export incentive receivable	20.90	30.06
Less : Provision for export incentives	(1.75)	-
Net export incentive receivable	**19.15**	**30.06**
Balances with statutory / government authorities	101.84	78.52
Prepayments	51.84	31.48
Contribution to Gratuity Fund (net)	21.95	18.72
Total other current assets	**297.88**	**271.67**

11 Equity share capital

Authorised share capital of INR 1 each (31 March 2021 : INR 2)

	Equity Shares	
	Number	**Amount**
At 1 April 2020	**10,00,00,000**	**200.00**
At 31 March 2021	**10,00,00,000**	**200.00**
Increase in authorised share capital during the year (Refer Note (ii))	15,00,00,000	-
Share split from INR 2 to INR 1 (Refer Note (ii))	25,00,00,000	-
At 31 March 2022	**50,00,00,000**	**200.00**

in INR million

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 1 per share (31 March 2021 : INR 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of shares at the beginning and at the end of the reporting period:

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid (31 March 2021 : INR 2)	Number	Amount
At 1 April 2020	**4,62,37,064**	**92.47**
Issue of equity shares on Preferential allotment (Refer Note (i))	43,500	0.09
At 31 March 2021	**4,62,80,564**	**92.56**
Share split from INR 2 to INR 1 (Refer Note (ii))	4,62,80,564	-
Issue of equity shares on Rights issue (Refer Note (ii))	51,99,996	5.20
Issue of equity shares on exercise of TMIP options (Refer Note (ii))	9,42,200	0.94
At 31 March 2022	**9,87,03,324**	**98.70**

(i) On 14 September 2020, the Company had issued and allotted 43,500 equity shares of INR 2 each to 3 members at an issue price of INR 460.59 per share.

(ii) The Company vide resolution passed in its Board meeting and General Meeting held on 15 July 2021 and 19 July 2021 respectively increased its Authorised share capital from INR 200 million divided into 100 million equity shares of INR 2 each to INR 500 million divided into 250 million equity shares of INR 2 each. Further, the Company vide resolution passed in its Board meeting and General Meeting held on 6 August 2021 and 7 August 2021 respectively sub-divided the nominal value of its equity shares from INR 2 each to INR 1 each.

The Company in its Board Meeting held on 16 August 2021 has approved the fresh issue of 5,199,996 equity shares of INR 1 each at a premium of INR 249 each aggregating to INR 1,300 million on rights basis. The Company has allotted 5,199,996 equity shares in the board meeting held on 26 August 2021.

The Nomination and Remuneration Committee and the Board of Directors of the Company approved acceleration of TMIP vesting 579,880 unvested options vide circular resolution passed on 10 October 2021 and 11 October 2021 respectively. Upon exercise, the Board of Directors vide circular resolution passed on 20 October 2021 allotted 942,200 equity shares of INR 1 each at an exercise price of INR 259 each.

Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31 March 2022	As at 31 March 2021
Quinag Acquisition (FDI) Ltd ('the holding company')		
97,551,030 (31 March 2021: 46,181,103) equity shares of INR 1 each (31 March 2021 : INR 2)	97.55	92.36

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	% holding in the class	Number	% holding in the class
Equity shares of INR 1 each issued, subscribed and fully paid (31 March 2021 : INR 2)				
Quinag Acquisition (FDI) Ltd	9,75,51,030	98.83%	4,61,81,103	99.79%

Shares held by promoter

Promoter	As at 31 March 2022			As at 31 March 2021		
	Number	% holding in the class	% of change	Number	% holding in the class	% of change
Quinag Acquisition (FDI) Ltd						
At the beginning of the year	4,61,81,103	99.79%	-	4,61,81,103	99.88%	-
At the end of the year (Refer Note (i) and (ii))	9,75,51,030	98.83%	(0.95%)	4,61,81,103	99.79%	(0.09%)

On 14 September 2020, Company has issued 43,500 equity shares of INR 2 each to 3 members at an issue price of INR 460.59 due to which holding of Quinag Acquisition (FDI) Ltd has been diluted from 99.88% to 99.79%.

On 20 October 2021, the Company has issued 942,200 equity shares of INR 1 each at an exercise price of INR 259 each on account of TMIP vesting 579,880 unvested options due to which holding of Quinag Acquisition (FDI) Limited has been diluted from 99.79% to 98.83%.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 31 March 2022	As at 31 March 2021
	Number	Number
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and capital redemption reserve	2,55,95,115	2,55,95,115
Equity shares issued for acquisition of Quality Needles Private Limited	1,19,90,504	1,19,90,504

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 30.

12 Distribution made and proposed

	Year ended 31 March 2022	Year ended 31 March 2021
Cash dividends on equity shares declared and paid:		
Interim dividend during the year ended 31 March 2022 Nil (31 March 2021: INR 6.75) per share*	-	312.39
Dividend Distribution Tax ('DDT') on dividend**	-	0.94
Total	-	**313.33**

*(i) Board of directors in their meeting held on 7 December 2020, approved payment of interim dividend for financial year 2020-2021 at INR 6.75 per equity share.

** Dividend Distribution Tax ('DDT') of INR 0.94 million for the year ended 31 March 2021 relates to unpaid DDT for 2018-2019 and 2019-2020.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the Company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

13 Other equity

Securities premium

Securities Premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

At 1 April 2020	**5,677.27**
Increase on account of Preferential allotment (Refer note 11(i))	19.95
At 31 March 2021	**5,697.22**
Increase on account of Rights issue (Refer note 11(ii))	1,294.80
Issue of equity shares on exercise of TMIP options (Refer note 11(ii))	243.08
Transfer from SBP reserves on exercise of TMIP options (Refer note 11(ii))	57.34
At 31 March 2022	**7,292.44**

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

At 1 April 2020	**586.75**
Total comprehensive income/(loss) for the year	637.57
Cash dividends (Refer note 12)	(312.39)
Dividend distribution tax (DDT) (Refer note 12)	(0.94)
At 31 March 2021	**910.99**
Total comprehensive income/(loss) for the year	308.98
At 31 March 2022	**1,219.97**

Share based payments (SBP) reserves

The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 30 for further details of these plans.

Share based payments (SBP)	
At 1 April 2020	**20.19**
Increase on account of share based compensation to employees for the year (Refer note 30)	40.29
Increase on account of reclassification from cash settled to equity settled (Refer note 30)	21.22
At 31 March 2021	**81.70**
Increase on account of share based compensation to employees for the year (Refer note 30)	56.77
Decrease on account of reclassification due to exercise of TMIP options (Refer note 30)	(57.34)
At 31 March 2022	**81.13**

General reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to standalone statement of profit and loss.

At 1 April 2020	**1,528.80**
At 31 March 2021	**1,528.80**
At 31 March 2022	**1,528.80**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Capital reserve

Capital reserve represents government grants received as a subsidy towards total investment in an undertaking.

At 1 April 2020	**7.59**
At 31 March 2021	**7.59**
At 31 March 2022	**7.59**

Summary of other equity:

	As at 31 March 2022	As at 31 March 2021
Securities premium	7,292.44	5,697.22
Retained earnings	1,219.97	910.99
SBP reserve	81.13	81.70
General reserve	1,528.80	1,528.80
Capital reserve	7.59	7.59
Total other reserves	10,129.93	8,226.30

14 Borrowings

(carried at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Secured term loan		
- from banks	406.55	2.89
	406.55	2.89
Less : Current maturities of non-current borrowings		
- from banks	(312.85)	(2.57)
Total non-current borrowings	**93.70**	**0.32**

	As at 31 March 2022	As at 31 March 2021
Current borrowings		
Loan repayable on demand (from bank) (Secured)		
- Import nostro financing	57.28	27.47
- Pre and Post shipment finance	62.50	170.24
- Working capital loan	-	4.53
	119.78	**202.24**
Current maturities of non-current borrowings		
- from banks (secured)	312.85	2.57
Total current maturities of non-current borrowings	**312.85**	**2.57**
Total current borrowings	**432.63**	**204.81**
Aggregate secured borrowings	**526.33**	**205.13**
Aggregate unsecured borrowings	-	-

in INR million

Term loan from bank consists of :

Term loan INR 0.22 million (31 March 2021: INR 2.89 million) represents car loan from Axis Bank related to various vehicles purchased. The rate of interest ranges from 8.36% to 9.95% p.a. (31 March 2021: 8.36% to 9.95%). The loan is secured by hypothecation of motor cars repayable monthly over a period of 3 years.

Term loan from Standard Chartered Capital Limited (formerly known as Standard Chartered Investments and Loans (India) Limited) of INR 281.10 million (31 March 2021 : Nil) towards financing the acquisition of AbGel business from Sri Gopal Krishna Labs Private Limited. The loan is repayable in 4 equal semi annual installments starting at the end of 6 months from the first disbursement. The rate of interest on the term loan is 6.75% per annum (31 March 2021 : Nil). The term loan is secured by a first pari passu charge over Property, Plant and Equipment of the Company.

Term loan from Hongkong and Shanghai Banking Corporation Limited of INR 125.23 million (31 March 2021 : Nil) towards financing the acquisition of AbGel business from Sri Gopal Krishna Labs Private Limited including reimbursements. The loan is repayable at the end of 12 months. The rate of interest on the term loan ranges from 6.95% to 7.10% per annum (31 March 2021 : Nil). The term loan is secured by a first pari passu charge over Property, Plant and Equipment and Current assets of the Company.

Import Nostro financing from bank consists of:

Import nostro financing from HSBC Bank of INR 57.28 million (31 March 2021: INR 27.47 million) represent 90 day dollar loan taken from the bank towards payment to import vendors. The rate of interest in the current period ranges from 3.30% to 3.96% which is linked to IBOR (31 March 2021: 3.50% linked to LIBOR).

Pre and Post shipment finance consists of:

Pre and post shipment finance of INR 62.50 million (31 March 2021 : INR 170.24 million) is from HSBC Bank represent rupee export credit under interest equalization scheme as per RBI instruction vide DOR.STR.REC.68/21.04.048/2021-22 dated 12 November 2021 (31 March 2021 : vide DBR.Dir.BC.No.69/04.02.001/2019-20 dated 13 May 2020). The rate of interest is 3.00% (31 March 2021 : 2.15% to 2.25%). This loan facility is repayable within 45 to 78 days (31 March 2021 : 120 days).

The above facilities availed from HSBC bank are secured by way of a charge on Trade receivables, Current assets and Property, plant and equipment (PPE).

Working capital loan consists of:

Working capital drawdown loan of Nil (31 March 2021 : INR 4.53 million) is from State Bank of India secured on fixed deposits. The rate of interest is 1% above FD rate which will be around 5.90%. This loan facility is repayable on demand.

15 Trade payables

(carried at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	42.34	15.15
- Total outstanding dues of creditors other than micro and small enterprises	389.04	280.71
Trade payables to related parties (Refer note 32)		
- Total outstanding dues of micro and small enterprises*	13.08	-
- Total outstanding dues of creditors other than micro and small enterprises	10.17	17.71
Total current trade payables	**454.63**	**313.57**

** Refer note 37 (a) for MSMED disclosures*

Terms and conditions of the above financial liabilities:

- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For information on financial risk objectives and policies, refer note 34.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Trade payables ageing schedule:

As at 31 March 2022

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date #				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	20.02	35.40	-	-	-	55.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	196.21	72.80	129.92	0.28	-	-	399.21
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**196.21**	**92.82**	**165.32**	**0.28**	**-**	**-**	**454.63**

As at 31 March 2021

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date #				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	15.15	-	-	-	15.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	139.10	70.78	88.23	0.30	0.01	-	298.42
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**139.10**	**70.78**	**103.38**	**0.30**	**0.01**	**-**	**313.57**

Where no due date of payment is available, ageing has been disclosed from the date of transaction.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

16 Other financial liabilities

(carried at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital creditors	99.08	93.18
Deferred purchase consideration (Refer note 37(b)(iv))	499.20	-
Deposits (unsecured)		
Deposits from consignee agents (Refer note (i))	29.80	29.30
Total other non-current financial liabilities	**628.08**	**122.48**
Current		
Capital creditors	8.11	18.02
Deferred purchase consideration (Refer note 37(f))	47.49	-
Accrued employee payables	152.01	102.29
Payable on account of minimum wages	-	8.33
Payable towards ESOP cash settlement	-	2.64
Interest payable on term loan	2.29	-
Dues to directors (Refer note 32)	6.84	-
Total other current financial liabilities	**216.74**	**131.28**

(i) Deposits from consignee agents carry interest @ 9.0% p.a. (31 March 2021: 9.0% p.a.) and the deposits are repayable after the expiry of respective agreements with the agents.

17 Other liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Deposit from employees	5.14	6.02
Total other non-current liabilities	**5.14**	**6.02**
Current		
Advance from customers	55.01	124.92
Payable to statutory/government authorities	27.57	18.88
Liability towards Corporate Social Responsibility (Refer note 37)	4.30	-
Total other current liabilities	**86.88**	**143.80**

18 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for compensated absence	21.12	15.49
Provision for litigations *	10.51	10.51
Total provisions	**31.63**	**26.00**

* Represents provision of INR 10.51 million (31 March 2021 : INR 10.51 million) towards indirect tax litigation.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

19 Income tax

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

Standalone statement of profit and loss:

	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax:		
Current income tax charge	126.63	80.34
Income tax credit pertaining to earlier period	-	(43.53)
Deferred tax:		
Relating to origination and reversal of temporary differences	(29.53)	39.94
Income tax expense reported in the standalone statement of profit and loss	**97.10**	**76.75**

Other Comprehensive Income (OCI) section

Deferred tax related to items recognised in OCI during the year:

	Year ended 31 March 2022	Year ended 31 March 2021
Tax effect on net (gain)/loss on remeasurements of defined benefit plans	1.71	1.07
Income tax charged to OCI	**1.71**	**1.07**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021:

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax and after exceptional items	**411.15**	**716.92**
Statutory tax rate (%)	25.17%	25.17%
At India's statutory income tax rate	103.49	180.45
Impact on account of non-deductible expenses	10.37	4.45
Impact on account of income exempt from tax	-	(78.63)
Impact on account of rate change *	-	16.60
Impact of reversal of income tax provision pertaining to earlier period	-	(43.53)
Others, net	(16.76)	(2.59)
Income tax expense for the year	**97.10**	**76.75**
Income tax expense reported in the standalone statement of profit and loss	**97.10**	**76.75**

* The Company has opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019. As a result, for the year ended 31 March 2022, statutory tax rate has reduced from 29.12% to 25.17%. On account of rate reduction deferred tax assets have decreased by Nil (31 March 2021 : INR 16.60 million) and the tax charge for the year have increased by Nil (31 March 2021 : INR 16.60 million).

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Deferred tax

Deferred tax relates to the following:

	Standalone Balance Sheet		Standalone Statement of Profit and Loss	
	As at 31 March 2022	As at 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation and amortization expense (difference between tax depreciation and depreciation/ amortization)	33.54	51.90	(18.36)	6.49
Impact of expenditure charged to the standalone statement of profit and loss in the current year but allowed for tax purposes on payment basis	142.58	92.98	49.60	(45.36)
Deferred tax expense/(income)			**31.24**	**(38.87)**
Net deferred tax assets/(liabilities)	**176.12**	**144.88**		

	As at 31 March 2022	As at 31 March 2021
Opening balance as of 1 April	**144.88**	**183.75**
Tax income/(expense) during the year recognised in standalone statement of profit and loss	29.53	(39.94)
Tax income/(expense) during the year recognised in OCI	1.71	1.07
Closing balance as at 31 March	**176.12**	**144.88**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

20 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	4,785.79	3,445.21
Rendering of services	-	9.14
Other operating revenue		
Export incentive	18.63	24.38
Total revenue from operations	**4,804.42**	**3,478.73**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

20.1 Disaggregated revenue information

	Year ended 31 March 2022	Year ended 31 March 2021
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
(a) Revenues by Geography		
India	3,369.36	2,357.32
United Kingdom	246.01	184.76
Rest of the world	1,189.05	936.65
Total	**4,804.42**	**3,478.73**
Geographical revenue is allocated based on the location of the customers.		
(b) Timing of revenue recognition		
Goods transferred at a point in time	4,785.79	3,445.21
Services transferred at a point in time	-	9.14
Total revenue from contracts with customers	**4,785.79**	**3,454.35**
(c) Set out below is the amount of revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	124.92	49.74

21 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend income	-	356.83
Foreign exchange gain (net)	9.52	28.14
Net gain on sale/write off of property, plant and equipment	6.96	-
Liabilities/ provisions no longer required written back	1.97	1.45
Guarantee commission on letter of awareness	1.49	-
Other miscellaneous income	4.98	0.86
Total other income	**24.92**	**387.28**

22 Finance income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on bank deposits	12.47	20.80
Interest income on others	28.51	27.63
Total finance income	**40.98**	**48.43**

23 Cost of raw material and components consumed

23 (a) Raw material and components consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	229.94	245.04
Additions through business acquisition (Refer note 37 (f))	2.52	-
Add: Purchases	2,162.59	1,344.62
	2,395.05	**1,589.66**
Less: Inventory at the end of the year	(303.71)	(229.94)
Total raw material and components consumed	**2,091.34**	**1,359.72**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

23 (b) Purchase of traded goods

	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of traded goods	198.64	76.37
Total purchase of traded goods	**198.64**	**76.37**

23 (c) (Increase)/decrease in inventories of finished goods, work-in progress and traded goods

		Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year			
Finished goods		252.50	241.98
Work in progress (at cost)		233.67	173.81
Traded goods		93.08	39.19
Total	**A**	**579.25**	**454.98**
Inventories at the beginning of the year			
Finished goods		241.98	192.44
Work in progress (at cost)		173.81	212.57
Traded goods		39.19	99.14
Total	**B**	**454.98**	**504.15**
(Increase)/decrease in inventories of finished goods, work-in progress and traded goods (B-A)		**(124.27)**	**49.17**

24 Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	779.58	679.76
Contribution to provident and other funds	37.58	32.99
Employee share based payments (Refer note 30)	50.63	35.84
Gratuity expense	8.96	8.91
Staff welfare expenses	48.16	38.04
Total employee benefits expense	**924.91**	**795.54**

25 Depreciation and amortization expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on Property, plant and equipment and Right-of-use assets (Refer note 3 and 5)	109.37	130.15
Amortization of intangible assets (Refer note 4)	77.05	51.50
Total depreciation and amortization expense	**186.42**	**181.65**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

26 Other expense

	Year ended 31 March 2022	Year ended 31 March 2021
Contract labour charges *	235.91	192.16
Travelling and conveyance	80.50	43.18
Sales commission	127.93	50.14
Freight and forwarding charges	119.93	100.50
Advertising and sales promotion	82.83	43.65
Legal and professional fees	99.11	67.47
Director's sitting fees	3.30	-
Director's commission	6.74	-
Power and fuel	47.05	43.28
Allowances for doubtful debts and advances **	61.34	20.30
Rates and taxes	46.63	27.66
Repairs and maintenance		
Plant and machinery	22.19	15.37
Buildings	6.71	2.54
Others	37.04	27.29
Payment to auditors (refer details below)	6.98	9.77
Rent	4.49	0.56
Royalty on sales	1.65	4.19
Communication costs	5.55	6.25
Printing and stationery	2.38	2.35
Insurance	5.68	5.78
CSR expenditure (Refer note 37 (c))	9.61	9.23
Job work charges	3.94	1.10
Net loss on sale/write off of property, plant and equipment	-	2.51
Provision for export incentives	1.75	-
Miscellaneous expenses	82.53	45.82
Total other expense	**1,101.77**	**721.10**

* Does not include reversal of minimum wages provision amounting to INR 8.33 million (31 March 2021: INR 20.21 million), included in exceptional items (Refer note 38(i)).

** (a) Does not include reversal of allowances for doubtful debts and advances for MMM Nil (31 March 2021: INR 2.51 million), included in exceptional items (Refer note 38 and note 37(b)(ii)).

(b) Includes specific allowances for doubtful debts of INR 7.22 million (31 March 2021: Nil) and allowances for doubtful advances of INR 3.80 million (31 March 2021: Nil).

Payment to auditors (excluding goods and services tax):

		Year ended 31 March 2022	Year ended 31 March 2021
(a)	Statutory audit fee (audit of standalone and consolidated financial statement) ##	6.00	8.50
(b)	Certification fees	0.88	0.77
(c)	Others	-	0.50
(d)	Out of pocket expenses	0.10	-
	Total	**6.98**	**9.77**

Excluding aggregate fees of INR 27.92 million, which includes out of pocket expenses of INR 0.42 million, paid towards proposed initial public offer related services. Refer note 6(i) for share issue expenses.

Fee for the year ended 31 March 2021 includes INR 1 million pertaining to previous year 2019-2020.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

27 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on debts and borrowings	24.92	14.68
Interest on term loan	0.12	0.55
Interest on lease liabilities and others	27.72	11.26
Total interest expense	**52.76**	**26.49**
Bank charges	7.47	10.20
Total finance costs	**60.23**	**36.69**

28 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to equity holders	314.05	640.17
Weighted average number of Equity shares ^	**9,64,90,341**	**9,34,46,535**
Effect of dilution:		
Stock options granted under TMIP and PMIP *^	7,87,393	-
Weighted average number of Equity shares adjusted for the effect of dilution ^	**9,72,77,734**	**9,34,46,535**
Earnings per equity share after exceptional item		
Basic earnings per share	3.25	6.85
Diluted earnings per share *	3.23	6.85

* Stock options granted under Healthium Time Based Key Employee Stock Incentive Plan 2019, Healthium Performance Based Key Employee Stock Incentive Plan 2019, Employee stock-option plan 2014 and Employee stock-option plan 2016 are anti-dilutive and accordingly have not been considered for the purpose of computing dilutive EPS for the year ended 31 March 2021.

^ Adjusted for sub-division of nominal value of the Company's equity shares from INR 2 each to INR 1 each and for effect of bonus element in the rights issue.(Refer note 11(ii)).

29 Employee benefit plans

(a) Defined contribution plans

The Company makes contributions to Provident Fund, Employee State Insurance scheme contributions which are defined contribution plan for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognized INR 37.20 million (31 March 2021 : INR 32.32 million) for Provident Fund contributions and INR 0.38 million (31 March 2021 : INR 0.67 million) for Employee State Insurance scheme contribution in the standalone statement of profit and loss.

(b) Defined benefit plans

Gratuity

The Company offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary as amended from time to time for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

The following tables summarise the components of net benefit expense recognised in the standalone statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Gratuity
Disclosure as per Ind AS 19

	As at 31 March 2022	As at 31 March 2021
Change in projected benefit obligations		
Obligations at beginning of the year	66.09	55.18
Current service cost	10.82	9.57
Interest cost	4.14	3.53
Benefits settled	(6.57)	(4.92)
Actuarial loss (through OCI)	5.94	2.73
Obligations at end of the year	**80.42**	**66.09**
Change in plan assets		
Plan assets at beginning of the year, at fair value	84.81	43.71
Interest income	6.00	4.19
Actuarial loss (through OCI)	(0.84)	(0.94)
Contributions	18.97	42.77
Benefits settled	(6.57)	(4.92)
Plan assets at end of the year	**102.37**	**84.81**
Present value of defined benefit obligation at the end of the year	80.42	66.09
Fair value of plan assets at the end of the year	102.37	84.81
Net asset recognised in the standalone balance sheet	**(21.95)**	**(18.72)**

	Year ended 31 March 2022	Year ended 31 March 2021
Expenses recognised in standalone statement of profit and loss		
Service cost	10.82	9.57
Interest cost (net)	(1.86)	(0.66)
Net gratuity cost	**8.96**	**8.91**
Re-measurement gains / (losses) in OCI		
Actuarial loss due to financial assumption changes	(5.94)	(2.73)
Return on plan assets (greater)/less than discount rate	(0.84)	(0.94)
Total loss routed through OCI	**(6.78)**	**(3.67)**

The major categories of plan assets of the fair value of the total plan assets are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Investments with insurer	100%	100%

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	6.90%	6.60%
Escalation rate	8% for first three years.Thereafter 6%	8% for first three years.Thereafter 6%
Withdrawal rate	7.00%	7.00%
Estimated rate of return on plan assets	6.90%	6.60%
Retirement age	60 years	60 years
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

A quantitative sensitivity analysis for significant assumption is as shown below:

Sensitivity Level	Defined benefit obligation	
	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate		
1% increase	(6.15)	(5.29)
1% decrease	7.04	6.09
Escalation rate		
1% increase	6.45	5.81
1% decrease	(5.85)	(5.19)
Withdrawal rate		
1% increase	0.05	(0.08)
1% decrease	(0.10)	0.05

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected benefit settlements in future years:

	As at 31 March 2022	As at 31 March 2021
Within the next 12 months	5.25	4.52
Between 2 and 5 years	37.54	27.99
Beyond 5 years	84.36	65.95
Contributions likely to be made for the next one year	5.25	4.52

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (31 March 2021: 9 years).

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

30 Share-based payments

a) Healthium Performance Based Key Employee Stock Incentive Plan 2019 ("PMIP")

On 5 May 2019, the Board of directors approved 'Healthium Performance Based Key Employee Stock Incentive Plan 2019' ("PMIP") for certain key employees, based on the Company's performance and equity value creation. Pursuant to this plan, during the year ended 31 March 2022, the Company granted 560,720 stock options (31 March 2021: 262,430 stock options).

Vesting of the PMIP units is dependent upon the cumulative value realized by the Holding Company from the investment. Specifically, there is no time-based vesting for the PMIP units; instead, the vesting is based entirely on performance (as measured by returns to the Holding Company).

Upon exercise, the Administrator (i.e. Board of the Company) shall be entitled to cause the options to be settled in cash or equity. During the year ended 31 March 2020, the management believed that there was a probability of settling these award in cash and accordingly recorded it as a financial liability. On 29 September 2020, the Board of directors revisited the settlement criteria and was of the view that the awards will be settled by way of issuance of equity. Accordingly, this has been treated as modification and accounted as per below principles :

1.The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date i.e. 1 October 2020.

2.The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date.

3.The difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the standalone statement of profit and loss.

On 27 August 2021, the Board of Directors approved pursuant to occurance of a partial exit event, a one-time event allowing accelerated vesting of a PMIP units based on the predefined formula. Based on the assessment carried by the independent valuer and the impact of the modication on the value of the option is de-minimis.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2022 Number ^	Year ended 31 March 2022 WAEP (in INR)^	Year ended 31 March 2021 Number	Year ended 31 March 2021 WAEP (in INR)
Outstanding at 1 April	44,95,540	243	2,035,870	482
Granted during the year *	5,60,720	345	262,430	511
Forfeited during the year	(48,900)	290	(50,530)	485
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of the year	**50,07,360**	**254**	**2,247,770**	**486**
Exercisable at end of the year	-	-	-	-

* INR equivalent of USD 4.66 per option (31 March 2021: USD 6.96 per option)

^ Change in opening number of options and WAEP on account of share split (Refer Note 11 (ii))

in INR million

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 3 years (31 March 2021: 4 years)

The following table list the inputs to the model used for the PMIP plan for the year ended 31 March 2022 and 31 March 2021:

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend yield (%)	0 to 1.44%	1.46%
Expected volatility (%)	24.42% to 32.54%	28.98% to 29.68%
Risk-free interest rate (%)	3.41% to 5.56%	5.13% to 5.40%
Expected life of share options (years)	2.88 to 4.38	3.94 to 4.52
Weighted average share price (INR)	313	511
Weighted average fair value of stock options (INR)	49.02	51.77 to 54.89

b) Healthium Time Based Key Employee Stock Incentive Plan 2019' ("TMIP")

On 5 May 2019, the Board of Directors approved 'Healthium Time Based Key Employee Stock Incentive Plan 2019' ("TMIP") for certain key employees. Pursuant to this plan, during the year ended 31 March 2022, the Company granted 153,300 stock options (31 March 2021: 56,350 stock options).

Each option granted under the TMIP, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of INR 345 (USD 4.66) (31 March 2021 : INR 255 (USD 3.48)^ per share). The equity shares covered under these options vest over a period of 5 years from the date of grant. The options granted shall be capable of being exercised at anytime post vesting and till occurrence of exit event as prescribed in the plan.

The fair value of options granted is estimated at the date of grant using a Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The expected life input is based on historical exercise patterns and post vesting termination behaviour. This model takes into consideration the following inputs that are required to compute the fair value of a stock option: 1) the exercise price of the option; 2) the fair market value of the underlying share; 3) the expected term of the option; 4) the expected volatility of the price of the underlying share; 5) the expected dividend yield of the underlying share; and 6) the risk-free interest rate over the expected term of the option.

The risk-free interest rate input is based on zero coupon yield curve for government securities with maturity equal to the expected life of the option. An annualised dividend yield based on the per share dividend declared by the Board of Directors of the Holding Company is used.

On 11 October 2021, the Board of Directors approved accelerated vesting of all unvested options issued to key employees on 7 May 2019 and 1 October 2020. The total options subject to accelerated vesting is 579,880 stock options.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2022 Number ^	Year ended 31 March 2022 WAEP (in INR)^	Year ended 31 March 2021 Number	Year ended 31 March 2021 WAEP (in INR)
Outstanding at 1 April	9,65,300	243	4,37,150	482
Granted during the year *	1,53,300	345	56,350	511
Forfeited during the year	(8,400)	302	(10,850)	485
Cancelled during the year	-	-	-	-
Exercised during the year	(9,42,200)	241	-	-
Expired during the year	-	-	-	-
Outstanding at end of the year	**1,68,000**	**344**	**4,82,650**	**486**
Exercisable at end of the year	**17,500**	**241**	**85,120**	**488**

* INR equivalent of USD 4.66 per option (31 March 2021: USD 6.96 per option)

^ Change in opening number of options and WAEP on account of share split (Refer Note 11 (ii))

NOTES TO STANDALONE FINANCIAL STATEMENT

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in INR million

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 3.71 years (31 March 2021: 3.25 years).

The following table list the inputs to the model used for the TMIP for the year ended 31 March 2022 and 31 March 2021:

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend yield (%)	0 to 1.44%	1.46%
Expected volatility (%)	24.42% to 32.54%	28.98% to 29.68%
Risk-free interest rate (%)	3.41% to 5.56%	5.13% to 5.40%
Expected life of share options (years)	2.88 to 4.38	3.94 to 4.52
Weighted average share price (INR)	313	511
Model used	Black Scholes	Black Scholes
Weighted average fair value of stock options (INR)	83.02	108.61 to 115.95

31 Commitments and contingencies

a Other commitments

i. Aggregate value of commitments made on unexecuted capital contracts not provided for INR 36.77 million (31 March 2021: INR 29.51 million).

ii. Value of outstanding letter of credits for purchase of raw material amounts to INR 92 million (31 March 2021: INR 50.05 million).

iii. Also refer note 32 (3) and 32 (5) for comfort letter given by the Company for financial support.

b Contingent liabilities

	As at 31 March 2022	As at 31 March 2021
Bank guarantee (i)	41.73	33.40
Corporate guarantee for a subsidiary (ii)	298.37	236.61
Claims against the Company not acknowledged as debts		
a) Income tax matters (iii)	55.60	59.42
b) Customs duty matters, under appeal	-	1.19
c) Service tax matters, under appeal (iv)	16.82	16.82
d) VAT/CST matters (v) (Including Nil (31 March 2021: INR 1.01 million) for pending C Form)	-	1.01
e) National Pharmaceutical Pricing Authority ('NPPA') (vi)	49.21	49.21
f) Karnataka Pollution Control Board ('KPCB') (viii)	10.00	-

(i) Bank guarantee has been given as guarantee to certain customers for executed contracts.

(ii) The Company has given corporate guarantee towards loan facilities taken from Hongkong Shanghai Banking Corporation, UK by Clinisupplies Limited. This guarantee was released on 4 September 2020. On 2 November 2020, the Company has given fresh corporate guarantee to the extent of GBP 3.00 million towards all facilities taken from Hongkong Shanghai Banking Corporation, UK by Clinisupplies Limited. During the year ended 31 March 2022, the corporate guarantee has been replaced with a letter of awareness with effect from 4 October 2021.

(iii) The Company has received demand orders based on the assessment by authorities till financial year 2016-2017 and 2017-2018, wherein certain adjustments were made to the taxable income in relation to various matters under section 37(1) and section 40(a)(ia) and transfer pricing adjustments of Income Tax Act, 1961. These demands are disputed by the management and the Company has filed appeals against these orders with various appellate authorities. The company has received a favourable order for the litigation filed for the financial year 2008-2009 and 2009-2010 before the Karnataka High Court in July 2021. The management is confident that its position will likely be upheld on ultimate resolution and will not have material adverse effect on the Company's financial position and results of operations.

in INR million

(iv) The Company has received demand order in respect of remuneration paid to Directors, under Section 68(2) of Finance Act amounting to INR 11.87 million (31 March 2021 : INR 11.87 million) in respect of period 2012 to 2017. The Company has preferred an appeal against the aforesaid demand order which is pending as of date. The Company had paid INR 0.81 million under protest and further had paid INR 0.27 million differential of 2.5% for appeal in Tribunal to ensure 10% deposit. The Company is of the view that no liability would arise in respect of the aforesaid order and accordingly, no adjustments have been made in respect of this order in the financial statements. Further, the Company has demand in respect of common input taken on services amounting to INR 9.91 million (31 March 2021 : INR 4.95 million) for the period April 2016 to June 2017. During the year ended 31 March 2021, the Company has created provision to the extent of the demand amount INR 4.95 million and INR 4.95 million disclosure have been made under contingent liability.

(v) The Company has received order from Department of Goods and service tax Maharashtra towards assessment of VAT for financial year 2014-2015 and 2015-2016. The order confirms the investigation office of Maharashtra Sales tax concern on VAT % from 5.5% to 12.5% on Sutures which is classifed as device . The total demand raised by department is INR 26.33 million for both years (INR 13.05 million for financial year 2014-2015 and INR 13.28 million for financial year 2015-2016).The Company has filed appeal against the order on ground Sutures is drug as per Drugs and Cosmetics Act 1940 and sutures is categorised as drug as per order dated 20/04/2010. The Company has received favourable order from Joint Commissioner of State Tax Appeals granting total relief against liability of INR 26.33 million for financial year 2014-2015 and 2015-2016. Further, the Company is estimating Nil (31 March 2021 : INR 2.30 million) liability towards Form C and F, INR 1.29 million (31 March 2021: INR 1.29 million) has been provided in books and balance Nil (31 March 2021 : INR 1.01 million) considered as contingent liability. The Assessments for Karnataka under VAT has been completed upto June 2017, hence contingent liability of INR 1.01 million considered for March 2021 is no longer required.

(vi) The National Pharmaceutical Pricing Authority ("NPPA") issued a notice to the Company on 5 April 2018 seeking information in relation to the pricing of the catheters sold by the Company. The Company had increased the maximum retail price ("MRP") displayed on the packaging of certain types of catheters sold from INR 108 to INR 180 between the period October 2016 to April 2018. This increase in MRP was beyond the limit prescribed under Paragraph 20 (1) of the Drugs Price Control Order, 2013 ("DPCO, 2013") which permits only a 10% increase in the MRP of such products on a year on year basis. Subsequently on 5 February 2019 issued a demand notice ("Demand Notice") for alleged violation of Paragraph 20 of DPCO 2013 and directed the Company to deposit a sum of INR 128.41 million. The Company vide its written representations submitted that despite the increase in the price of the medical devices i.e. catheters, their realization price for the Company was constant. NPPA rejected the submissions of the Company and confirmed the Demand Notice vide its order dated 4 April 2019. Additionally, the NPPA also demanded payment of interest @ 15% calculated for the period from 1 December 2016 to 30 June 2019. Pursuant to order dated 31 October 2019 passed by Delhi High Court, the Company deposited 50% of the principal amount i.e. INR 64.20 million with the NPPA. Additionally , NPPA provided an opportunity for a personal hearing to the Company on 11 February 2020. NPPA vide its order dated 26 February 2020 rejected submissions of the Company and reinstated the Demand Notice further adding interest upto 29 February 2020. The Company had been directed to deposit an amount of INR 113.41 million (including interest of INR 49.21 million).

The Company has challenged the order dated 26 February 2020 passed by NPPA before the Delhi High Court by way of a Writ Petition No. 9902 of 2020 titled as Healthium Medtech Pvt. Ltd. v. Union of India and Ors. The Company also contended that imposition of interest was beyond Section 3 read with Section – 7A of the Act.

The Company has deposited the principal amount demanded by NPPA in 2 tranches - on 19 November 2019 INR 64.20 million and on 6 April 2020 INR 64.20 million to prevent further accrual of interest. The Hon'ble High Court vide its order dated 7 December 2020 has observed that the Company has deposited the principal amount and directed NPPA not to take any coercive steps against the Company till the next date of hearing. The said interim order is continuing till date and the next date of hearing is on 2 November 2022.

(vii) In relation to total initial term facility commitments of USD 115 million and total initial revolving facility commitments by Broad Street Credit Holdings LLC (the original lender) to the holding company, Quinag Acquisition (FDI) Ltd (the borrower) vide facilities agreement originally dated 7 June 2018 (and as amended and restated on 25 September 2018), subsidiaries of the Company incorporated in 'England and Wales' and 'Netherlands' namely Clinisupplies Limited, Clinidirect Limited, Sironium Medical Technologies Limited and Sironix Medical Technologies B.V. have agreed to be an additional guarantor for the said facility. In this regard,

a. CliniDirect Limited, Clinisupplies Limited and Sironium Medical Technologies Limited have entered into an English law governed debenture dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over its Tangible Moveable Property, Shares and Related Rights, Bank Accounts and Related Rights, goodwill and uncapped capital and assignment over Insurance Policies and Intra-Group Receivables (each as defined therein).

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in INR million

b. Sironix Medical Technologies B.V. has entered into:

i. an English law governed debenture dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over the shares held by it in Clinisupplies Limited and CliniDirect Limited, and Bank Accounts and Related Rights; and

ii. a Dutch law governed security agreement dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over its movable assets, bank accounts, insurances, intercompany receivables, relevant agreements and other rights.

c. On 9 October 2021, a deed of release has been entered into between CliniDirect Limited, Clinisupplies Limited, Sironium Medical Technologies Limited, Sironix Medical Technologies B.V. (together the "Released Companies") and The Bank of New York Mellon, wherein all the securities provided by the Released Companies under the facilities agreement originally dated 7 June 2018 (and as amended and restated on 25 September 2018) have been unconditionally and irrevocably released. CliniDirect Limited, Clinisupplies Limited and Sironium Medical Technologies Limited have filed the appropriate forms relating to satisfaction of charges with Companies House in England on 20 October 2021.

(viii) a. The Company received show cause notice dated 31 January 2021 from the Karnataka Pollution Control Board (KPCB) directing to pay a compensation of INR 10 million as per the provisions of Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment Protection Act, 1981.

b. The penalty was arrived at on the basis of the physical study conducted by the Central Pollution Control Board (CPCB) in exercise of the powers conferred under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment Protection Act, 1981.

(ix) The Company has certain other disputes, lawsuits and claims, including labour related matters, which arise in from time to time in the ordinary course of business. The Company believes that such matters are not expected to have material financial impacts on its standalone financial statements.

32 Related party transactions

Names of related parties and related party relationship, irrespective of whether transactions have occurred or not is given below:

Name of related party where control exists:	Nature of relationship
Tummel HoldCo Ltd	Ultimate Holding Company
Quinag Acquisition (FDI) Ltd ('Quinag')	Holding Company
Healthium OEM Private Limited	Wholly owned subsidiary
Sironix Medical Technologies BV	Wholly owned subsidiary
Sironium Medical Technologies Limited	Wholly owned subsidiary
Mena Medical Manufacturing FZC	Wholly owned subsidiary
CareNow Medical Private Limited (w.e.f. 1 September 2021)	Wholly owned subsidiary
Clinisupplies Limited	Wholly owned subsidiary of Sironix Medical Technologies BV
Clinidirect Limited	Wholly owned subsidiary of Sironix Medical Technologies BV
Quality Needles Private Limited	Wholly owned subsidiary of Healthium OEM Private Limited
Meditex Supplies Limited	Wholly owned subsidiary of Clinisupplies Limited
VitalCare Trading (UK) Ltd (w.e.f. 1 July 2021)	Wholly owned subsidiary of Clinisupplies Limited
Vitalcare (Nanjing) Co, Ltd (w.e.f. 1 July 2021)	Wholly owned subsidiary of VitalCare Trading (UK) Ltd
Vitalcare Ltd (w.e.f. 1 July 2021)	Wholly owned subsidiary of VitalCare Trading (UK) Ltd

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Key management personnel:

Mr. Mohammed Azeez	Chief Operating Officer and Whole Time Director
Mr. Sudarshan Kailash Chandra Jain	Director
Mr. Shashank Singh	Director
Mr. Steven Lewis Dyson	Director
Mr. Anish Vanraj Bafna	Chief Executive Officer and Managing Director
Mr. Ramesh Subrahmanian (w.e.f. 29 September 2020)	Independent Director
Mr. Ajay Gupta (w.e.f. 10 December 2020)	Independent Director
Mr. Vishal Maheshwari	Group Chief Financial Officer
Ms. Pallavi Karkera	Company Secretary
Ms. Namrata Kaul (w.e.f. 17 August 2021)	Independent Director

Transactions with the related parties are:

Related party name	Nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Entities under same management			
Healthium OEM Private Limited	Dividend income	-	356.83
Mena Medical Manufacturing (FZC)	Provision/(Reversal) for Doubtful Debts (Refer note 37.b(ii))	-	(2.51)
Sironix Medical Technologies BV	Loans given	-	29.25
	Received against repayment of loan & interest	-	68.19
	Reversal of impairment provision for doubtful intercorporate loan (Refer note 37.b(i))	(36.25)	-
	Write off of doubtful intercorporate loan	36.25	-
	Interest income	28.51	27.63
Quality Needles Private Limited	Purchase of goods	143.82	72.76
	Employee share based payments	6.15	4.44
	Employee share based payments received	8.03	-
	Capital expenditure (cross charge)	-	2.89
Clinisupplies Limited	Sale of goods	246.01	175.62
	Shared service income	-	9.14
	Guarantee commission on letter of awareness	1.49	-
Quinag Acquisition (FDI) Ltd	Issue of equity shares on rights issue	1297.21	-
	Dividend paid	-	311.72
	Share issue expenses (Refer note 6(i))	165.53	-
CareNow Medical Private Limited	Investments in equity shares	1,792.20	-
	Purchase of Goods (1 September 2021 to 31 March 2022)	31.51	-

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in INR million

Related party name	Nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Vitalcare (Nanjing) Co, Ltd	Purchase of Goods (1 July 2021 to 31 March 2022)	16.42	-
Mr. Mahadevan Narayanamoni	Share issue expenses (Refer note 6(i))	0.42	-
Mr. Vishal Maheshwari	Issue of equity shares on preferential allotment	-	7.50
	Dividend paid	-	0.11
	Issue of equity shares on rights issue	0.46	-
	Issue of equity shares on exercise of TMIP options	21.76	-
Mr. Sudarshan Kailash Chandra Jain	Issue of equity shares on preferential allotment	-	3.00
	Dividend paid	-	0.04
	Issue of equity shares on rights issue	0.18	-
Mr. Mohammed Azeez	Issue of equity shares on exercise of TMIP options	3.63	-
Mr. Anish Vanraj Bafna	Issue of equity shares on exercise of TMIP options	126.91	-
Ms. Pallavi Karkera	Issue of equity shares on exercise of TMIP options	0.54	-
Key management personnel			
Mr. Anish Vanraj Bafna	Remuneration paid *	75.38	59.98
Mr. Mohammed Azeez	Remuneration paid *	9.42	7.81
	Reimbursement of expenses	-	0.24
Mr. Vishal Maheshwari	Remuneration paid *	19.38	16.83
Ms. Pallavi Karkera	Remuneration paid *	2.03	1.41
Ms. Namrata Kaul	Sitting fees	0.70	-
	Commission	1.65	-
Mr. Ramesh Subrahmanian	Sitting fees	1.40	-
	Commission	2.50	-
Mr. Ajay Gupta	Sitting fees	1.20	-
	Commission	2.59	-

* As the liability for gratuity and compensated absence is provided on an actuarial basis and incentives on estimated basis as a whole at respective entity level, the amount pertaining to the key management personnel are not included above.

During the year ended 31 March 2022, the Company has granted Nil options and Nil options (31 March 2021: 4,890 options and 1,050 options) to key management personnel under PMIP and TMIP respectively. The amount pertaining to these options are not included above. (Refer note 30). On 20 October 2021, the Company has issued 667,100 equity shares of INR 1 each at an exercise price of INR 259 each to key management personnel on account of vesting of TMIP options.(Refer note 11(ii)).

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in INR million

Balances at the year end:

Related party name		As at 31 March 2022	As at 31 March 2021
Quinag Acquisition (FDI) Ltd	Share issue expenses receivable (Refer note 6(i))	165.53	-
Healthium OEM Private Limited	Investment in equity shares	4,554.01	4,554.01
Mena Medical Manufacturing (FZC)	Investment in equity shares	1.12	1.12
	Non-current loans	215.02	215.02
	Impairment provision for Investment (Refer note 37.b(ii))	1.12	1.12
	Impairment provision for doubtful intercorporate loan (Refer note 37.b(ii))	215.02	215.02
	Trade receivable	19.36	19.36
	Provision for Trade receivable (Refer note 37.b(ii))	19.36	19.36
Sironix Medical Technologies BV	Investment in equity shares	584.41	584.41
	Non Current loans	699.57	698.99
	Current loans	-	-
	Impairment provision for doubtful intercorporate loan (Refer note 37.b(i))	-	36.25
Sironium Medical Technologies Limited	Investment in equity shares	36.02	36.02
Quality Needles Private Limited	Trade payables	10.17	17.71
	Receivable towards Employee share based payments cross charge	2.56	4.44
Clinisupplies Limited	Trade receivable	121.17	66.78
	Guarantee commission receivable on letter of awareness	1.49	-
CareNow Medical Private Limited	Investment in equity shares	1,792.20	-
	Trade payables	13.08	-
Vitalcare (Nanjing) Co, Ltd			
	Advance to Suppliers	5.47	-
Mr. Mahadevan Narayanamoni	Share issue expenses receivable (Refer note 6(i))	0.42	-
Ms. Namrata Kaul	Sitting fees payable	0.10	-
	Commission payable	1.65	-
Mr. Ramesh Subrahmanian	Commission payable	2.50	-
Mr. Ajay Gupta	Commission payable	2.59	-

Other transactions

1. The Company has given Corporate guarantee on behalf of Clini group of INR 298.37 million (31 March 2021: INR 236.61 million).
2. Refer note 37(b)(i) for transactions with Sironix Medical Technologies BV.
3. The Company has extended comfort letter to provide continued financial support to Clinidirect Limited (CDL) to ensure that CDL operate on going concern basis and are able to meet their debts and liabilities as they fall due.
4. Refer note 37(e) for investment in Peekay Mediequip Ltd.

NOTES TO STANDALONE FINANCIAL STATEMENT

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in INR million

5. The Company has provided to HSBC Bank a letter of comfort in relation to the credit facilities of INR 100 million availed by Quality Needles Private Limited (31 March 2021: INR 100 million).
6. Refer note 31(b)(vii) with respect to Guarantee provided by certain overseas subsidiaries of the Company towards initial term facility commitments of USD 115 million and total initial revolving facility commitments availed by holding company, Quinag Acquisition (FDI) Ltd.

33 Segment Information

The Company reports this standalone financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

34 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in debt and equity instruments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a. 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or 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 debt obligations with floating interest rates and Company's deposits with Banks. The Company's borrowings are in the nature of loan repayable on demand, working capital loans and deposits are short term in nature with fixed rate interest. Hence is not exposed to significant interest rate risk.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign currency forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument transactions for trading or speculative purposes.

The Company's exposure to foreign currency risk is as follows:

31 March 2022

Particulars	AED	Euro	GBP	USD	JPY
Trade receivable	-	0.30	1.20	1.94	-
Cash and cash equivalent	-	0.14	0.05	0.84	-
Loans *	3.99	0.18	1.95	5.90	-
Trade payable	-	(0.05)	-	(0.69)	(18.73)
Working capital loan	-	-	-	(0.77)	-
Net assets/(liabilities)	**3.99**	**0.57**	**3.20**	**7.22**	**(18.73)**

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31 March 2022

Particulars	AED	Euro	GBP	USD	JPY
Trade receivable	-	0.16	0.68	2.05	-
Cash and cash equivalent	-	0.00	-	0.91	-
Loans *	3.99	0.18	1.95	5.90	-
Borrowings	-	-	-	(0.38)	-
Trade payable	-	(0.03)	-	(0.61)	(3.14)
Net assets/(liabilities)	**3.99**	**0.30**	**2.62**	**7.88**	**(3.14)**

* Out of above the Company has given AED 3.99 million, Euro 0.18 million, GBP 1.95 million and USD 5.90 million loans to subsidiaries (31 March 2021:AED 3.99 million, Euro 0.18 million, GBP 1.95 million and USD 5.90 million).

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Company would cause the profit before tax to decrease or increase respectively by 1.87% (31 March 2021: by 1.00%).

Currency wise sensitivity analysis :

31 March 2022 — **Increase/(decrease) in profit before tax in INR million**

Particulars	AED	Euro	GBP	USD	JPY
Foreign currency - 1% increase	0.82	0.48	3.18	3.32	(0.12)
Foreign currency - 1% decrease	(0.82)	(0.48)	(3.18)	(3.32)	0.12

31 March 2022 — **Increase/(decrease) in profit before tax in INR million**

Particulars	AED	Euro	GBP	USD	JPY
Foreign currency - 1% increase	0.83	0.26	2.33	3.74	(0.02)
Foreign currency - 1% decrease	(0.83)	(0.26)	(2.33)	(3.74)	0.02

(c) Price risk

The Company invests surplus funds in liquid mutual funds. The Company is exposed to market price risk arising from uncertainties about future values of the investment. The Company manages the equity price risk through investing surplus funds on liquid mutual funds for short term basis.

The table below summarises the impact of increase/decrease of the Net Asset Value (NAV) on the profit for the year. The analysis is based on the assumption that the NAV price would increase 5% and decrease by 5% with all variable constant.

	31 March 2022	31 March 2021
	Increase/(decrease) in profit	
Price - increase by 5%	21.20	0.01
Price - decrease by 5%	(21.20)	(0.01)

(d) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of Latex, Latex based gloves and Stainless wires. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles. Cost of raw materials forms the largest portion of the Company's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of 31 March 2022 and 31 March 2021, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

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for the year ended 31 March 2022

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b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2022 amd 31 March 2021. The Company's credit period for trade receivables payable by its customers generally ranges from 30 to 120 days.

The ageing of trade receivables is given below:

	As at 31 March 2022	As at 31 March 2021
Neither past due nor impaired	321.57	348.95
Past due but not impaired		
- Less than 365 days	508.95	257.69
- More than 365 days	78.23	80.27
Less: Allowance for credit losses	(87.46)	(59.16)
Total	**821.29**	**627.75**

Loans and advances

Loans and advances are predominantly given to subsidiaries for the purpose of working capital and other business requirements.

Other than trade receivables and loans and advances, the Company has no significant class of financial assets that is past due but not impaired.

c. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Company.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows:

	As at 31 March 2022			
	One year or less	One to five years	Over five years	Total
Financial assets				
Investments (current and non current)	424.00	0.02	-	424.02
Loans (current and non current)	2.61	699.57	-	702.18
Trade receivables	821.29	-	-	821.29
Cash and cash equivalents	161.60	-	-	161.60
Bank balances other than cash and cash equivalents	55.83	-	-	55.83
Other financial assets (current and non current)	175.80	82.86	-	258.66
Total	**1,641.13**	**782.45**	**-**	**2,423.58**
Financial liabilities				
Borrowings (current and non-current) *	432.63	93.70	-	526.33
Lease liabilities (current and non-current) **	27.35	29.77	-	57.12
Trade payables	454.63	-	-	454.63
Other financial liabilities (current and non-current)	216.74	628.08	-	844.82
Total	**1,131.35**	**751.55**	**-**	**1,882.90**

* Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature.

** Includes future cash outflow towards estimated interest on lease liabilities

	As at 31 March 2021			
	One year or less	One to five years	Over five years	Total
Financial assets				
Investments (current and non current)	0.24	0.02	-	0.26
Loans (current and non current)	3.22	662.74	-	665.96
Trade receivables	627.75	-	-	627.75
Cash and cash equivalents	628.93	-	-	628.93
Bank balances other than cash and cash equivalents	9.99	-	-	9.99
Other financial assets (current and non current)	20.37	88.48	-	108.85
Total	**1,290.50**	**751.24**	**-**	**2,041.74**
Financial liabilities				
Borrowings (current and non-current) *	204.81	0.32	-	205.13
Lease liabilities (current and non-current) **	26.28	48.41	-	74.69
Trade payables	313.57	-	-	313.57
Other financial liabilities (current and non-current)	131.28	122.48	-	253.76
Total	**675.94**	**171.21**	**-**	**847.15**

* Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature.

** Includes future cash outflow towards estimated interest on lease liabilities

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

35 Capital management

For the purpose of capital management, capital includes issued equity capital, reserves such as share premium and all other equity reserves attributable to the equity holders. The primary objective is to maximise share holder value.

	As at 31 March 2022	As at 31 March 2021
A. Total equity attributable to the share holders of the Company	**10,228.63**	**8,318.86**
B. Loans and Borrowings		
Non-current borrowings	93.70	0.32
Current borrowings	119.78	202.24
Current maturities of non-current borrowings	312.85	2.57
Less: Bank balances other than cash and cash equivalents	(62.73)	(17.45)
Less: Cash and cash equivalents (limited to the extent of borrowings for 31 March 2021)	(161.60)	(187.68)
	302.00	-
C. Total capital and net debt (A+B)	**10,530.63**	**8,318.86**
D. Total loans and borrowings as a percentage of total capital (B/C)	**2.87%**	**0.00%**
E. Total equity as a percentage of total capital (A/C)	**97.13%**	**100.00%**

The Company is predominantly equity financed as evident from the capital structure table above. Further the Company has sufficient cash, cash equivalents, current investments and financial assets which are liquid to meet the debts.

36 Fair value hierarchy and disclosure

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within 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)

a Investments are valued at fair value through profit and loss account

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Investments				
Unquoted equity shares	6	Level 3	0.24	0.24
Mutual funds	6	Level 1	423.76	-
Total			**424.00**	**0.24**

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

b Financial assets carried at amortised cost *

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Unquoted Government and trust securities	6	Level 3	0.02	0.02
Trade receivables	8	Level 3	821.29	627.75
Loans				
- Current	6	Level 3	2.61	3.22
- Non current	6	Level 3	699.57	662.74
Bank balances other than cash and cash equivalents				
- Current	6	Level 3	55.83	9.99
Other financial assets				
- Current	6	Level 3	175.80	20.37
- Non current	6	Level 3	82.86	88.48
Total			**1,837.98**	**1,412.57**

c Financial assets carried at actual cost

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	9	Level 1	161.60	628.93
Total			**161.60**	**628.93**

d Financial liabilities carried at amortised cost*

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Borrowings				
- Current	14	Level 3	432.63	204.81
- Non current	14	Level 3	93.70	0.32
Lease liabilities ^				
- Current	5	Level 3	24.76	24.57
- Non current	5	Level 3	28.50	43.14
Trade payables				
- Current	15	Level 3	454.63	313.57
Other financial liabilities				
- Current	16	Level 3	216.74	131.28
- Non current	16	Level 3	628.08	122.48
Total			**1,879.04**	**840.17**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

37 Other matters

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

	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	51.01	11.33
Interest due on above	4.41	3.82
	55.42	15.15
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	51.01	11.33
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	4.41	3.82
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	0.95
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 year) but without adding the interest specified under the MSMED Act 2006.	0.59	0.27
The amount of interest accrued and remaining unpaid at the end of each accounting year.	4.41	3.82
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	4.41	3.82

b Investment in subsidiaries

(i) During the year ended 31 March 2020, the Company had planned to restructure the loan given to Sironix. The restructuring was planned to be executed by the year ended 31 March 2021. However, the same did not fruitify. Accordingly, during the year ended 31 March 2021, the loans receivable have been classified as non current loans and the Company holds impairment provision towards the loan receivable from Sironix amounting to INR 36.25 million. During the year ended 31 March 2022, the Company wrote off the loan of INR 36.25 million and reversed the impairment provision.

(ii) Mena Medical Manufacturing (FZC) (""MMM"") is a subsidiary of the Company. MMM has accumulated losses and its net worth has eroded.

The Company in their Extra ordinary general meeting held on 25 May 2020 has approved and authorised the directors to take all necessary decisions and actions to exit as Joint Venture partners in MMM by transfer of shares/liquidating the entity/or any other option favourable to the Company by selling and disposing off 765 equity shares of face value AED 100 each held in MMM.

As of 31 March 2022, the Company continues to hold impairment provision amounting to INR 1.12 million (31 March 2021: INR 1.12 million) towards investments in MMM, INR 215.02 million (31 March 2021 : INR 215.02 million) being expected credit loss towards recovery of loan and INR 19.35 million (31 March 2021: 19.35 million provision) being expected credit loss provision towards trade receivable.

Further, the Company while representing in shareholders meeting of MMM held on 16 November 2020 has approved liquidation application to be filed with the Court of First Preference, Sharjah. The application along with the statutory charges for filing the petition for liquidation was made on 16 December 2020. The case was accepted on file by the Court on 11 February 2021 and is currently pending. The next date of hearing is scheduled on 15 September 2022.

Based on the decision of the Company to exit from MMM, the Company has not accrued the interest income on loan granted for the year ended 31 March 2022 and 31 March 2021. The Company has ensured compliance with the applicable provisions of Companies Act with respect to loans granted and interest receivable from MMM.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

(iii) The Scheme of Arrangement ("the Scheme") for merger of Healthium OEM Private Limited ("Transferor Company") with the Company ("Transferee Company") and for reclassification of general reserves of the Company into Retained earnings of the Company, has been filed by the Company with the National Company Law Tribunal, Bengaluru Bench for approval. The appointed date of merger is 1 April 2021. Upon receipt of approval, the Scheme shall be given effect in the financial statements of the Company.

(iv) **CareNow Medical Private Limited**

On 26 August 2021, the Company has acquired entire equity shares of CareNow Medical Private Limited ("CareNow"), which is engaged in the business of manufacturing infection control products, for purchase consideration comprising of:

- INR 1,293 million paid on the date of signing of share purchase agreement (""SPA"") to all the equity shareholders of CareNow, which includes INR 33 million in relation to working capital and debts as stated in the SPA;

- INR 50 million to be paid on receipt of United States Food and Drug Administration (""USFDA"") approval for Theruptor" bandages within 12 months of the closing date payable to all the equity shareholders of CareNow;

- Additionally, the Company has entered into a Put and Call Option Agreement for purchase of Compulsorily Convertible Preference Shares (""CCPSs"") held by the preference shareholders of CareNow, where the CCPS may be purchased by the Parent Company at Put/Call Price to be determined after expiry of three years from the closing date depending on the achievement of revenue and gross margin targets as defined in the Put and Call Option Agreement, provided however, the maximum Put/Call Price for the CCPSs will not exceed INR 1,740 million. In this regard, an independent valuer, considering the probability of achievement of revenue and gross margin targets and factoring the present value impact, has estimated liability of INR 499.20 million and the same has been considered as purchase consideration for business combination accounting.

The Company consummated the acquisition at the end of the day of 31 August 2021 by payment of INR 1,293 million funded by issuance of own equity through rights issue to the shareholders of the Company.

c As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited). The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. Gross amount required to be spent by the Company during the year was INR 9.61 million (31 March 2021: INR 8.50 million). The expenses incurred towards CSR activities amounting to INR 9.61 million (31 March 2021: INR 9.23 million) has been charged to the statement of profit and loss and is disclosed under other expenses.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a) Gross amount required to be spent by the Company during the year	9.61	8.50

b) Amount spent during the year ended 31 March 2022:	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above * (includes the excess amount of INR 0.73 million spent during year ended 31 March 2021)	5.31	4.30	9.61

* Includes an amount of Nil spent in kind

c) Amount spent during the year ended 31 March 2021:	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above *	9.23	-	9.23

* Includes an amount of INR 7.56 million spent in kind

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

Details of ongoing project and other than ongoing project

In case of Section 135(6) of Companies Act, 2013 (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c ^
-	-	4.30	-	-	-	4.30

In case of Section 135(5) of Companies Act, 2013 (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.73	-	5.31	4.58	-

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Amount required to be spent by the Company during the year	9.61	8.50
(b) Amount of expenditure incurred (includes excess money spent during previous year)	5.31	9.23
(c) Shortfall / (excess) at the end of the year	4.30	(0.73)
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall :	Pertains to ongoing projects	Not applicable
(f) Nature of CSR activities :	Improving maternal health and early childhood development through a life cycle approach.	
(g) Details of related party transactions	Not applicable	Not applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Not applicable	Not applicable

^ Subsequent to year ended 31 March 2022, all amounts that are unspent under section (6) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account.

d Transfer pricing

The Company has entered into significant domestic and international transactions with its associated enterprises within the meaning of section 92BA and 92A of the Income Tax Act, 1961 respectively. The Company is of the view that all the aforesaid transactions have been made at arms' length terms and hence, the aforesaid legislations will not have any impact on the standalone financial statements of the Company.

e Peekay Mediequip Limited (Peekay)

On 13 July 2016, the Company had entered into a settlement agreement with Peekay and its promoters whereby the Company received INR 20.00 million towards transfer of entire equity shares held by the Company to the promoters of Peekay which had been disclosed as other income and it is agreed that loan of INR 64.16 million be repaid over a period of 24 months as per the repayment schedule prescribed therein from December 2016 onwards. Post entering of settlement agreement, the Company has not received any amount towards repayment loan as envisaged in the settlement agreement. The Company joined the other financial creditors and filed an application for liquidation of Peekay under Insolvency and Bankruptcy code ('IBC'). Resolution professional ('RP') was appointed and Committee of Creditors ('COC') was formed in accordance with Insolvency and Bankruptcy Board of India ('IBBI'). The Claim of the Company for INR 64.16 million against Peekay was admitted. Peekay promoter promised to pay all the financial creditors partially but failed to pay. In accordance with the IBBI guidance resolution plan draft was approved by COC and advertisement was made seeking expression of interest from any other investors interested in participating in resolution plan and buying out Peekay. The COC have received the final list of eligible applicants in the month of June 2020 and is in the process of review and approval of the resolution plan.The resolution plan made by Promoters of Peekay was approved by COC and resolution plan is filed with NCLT and pending approval.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

f Acquisition of AbGel Business

On 26 May 2021, the Company executed the Business Transfer Agreement (""BTA""), as amended on 9 July 2021 with Sri Gopal Krishna Labs Private Limited (""SGKL"") and its shareholders to acquire the surgical haemostatic gelatine sponge business (the ""AbGel Business"") for a total consideration of INR 550 million as a going concern on a slump sale basis including its business assets, business liabilities, business know-how, contracts, permits, records, employees, any incorporeal assets.

The total purchase consideration paid/ payable by the Company to SGKL are as follows:

- INR 125 million on completion of conditions precedent to BTA paid on 12 July 2021;

- INR 375 million after receipt of zero balance certificate from banks paid on 31 July 2021;

- Balance payment of INR 50 million within in a period of 12 months from 31 July 2021, subject to adjustments, if any, as stated in BTA. The present value of said consideration on 31 July 2021 is INR 42.50 million.

The closing conditions stated in the BTA were consummated on the end of the day of 31 July 2021 and accordingly, effective this date the acquired business form part of the Company.

The purchase price as on the date of acquisition has been allocated to the acquired assets and liabilities as follows:

Particulars	Amount
Purchase consideration (including earn-out consideration)	542.50
Assets acquired	11.13
Liabilities assumed	(1.83)
Brand	488.60
Customer relationships	5.90
Goodwill	38.70

38 Exceptional items

	Year ended 31 March 2022	Year ended 31 March 2021
Contract labour charges (i)	8.33	20.21
(Impairment provision) / reversal (Refer note 37(b)(i) and (b)(ii))	-	2.51
Share issue expenses (Refer note 6(i))	(28.46)	-
Total	**(20.13)**	**22.72**

(i) During the year ended 31 March 2022, the Company has reversed INR 8.33 million (31 March 2021 : INR 20.21 million) towards minimum wages provision basis the settlement of liability.

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

39 Ratios

		As at 31 March 2022	As at 31 March 2021
(a)	**Current ratio = Current assets divided by Current liabilities**		
	Current assets	2,821.97	2,247.09
	Current liabilities	1,285.16	856.74
	Ratio	2.20	2.62
	% change from previous year	(16%)	
(b)	**Debt-Equity ratio = Total debt divided by Shareholder's equity where total debt refers to sum of current & non current borrowings**		
	Total debt	526.33	205.13
	Shareholder's equity	10,228.63	8,318.86
	Ratio	0.05	0.02
	% change from previous year	150%	
	Reason for change more than 25%		
	As at 31 March 2022: The ratio increased from 0.02 in 31 March 2021 to 0.05 in 31 March 2022 as a result of increase in borrowings for financing business acquisitions.		
(c)	**Debt service coverage ratio = Earnings available for debt services divided by Total interest and lease payments along with principal repayments**		
	Net profit after tax for the year	314.05	640.17
	Add: Non cash operating expenses and finance cost		
	- Depreciation and amortisation expense	186.42	181.65
	- Finance costs	60.23	36.69
	Earnings available for debt services for the year	560.70	858.51
	Interest cost on borrowings	52.76	26.49
	Principal repayments	119.49	22.91
	Total interest and lease payments along with principal repayments	172.25	49.40
	Ratio	3.26	17.38
	% change from previous year	(81%)	
	Reason for change more than 25%		
	As at 31 March 2022: The ratio decreased from 17.38 in 31 March 2021 to 3.26 in 31 March 2022 as a result of increase in borrowings for financing business acquisitions.		
(d)	**Return on equity ratio = Net profit after tax divided by Shareholder's equity**		
	Net profit after tax for the year	314.05	640.17
	Shareholder's equity	10,228.63	8,318.86
	Ratio	0.03	0.08
	% change from previous year	(63%)	
	Reason for change more than 25%		
	As at 31 March 2022: The ratio decreased from 0.08 in 31 March 2021 to 0.03 in 31 March 2022 as a result of decrease in dividend income from Wholly owned subsidiary and increase in Shareholder's equity.		

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

		As at 31 March 2022	As at 31 March 2021
(e)	**Inventory turnover ratio = Cost of goods sold divided by Average inventory**		
	Cost of goods sold for the year	2,165.71	1,485.26
	Average inventory	783.94	717.06
	Ratio	2.76	2.07
	% change from previous year	33%	
	Reason for change more than 25%		
	As at 31 March 2022: The ratio increased from 2.07 in 31 March 2021 to 2.76 in 31 March 2022 as a result of increase in revenue from operations.		
(f)	**Trade receivables turnover ratio = Total sales divided by Average trade receivables**		
	Total sales for the year	4,804.42	3,478.73
	Average trade receivables	724.52	678.99
	Ratio	6.63	5.12
	% change from previous year	29%	
	Reason for change more than 25%		
	As at 31 March 2022: The ratio increased from 5.12 in 31 March 2021 to 6.63 in 31 March 2022 as a result of better collections from customers.		
(g)	**Trade payables turnover ratio = Total purchases divided by Average trade payables**		
	Total purchases for the year	2,361.23	1,420.99
	Average trade payables	384.10	337.53
	Ratio	6.15	4.21
	% change from previous year	46%	
	Reason for change more than 25%		
	As at 31 March 2022: The ratio increased from 4.21 in 31 March 2021 to 6.15 in 31 March 2022 as a result of increase in purchases to support increase in revenue from operations.		
(h)	**Net capital turnover ratio = Net sales divided by Working capital**		
	Net sales for the year	4,804.42	3,478.73
	Current assets	2,821.97	2,247.09
	Current liabilities	1,285.16	856.74
	Working capital	1,536.81	1,390.35
	Ratio	3.13	2.50
	% change from previous year	25%	
	Reason for change more than 25%		
	As at 31 March 2022: The ratio increased from 2.50 in 31 March 2021 to 3.13 in 31 March 2022 as a result of increase in operations.		

NOTES TO STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

in INR million

		As at 31 March 2022	As at 31 March 2021
(i)	**Net profit ratio = Net profit divided by Net sales**		
	Net profit after tax for the year	314.05	640.17
	Net sales for the year	4,804.42	3,478.73
	Ratio	0.07	0.18
	% change from previous year	(61%)	

Reason for change more than 25%

As at 31 March 2022: The ratio decreased from 0.18 in 31 March 2022 to 0.07 in 31 March 2022 as a result of decrease in dividend income from Wholly owned subsidiary.

		As at 31 March 2022	As at 31 March 2021
(j)	**Return on capital employed = Earnings before interest and taxes divided by Capital employed**		
	Net profit after tax	314.05	640.17
	Income tax expenses	97.10	76.75
	Finance cost	60.23	36.69
	Other income	(24.92)	(387.28)
	Finance income	(40.98)	(48.43)
	Earnings before interest and taxes for the year	405.48	317.90
	Tangible net worth	9,609.11	8,187.11
	Total debt	526.33	205.13
	Capital employed	10,135.44	8,392.24
	Ratio	0.04	0.04
	% change from previous year	0%	
(k)	**Return on investment = Net profit after tax divided by Total assets**		
	Net profit after tax	314.05	640.17
	Total assets	12,269.21	9,347.56
	Ratio	0.03	0.07
	% change from previous year	(57%)	

Reason for change more than 25%

As at 31 March 2022: The ratio decreased from 0.07 in 31 March 2021 to 0.03 in 31 March 2022 as a result of decrease in dividend income from Wholly owned subsidiary.

40 Other Statutory Information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions for various borrowings availed are in agreement with the books of accounts.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES TO STANDALONE FINANCIAL STATEMENT

in INR million

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) The Company has complied with the provisions of clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(x) The Company has complied with the provisions of section 123 of the Companies Act, 2013 in relation to dividend declared or paid during the year.

41 Subsequent events

(a) The Board of directors of the Company are proposing interim dividend of INR 4.35 per share to be approved in their meeting held on 19 May 2022.

(b) The Company vide resolution passed in its Board Meeting held on 19 May 2022 has decided to withdraw the proposed initial public offer filed with Securities and Exchange Board of India (SEBI) and according to the terms of Offer Agreement the Company's share of expenses is charged to Statement of Profit and Loss during the year ended 31 March 2022 and the remaining share of expenses are reimbursed by Selling Shareholders.

42 The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date : 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date : 26 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Healthium Medtech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Healthium Medtech Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income/(loss), the consolidated Cash Flow Statement and the Consolidated statement for Change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income/(loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the '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 audit opinion on the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

We did not audit the financial statements and other financial information, in respect of eleven subsidiaries, whose financial statements include total assets of Rs 10,002.70 million as on March 31, 2022, and total revenues of Rs 3,176.93 million and net cash outflows of Rs 45.13 million (without giving effect to elimination of intercompany transactions) for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraphs 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

    (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other comprehensive income/(loss), the Consolidated Cash Flow Statement and Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standard specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);

    (e) On the basis of the written representations received from the directors of the Holding Company and one subsidiary company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and such subsidiary company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Holding company and subsidiary companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

        i. The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group in its consolidated financial statements – Refer Note 33(b) to the consolidated 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 Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2022.

        iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. As stated in note 45 to the consolidated financial statements, the Board of Directors of the Company have proposed interim dividend. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803AJRUZL2428

Place of Signature: Bengaluru
Date: May 26, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HEALTHIUM MEDTECH LIMITED

In terms of the information and explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803AJRUZL2428

Place of Signature: Bengaluru
Date: May 26, 2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HEALTHIUM MEDTECH LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Healthium Medtech Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its one subsidiary incorporated in India, as of that date. The Group has two subsidiary company, incorporated in India, as of that date for which internal financial controls over financial reporting is not applicable considering the size of the said subsidiary Company.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated 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 control with reference to consolidated financial statements includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803AJRUZL2428

Place of Signature: Bengaluru
Date: May 26, 2022

CONSOLIDATED BALANCE SHEET

as at 31 March 2022

in INR million

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	1,366.50	1,094.20
Capital work in progress	3	43.14	54.46
Goodwill	4 (A)	2,141.37	1,224.92
Other Intangible assets	4 (B)	2,267.84	162.58
Intangible assets under development	4 (B)	31.74	2.86
Right-of-use assets	5	884.60	449.97
Financial assets			
Investments	6	0.02	0.02
Other financial assets	6	107.87	127.06
Income tax assets (Net)		255.90	232.65
Deferred tax assets (Net)	19	219.33	196.95
Other non-current assets	10	54.40	49.61
		7,372.71	3,595.28
Current assets			
Inventories	7	1,919.05	1,287.21
Financial assets			
Investments	6	464.22	38.67
Trade receivables	8	1,484.24	1,096.43
Cash and cash equivalents	9	761.21	1,088.12
Bank balances other than cash and cash equivalents	6	517.29	130.53
Loans	6	63.90	3.63
Other financial assets	6	289.06	88.27
Other current assets	10	578.24	589.63
		6,077.21	4,322.49
Total assets		13,449.92	7,917.77
Equity and liabilities			
Equity			
Equity share capital	11	98.70	92.56
Other equity	13	7,492.40	5,092.91
Total equity		7,591.10	5,185.47
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	1,735.01	762.98
Lease liabilities	5	776.00	305.95
Other financial liabilities	16	633.62	122.48
Provisions	18	5.77	2.22
Deferred tax liabilities (net)	19	299.09	-
Other non-current liabilities	17	5.14	6.02
		3,454.63	1,199.65
Current liabilities			
Financial liabilities			
Borrowings	14	450.46	216.57
Lease liabilities	5	69.95	70.26
Trade payables	15		
- total outstanding dues of micro and small enterprises		52.08	15.24
- total outstanding dues of creditors other than micro and small enterprises		912.23	663.55
Other financial liabilities	16	592.26	260.95
Other current liabilities	17	240.49	243.35
Provisions	18	48.83	50.02
Current tax liabilities (Net)		37.89	12.71
		2,404.19	1,532.65
Total liabilities		5,858.82	2,732.30
Total equity and liabilities		13,449.92	7,917.77
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 26 May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

in INR million

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	20	9,292.83	7,133.57
Other income	21	58.20	94.77
Finance income	22	32.75	39.24
Total income (I)		**9,383.78**	**7,267.58**
Expenses			
Cost of raw material and components consumed	23 (a)	2,491.27	1,480.33
Purchase of traded goods	23 (b)	1,253.50	1,228.11
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	23 (c)	(344.14)	(21.18)
Employee benefits expense	24	2,087.01	1,698.32
Finance costs	26	181.00	94.87
Depreciation and amortization expense	25	562.43	353.31
Other expenses	27	2,041.81	1,323.70
Total expense (II)		**8,272.88**	**6,157.46**
Profit before exceptional items and tax (III) [I-II]		**1,110.90**	**1,110.12**
Exceptional items (IV)	43	(20.13)	20.21
Profit before tax (V) [III+IV]		**1,090.77**	**1,130.33**
(1) Current tax	19	339.30	274.47
(2) Income tax credit pertaining to earlier period	19	-	(43.53)
(3) Deferred tax (credit)/charge	19	(41.50)	45.11
Income tax expense (VI)		**297.80**	**276.05**
Profit for the year (VII) [V-VI]		**792.97**	**854.28**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (losses)/gains on defined benefit plans	31	(3.85)	3.34
Income tax effect on above	19	0.87	(0.69)
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss:			
Net exchange losses on translation of foreign operations		14.85	(11.56)
Income tax effect on above		-	-
Other comprehensive income/(loss) for the year, net of tax (VIII)		**11.87**	**(8.91)**
Total comprehensive income for the year, net of tax (IX) [VII+VIII]		**804.84**	**845.37**
Profit for the year attributable to equity holders of the parent		**792.97**	**854.28**
Total comprehensive income for the year attributable to equity holders of the parent		**804.84**	**845.37**
Earnings per share	**28**		
Basic, computed on the basis of profit attributable to equity holders of the parent		8.22	9.14
Diluted, computed on the basis of profit attributable to equity holders of the parent		8.15	9.14
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 26 May 2022

Healthium

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

in INR million

a. Equity share capital:

Equity shares of INR 1 each issued, subscribed and fully paid (31 March 2021: INR 2)	Number	Amount
As at 1 April 2020	**4,62,37,064**	**92.47**
Shares issued during the year (Refer note 11(i))	43,500	0.09
As at 31 March 2021	**4,62,80,564**	**92.56**
Share split from INR 2 to INR 1 (Refer Note 11(ii))	4,62,80,564	-
Shares issued during the year (Refer note 11(ii))	61,42,196	6.14
As at 31 March 2022	**9,87,03,324**	**98.70**

b. Other equity

For the year ended 31 March 2022

	Attributable to the equity holders of the parent						
	Reserves and surplus (Note 13)					OCI (Note 13)	
	Securities premium	Share-based payment (SBP) reserves	General reserve	Capital reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Total other equity
As at 1 April 2021	**5,698.03**	**81.70**	**1,869.65**	**(4,487.20)**	**2,072.78**	**(142.05)**	**5,092.91**
Profit for the year					792.97		792.97
Other comprehensive income/(loss)							
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(2.98)	-	(2.98)
Net exchange differences on translation of foreign operations, net of tax effect	-	-	-	-	-	14.85	14.85
Total comprehensive income/(loss)					**789.99**	**14.85**	**804.84**
Issue of equity shares on Rights issue (Note 11(ii))	1,294.80	-	-	-	-	-	1,294.80
Issue of equity shares on exercise of TMIP options (Note 11(ii))	243.08	-	-	-	-	-	243.08
Transfer from SBP reserves on exercise of TMIP options (Note 11(ii))	57.34	(57.34)	-	-	-	-	-
Share based payment (Note 13)	-	56.77	-	-	-	-	56.77
As at 31 March 2022	**7,293.25**	**81.13**	**1,869.65**	**(4,487.20)**	**2,862.77**	**(127.20)**	**7,492.40**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

in INR million

For the year ended 31 March 2021

	Attributable to the equity holders of the parent						
	Reserves and surplus (Note 13)					OCI (Note 13)	
	Securities premium	Share-based payment (SBP) reserves	General reserve	Capital reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Total other equity
As at 1 April 2020	**5,678.08**	**20.19**	**1,869.65**	**(4,487.20)**	**1,529.18**	**(130.49)**	**4,479.41**
Profit for the year	-	-	-	-	854.28	-	854.28
Other comprehensive income/(loss)							
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	2.65	-	2.65
Net exchange differences on translation of foreign operations, net of tax effect	-	-	-	-	-	(11.56)	(11.56)
Total comprehensive income/(loss)					**856.93**	**(11.56)**	**845.37**
Issue of equity shares on Preferential allotment (Note 11 (i))	19.95	-	-	-	-	-	19.95
Share based payment (Note 13)	-	61.51	-	-	-	-	61.51
Cash dividends (Note 12)	-	-	-	-	(312.39)	-	(312.39)
Dividend distribution tax (DDT) (Note 12)	-	-	-	-	(0.94)	-	(0.94)
As at 31 March 2021	**5,698.03**	**81.70**	**1,869.65**	**(4,487.20)**	**2,072.78**	**(142.05)**	**5,092.91**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 26 May 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

in INR million

	Year ended 31 March 2022	Year ended 31 March 2021
Operating activities		
Profit after exceptional items and before tax	**1,090.77**	**1,130.33**
Adjustments to reconcile profit after exceptional items and before tax to net cash flows:		
Depreciation of property, plant and equipment and Right of use assets	334.06	290.76
Amortisation of intangible assets	228.37	62.55
Impairment expense on Capital Work in Progress ("CWIP")	1.30	5.45
(Gain)/ Loss on sale/write off of property, plant and equipment (net)	(6.85)	4.72
Share-based payment expense	62.55	40.29
Net unrealised foreign exchange differences	39.06	(43.06)
Interest income	(32.75)	(39.24)
Interest expense	181.00	94.87
Liabilities/ provisions no longer required written back	(1.97)	(2.40)
Allowances for doubtful debts and advances	60.26	19.22
Provision for export incentives	18.37	-
Dividend income	(0.23)	(0.26)
Bad debts written off	-	0.02
Profit on sale of investments	(1.29)	(2.41)
Fair value gain on financial instruments at fair value through profit or loss	(0.86)	17.66
Working capital adjustments:		
(Increase)/ decrease in trade receivables	(388.42)	102.35
(Increase)/ decrease in loans	(0.60)	0.36
(Increase)/ decrease in inventories	(464.18)	(5.78)
(Increase)/ decrease in other financial assets including bank balances other than cash and cash equivalents	(190.42)	33.26
(Increase)/ decrease in other assets	(32.17)	(45.15)
Increase/ (decrease) in other liabilities and provisions	(41.38)	(58.68)
Increase/ (decrease) in trade payables and other financial liabilities	283.80	(26.97)
	1,138.42	1,577.89
Income tax paid	(372.00)	(356.60)
Net cash flows from operating activities (A)	**766.42**	**1,221.29**
Investing activities		
Proceeds from sale of property, plant and equipment, right-of-use assets and intangible assets	11.80	10.42
Purchase of property, plant and equipment, including capital work in progress and capital advances*	(327.44)	(184.04)
Purchase of intangible assets	(61.03)	(15.73)
Proceeds from/ (investments in) sale of current investments (net)	0.36	1.08
Proceeds from/ (investments in) bank deposits and margin money deposit (net)	(784.92)	103.93
Acquisition of business	(500.00)	-
Acquisition of subsidiaries	(2,303.68)	-
Interest received	29.36	62.02
Dividend income	0.23	0.26
Net cash flows used in investing activities (B)	**(3,935.32)**	**(22.06)**
Financing activities		
Proceeds from issuance of share capital	1,544.03	20.04
Interest paid	(94.87)	(167.21)
Proceeds from/(repayment of) long term borrowings, net (Refer note 14)	1,277.27	197.24
(Repayment of)/Proceeds from current borrowings, net	(76.31)	(117.33)
Repayment of lease liabilities	(65.76)	(66.60)
Dividends paid to equity share holders	-	(312.39)
Dividend distribution tax paid	-	(0.94)
Net cash flows from/ (used in) financing activities (C)	**2,584.36**	**(447.19)**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

in INR million

	Year ended 31 March 2022	Year ended 31 March 2021
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(584.54)**	**752.04**
Cash and cash equivalents at the beginning of the year	1,088.12	317.78
Cash and cash equivalents of the acquired companies	261.87	-
Net foreign exchange difference	(4.24)	18.30
Cash and cash equivalents at year end (Refer note 9)	**761.21**	**1,088.12**
Cash and cash equivalents at year end comprises :-		
Cash on hand	1.23	0.38
Balances with banks on		
- Current accounts	550.13	409.77
- Deposits with original maturity of less than three months	209.85	677.97
Total cash and cash equivalent	**761.21**	**1,088.12**
* includes expenses capitalised in relation to self constructed assets.		
Non-cash financing and investing activities		
Acquisition of Right-of-use assets	**553.22**	**254.47**
Self constructed assets	**1.54**	**2.74**

Explanatory notes on statement of cash flows ##

Changes in liabilities arising from financing activities :-	**Current borrowings**	**Long term borrowings #**
As at 1 April 2020	**319.57**	**579.42**
Proceeds/(repayment) [net] (Refer note 14)	(117.33)	197.24
Net foreign exchange difference	-	0.65
As at 31 March 2021	**202.24**	**777.31**
Proceeds/(repayment) [net] (Refer note 14)	(76.31)	1,277.27
Net foreign exchange difference	-	4.96
As at 31 March 2022	**125.93**	**2,059.54**

 # includes current maturities of long term borrowings
refer note 5 for changes in lease liabilities arising from financing activities.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 26 May 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

1 (a) Corporate information

The Healthium Medtech Limited (formerly known as Healthium Medtech Private Limited) ("the Company" or "Parent Company"), together with its subsidiaries (collectively, the Group), is principally engaged in the business of production and marketing of a variety of Medical Devices comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology, infection prevention and wound care products with state of the art facilities. All these products are distributed to wholesalers, hospitals and retailers and used predominantly in the medical profession by surgeons, physicians, nurses, hospitals, nursing homes and clinics. The Company, together with its subsidiaries, sells its products globally.

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act. On 22 June 2018, the Group had become a subsidiary of Quinag Acquisition (FDI) Ltd. ("the holding company" or "Quinag"'), which is ultimately held by Tummel HoldCo Ltd., Mauritius (indirectly owned by funds advised by Apax Partners LLP).

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 19 July 2021 and consequently the name of the Company has changed to Healthium Medtech Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 4 August 2021.

The registered office of the Company is located at 472/D, 13th cross, 4th Phase, Peenya Industrial Area, Bengaluru, Karnataka, India

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 26 May 2022.

1 (b) Group Information:

Holding company

The holding company of the Group is Quinag Acquisition (FDI) Ltd and the ultimate holding company is Tummel HoldCo Ltd. Currently, the holding company holds 98.83% interest in the Parent Company.

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Country of incorporation	Ownership held by	Principal activities	% ownership interest as at 31 March 2022	% ownership interest as at 31 March 2021
Healthium OEM Private Limited ('HOPL')	India	Healthium Medtech Limited (HML)	Manufacturing, trading and sale of Gloves	100%	100%
Mena Medical Manufacturing FZC ('MMM') *	United Arab Emirates	Healthium Medtech Limited (HML)	Surgical devices	51%	51%
Sironix Medical Technologies BV ('Sironix')	Netherlands	Healthium Medtech Limited (HML)	Investment	100%	100%
Clinisupplies Limited ('CSL')	United Kingdom	Sironix	Urology, wound care products and skin management	100%	100%
Clinidirect Limited ('CDL')	United Kingdom	Sironix	Online dispensing pharmacy and sale of non-medical accessories	100%	100%
Meditex Supplies Limited ('Meditex')	United Kingdom	CSL	sale of bandages and related products	100%	100%
Quality Needles Private Limited ('QNPL') #	India	Healthium OEM Private Limited	Surgical devices, Suture, Needles	99.99%	99.99%
Sironium Medical Technologies Limited	United Kingdom	Healthium Medtech Limited (HML)	Investment	100%	100%
CareNow Medical Private Limited ('CN') (w.e.f. 1 September 2021)	India	Healthium Medtech Limited (HML)	Infection control and wound care products	100%	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

Name	Country of incorporation	Ownership held by	Principal activities	% ownership interest as at 31 March 2022	% ownership interest as at 31 March 2021
Vitalcare Trading (UK) Ltd ('VCUK') (w.e.f. 1 July 2021)	United Kingdom	CSL	Sale of urology, anal irrigation and its associated products	100%	-
Vitalcare (Nanjing) Co, Ltd (w.e.f. 1 July 2021)	China	VCUK	Manufacture of urology, anal irrigation and its associated products	100%	-
Vitalcare Ltd (w.e.f. 1 July 2021)	Ireland	VCUK	Sale of urology, anal irrigation and its associated products	100%	-

* Mena Medical Manufacturing (FZC) ("MMM") is a subsidiary of the Company. MMM has accumulated losses and its net worth has eroded. Considering the commercial understanding between the Company and the minority shareholder in MMM, all losses of the said subsidiary has been fully absorbed by the Group. Accordingly, no deficit non-controlling interest is recognised in consolidated financial statements of the Group. In relation to ongoing liquidation, refer to note 30(i).

Minority shareholder holds one share in QNPL and the resulting non-controlling interest is not material to the consolidated financial statements. Accordingly, non-controlling interest has not been disclosed.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Group has presented its consolidated financial statements in Indian Rupees (""INR"") and all values are rounded off to the nearest million (INR 000,000), except otherwise indicated.

The consolidated financial statements provide comparitive information in respect of previous period. In addition, the Company presents an additional balance sheet at the beginning of the preceeding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in consolidated financial statements. The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassed as required. Considering the reclassification is not significant, a third balance sheet has not been given.

2.2 Basis of consolidation

The consolidated financial statements comprises of the financial statements of the Company and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and

- the ability to use its Power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights

- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary

- Derecognises the carrying amount of any non-controlling interests

- Derecognises the cumulative translation differences recorded in equity

- Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained

- Recognises any surplus or deficit in profit or loss

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Summary of significant accounting policies

a. Use of estimates, assumption and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty as at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Impairment of financial assets

In accordance with Ind AS 109, the Group assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses, which are measured through a loss allowance.

The Group provides for impairment of trade receivables based on assumptions about risk of default and expected timing of collection. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the group.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Share based compensation to employees

Determining the fair value of stock options on the grant date for equity-settled transaction and on each balance sheet date for cash-settled transaction, requires judgment related to the choice of a pricing model, the estimation of stock price volatility, dividend yield, risk free interest rates and the expected life of share option. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Group's reported operating results, liabilities or other components of shareholders' equity.

Business Combination

As per Appendix C of Ind AS 103 on Business combinations, the management has used their judgement in concluding the common control business combination under pooling of interests method whereby the assets and liabilities are reflected at carrying amounts with adjustments only to harmonize accounting policies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible assets under development

The Group capitalises intangible assets under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, future economic benefits are probable, the Group has the intention and ability to complete and use the asset and the cost can be measured reliably.

Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note 19 and 33(b).

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

Self constructed assets

The Group capitalises the cost of material and other costs directly attributable to bringing the asset to a working condition for its intended use. In determining the amounts to be capitalised as other costs, management makes significant estimates and judgements as regards to the proportion of time spent by its employees in activities undertaken for manufacturing the self constructed assets, proportion of depreciation of assets used in the process and proportion of other costs that are directly attributable to the self constructed asset.

b. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Business combinations and goodwill

The Group accounts for its business combinations using acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the business combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Contingent consideration

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

d. Foreign currencies

The consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is INR whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the consolidated balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

been translated to the presentation currency using exchange rates prevailing on the consolidated balance sheet date. Statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the consolidated statement of changes in equity.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized in the consolidated statement of profit and loss in the period in which they arise.

e. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. To recognize revenues, the Group applies following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognize revenues when a performance obligation is satisfied.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the Group uses expected cost plus margin approach in estimating the stand-alone selling price.

The method for recognizing revenues and costs depends on the nature of the services rendered:

i. *Sale of products*

Revenue on product sales are recognized when the customer obtains control of the specified product.

ii. *Interest income*

Interest income is recognised on a time proportion basis as and when accrued. Interest income on financial instruments are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the asset.

iii. *Dividend income*

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

iv. *Export incentive*

Export entitlements in the form of Merchandise Export from India Scheme (MEIS) and and Remission of Duties or Taxes on Export Products (RoDTEP) are accounted for in the consolidated statement of profit and loss on export of goods, if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

v. *Others*

- The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Group may be entitled.

- Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.

- Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognized as an asset and amortized over the contract term.

The Group may enter into arrangements with third party suppliers to resell products or services. In such cases, the Group evaluates whether it is the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis). In doing so, the Group first evaluates whether it controls the good or service before it is transferred to the customer. If the Group controls the good or service before it is transferred to the customer, it is the principal; if not, it is agent.

Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue).

Trade receivables

A receivable is recognised if an amount of sales consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in paragraph 2.3 (u). Financial instruments – initial recognition and subsequent measurement.

f. Income taxes

Tax expense comprises of current tax and deferred tax and is recognised in the consolidated statement of profit and loss.

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit and loss (either in other comprehensive income or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in the OCI or in the equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use is capitalised up to the date the assets are ready for commercial use.

Subsequent expenditure relating to an item of the asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other related expenses, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss

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arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Gains or losses arising from derecognition of property, plant and equipment are measured as differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted prospectively, if appropriate.

h. Intangible assets (excluding goodwill on consolidation)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit and loss in the period in which the expenditure is incurred. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when The Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset

- How the asset will generate future economic benefits

- The availability of resources to complete the asset

- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

During the period of development, the asset is tested for impairment annually.

Intellectual Property rights

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed and developed products, trademarks, industrial and other designs, service marks, copy rights and other application license and rights are capitalised. The Group capitalises such intangible assets when the receipt of economic benefits embodied in each intangible asset separately purchased or licensed in the transaction is considered to be probable.

i. Borrowing costs

Borrowing costs are recognised in the consolidated statement of profit and loss in the period in which they are incurred, except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalised. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Depreciation on Property, plant and equipment

Depreciation on Property, plant and equipment is calculated on a written down value method using the rates arrived at based on the useful life of the assets prescribed under Schedule II to the Companies Act 2013 except in case of certain assets wherein depreciation is calculated using the rates arrived at based on the useful life estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Asset category	Estimated useful life (Years)
Buildings	
- Temporary structures	3
- Others	30
Plant and machinery*	10 to 15
Computer and peripherals	3 to 6
Electrical installation	10
Motor vehicles	8 to 10
Furniture and fittings	10
Office equipments	5 to 10

* Plant and machinery used for double and triple shifts are depreciated in 10 years and 7.5 years respectively.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k. Amortisation of intangible assets

Intangibles are amortised on a straight line basis over the estimated useful economic life. Amortisation of internally developed asset begins when development is complete and the asset is available for use. Amortisation expense is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful economic life of intangibles are as below:

Asset category	Estimated useful life (Years)
Computer software	3
Product development cost	3
Patent, Copyright and Intellectual Property	6 to 15
Brand	10
Customer relationship value	3 to 10
Non compete agreement	3 to 7

l. Inventories

Raw materials and components are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and components is determined on a First in First Out (FIFO) basis.

Work-in -progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

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

m. Leases

Where the Group is a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to paragraph 2.3 (n) of the accounting policies for impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease

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payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

n. Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is provided for to arrive at its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortisation/depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix.For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the consolidated statement of profit and loss. This amount is reflected in a separate line under the head 'other expenses' in the consolidated statement of profit and loss. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

o. Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance, national insurance and pension are defined contribution schemes. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the consolidated balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund. The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund i.e. Employee's Group Gratuity cum Life Assurance Scheme of Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the consolidated statement of profit and loss. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the year are adjusted for the effects of all potentially dilutive securities.

r. Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cheques in hand and cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above, net of outstanding bank overdrafts facilities as they are considered an integral part of the Group's cash management.

s. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

t. Fair value measurement

The Group measures financial instruments at fair value at each consolidated balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marked participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient date are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

u. Financial Instruments

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.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit or loss.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv)Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

(v)Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the consolidated balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's consolidated balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

v. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss.

w. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

x. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) and cash (cash-settled transactions)

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Cash-settled transactions

In case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through consolidated statement of profit and loss.

When the terms of a cash-settled award are modified, the equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date, the liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date and the difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the consolidated statement of profit and loss.

y. Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

z. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Group. The Chief Executive Officer and Managing Director has been identified as the chief operating decision maker. The Company, together with its subsidiaries, has identified a single business segment being "Medical Devices" comprising surgical consumables, other health

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care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology, infection prevention and wound care products . This being a single segment, hence no additional segment disclosure has been made for the business segment. The Group's operations spans across the world and are categorized geographically as (a) India (b) United Kingdom and (c) Rest of the world. Customer relationships are driven based on customer domicile. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

aa. Contributed Equity

Equity shares are classified as equity.

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Qualifying transaction costs incurred in anticipation of an issuance of equity instrument is recognised. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognised.

The transaction costs incurred with respect to the proposed IPO of the Parent Company is recognised as an asset to the extent recoverable from the selling shareholders. The remaining costs are allocated between new issue of shares and listing of existing equity shares. The costs attributable to listing of existing shares is recognised in consolidated statement of profit and loss. The remaining costs attributable to new issuance of shares is deferred on the consolidated statement of assets and liabilities and recognised in equity once the instrument is issued.

If the equity instruments are not subsequently issued, the deferred transaction costs are charged off to the consolidated statement of profit and loss.

ab. Recent Pronouncements on significant accounting policies

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements.

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3 Property, plant and equipment (PPE) and and Capital work in progress (CWIP)

	Land freehold	Buildings	Plant and machinery*	Computers and peripherals	Electrical installation	Motor vehicles	Furniture and fittings	Office equipments	Total	Capital work in progress (CWIP)
Cost or valuation										
At 1 April 2020	**250.27**	**500.98**	**883.15**	**74.81**	**56.34**	**42.29**	**55.82**	**28.58**	**1,892.24**	**47.53**
Additions***	-	-	129.92	23.89	0.06	-	33.63	1.45	**188.95**	50.86
Disposals/ CWIP capitalisation	-	-	(11.34)	(3.84)	(0.37)	(7.92)	(10.54)	(4.73)	**(38.74)**	(38.48)
CWIP impairment (Refer note 27)	-	-	-	-	-	-	-	-	**-**	(5.45)
Exchange differences	-	0.64	0.64	7.56	0.08	-	6.16	-	**15.08**	-
At 31 March 2021	**250.27**	**501.62**	**1,002.37**	**102.42**	**56.11**	**34.37**	**85.07**	**25.30**	**2,057.53**	**54.46**
Additions***	-	7.00	211.48	16.60	2.85	34.92	56.37	27.54	**356.76**	222.63
Additions through business combination and acquisition (Refer note 30 (iv), (v) and (vi))	6.28	48.95	74.10	2.08	7.65	10.87	2.22	0.49	**152.64**	-
Disposals/ CWIP capitalisation	-	-	(15.49)	(0.87)	-	(2.97)	(0.41)	(0.06)	**(19.80)**	(232.55)
CWIP impairment (Refer note 27)	-	-	-	-	-	-	-	-	**-**	(1.30)
Exchange differences	-	-	(0.91)	(3.24)	-	(0.88)	(3.50)	(0.20)	**(8.73)**	(0.10)
At 31 March 2022	**256.55**	**557.57**	**1,271.55**	**116.99**	**66.61**	**76.31**	**139.75**	**53.07**	**2,538.40**	**43.14**
Accumulated depreciation and impairment										
At 1 April 2020	-	**154.54**	**444.71**	**46.55**	**31.30**	**20.97**	**25.74**	**20.89**	**744.70**	-
Depreciation charge for the year**	-	34.36	140.49	15.22	6.80	6.04	9.60	3.91	**216.42**	-
Impairment charge for the year (Refer note 25)	-	10.96	8.15	0.03	0.73	0.04	0.23	0.01	**20.15**	-
Disposals	-	-	(7.76)	(3.31)	(0.06)	(5.06)	(8.57)	(3.85)	**(28.61)**	-
Exchange differences	-	0.54	0.56	4.92	0.08	-	4.57	-	**10.67**	-
At 31 March 2021	-	**200.40**	**586.15**	**63.41**	**38.85**	**21.99**	**31.57**	**20.96**	**963.33**	-
Depreciation charge for the year**	-	33.05	140.72	18.79	5.92	7.21	18.34	2.98	**227.01**	-
Disposals	-	-	(12.33)	(0.33)	-	(2.04)	(0.01)	(0.06)	**(14.77)**	-
Exchange differences	-	-	(0.01)	(1.98)	-	(0.03)	(1.65)	-	**(3.67)**	-
At 31 March 2022	-	**233.45**	**714.53**	**79.89**	**44.77**	**27.13**	**48.25**	**23.88**	**1,171.90**	-
Net book value										
At 31 March 2022	256.55	324.12	557.02	37.10	21.84	49.18	91.50	29.19	**1,366.50**	43.14
At 31 March 2021	250.27	301.22	416.22	39.01	17.26	12.38	53.50	4.34	**1,094.20**	54.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

Net book value	31 March 2022	31 March 2021
Plant, property and equipment	1,366.50	1,094.20
Capital work in progress	43.14	54.46

* Addition during the year ended 31 March 2022 include self-constructed assets of INR 49.89 million (31 March 2021: INR 51.48 million). Refer note 44 with regard to capitalization of expenditure.

** Includes depreciation of INR 1.54 million (31 March 2021: INR 2.74 million) incurred for self-constructed assets which has been capitalised as cost of self-constructed assets. Refer note 25 and 44 with regard to capitalization of expenditure.

*** Addition during the year ended 31 March 2022 include self-constructed Capital work in progress of INR 44.47 million (31 March 2021: INR 33.18 million). Refer note 44 with regard to capitalization of expenditure.

Note 1: The title deeds of the immovable properties are held in the name of the Company subject to charge created for borrowings as detailed in note 14 and sub note 3 below.

Note 2: The amount of contractual commitments for the acquisition of PPE is disclosed in note 33(a)(i).

Note 3: Sironix had availed loans from HSBC, Hong Kong which was repaid during the year ended 31 March 2019. The Company had provided counter indemnity for the loan. The loans and counter indemnity was secured by a charge on Company's land and building and property, plant and equipment. The Company has closed this charge by way of filing satisfaction of charge on 25 June 2021.

Note 4: On 24 February 2020, Quality Needles Private Limited has obtained INR 100 million facility from the Hongkong and Shanghai Banking Corporation Limited (HSBC Bank) for which charge has been placed on the movable property, plant and equipments. Further, there is a negative lien on the Quality Needles Private Limited's land and building situated at Plot No. A-14, A-15, A-16, A-25, A-6, A-7, A-8, A-9, Sector 57, Noida and plant and machinery. The facility can be interchangeably utilised as a term loan, import line, import documentary credits, import deferred payment credits or loan against import. Additionally, the Company has provided to HSBC Bank a letter of comfort to support Quality Needles Private Limited in case of inability to meet its obligations. As at 31 March 2022, Quality Needles Private Limited has availed an import line to the extent of Euro 438,180 (31 March 2021: Euro 961,380) for import of machineries.

Note 5: CareNow Medical Private Limited had availed working capital loans of INR 50 millions from HDFC Bank which was repaid during the year ended 31 March 2022. The aforementioned loan from Bank was primarily secured by stock and book debts and (present and future) of the CareNow Medical Private Limited. The facilities were also collaterally secured by land and building owned by the CareNow Medical Private Limited located at Neelambur village in Coimbatore. The CareNow Medical Private Limited is in process of closing charges.

Capital work in progress (CWIP)

As at 31 March 2022

in INR million

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	39.66	3.48	-	-	43.14
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

in INR million

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	38.85	15.61	-	-	54.46
Projects temporarily suspended	-	-	-	-	-

There are no overdue or cost overrun projects compared to its original plan and no CWIP which are temporarily suspended, on the above mentioned reporting dates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

4(A) Goodwill

Goodwill acquired through business acquisition are pertaining to acquired business of:

	As at 31 March 2022	As at 31 March 2021
Healthium OEM Private Limited *	12.58	12.58
Clini Group**	1,212.34	1,212.34
CareNow Medical Private Limited (Refer note 30(iv))	637.19	-
AbGel Business (Refer note 30(v))	38.70	-
Vitalcare Trading (UK) Ltd (Refer note 30(vi))	240.56	-
	2,141.37	**1,224.92**

* represents goodwill on acquisition of surgical gloves business by the Group

** Clini Group represents CSL, CDL and Meditex

Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management.

The Group assessed the carrying value of its goodwill at CGU level to which the goodwill is attributable, based on future operational plan, projected cash flows and carried out valuation. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill is appropriate.

	As at 31 March 2022	As at 31 March 2021
Terminal growth rate	1% to 5%	1.00%
Operating margins	13% to 61.60%	5% to 14%
Discount rate	8.71% to 16.92%	8.42%

The Group has performed sensitivity analysis for all key assumptions, including the cash flow projections, consequent to the change in estimated future economic conditions arising from the possible effects due to COVID-19 and is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

4(B) Other Intangible assets

The changes in the carrying value of intangible assets for the year ended 31 March 2022 and 31 March 2021 are as follows

	Brand	Customer Relationship Value	Non compete agreement Non-compete	Patent, Copyright and Intellectual Property	Computer software	Product development cost	Total	Intangible assets under development
Cost								
At 1 April 2020	**-**	**-**	**-**	**10.34**	**72.90**	**101.25**	**184.49**	**1.76**
Additions (Refer note (i))	-	-	-	112.08	5.92	5.31	**123.31**	1.70
Deletions / Adjustments (Refer note (ii))	-	-	-	(0.51)	-	(5.15)	**(5.66)**	(0.60)
Exchange differences	-	-	-	1.71	2.10	2.74	**6.55**	-
At 31 March 2021	**-**	**-**	**-**	**123.62**	**80.92**	**104.15**	**308.69**	**2.86**
Additions (Refer note (i))	-	-	-	1.43	29.67	0.14	**31.24**	25.71
Additions through business combination and acquisition (Refer note 30 (iv), (v) and (vi))	982.60	445.41	307.75	581.30	0.23	-	**2,317.29**	3.54
Deletions	-	-	-	-	-	-	-	(0.33)
Exchange differences	-	(11.85)	(3.30)	(0.49)	(1.42)	(2.15)	**(19.21)**	(0.04)
At 31 March 2022	**982.60**	**433.56**	**304.45**	**705.86**	**109.40**	**102.14**	**2,638.01**	**31.74**
Accumulated amortisation								
At 1 April 2020	**-**	**-**	**-**	**1.89**	**39.84**	**38.08**	**79.81**	**-**
Amortisation	-	-	-	20.28	11.80	30.47	**62.55**	-
Deletion	-	-	-	(0.28)	-	-	**(0.28)**	-
Exchange differences	-	-	-	0.96	0.87	2.20	**4.03**	-
At 31 March 2021	**-**	**-**	**-**	**22.85**	**52.51**	**70.75**	**146.11**	**-**
Amortisation	61.38	34.03	45.88	49.41	17.69	19.98	**228.37**	-
Exchange differences	-	(0.66)	(0.61)	(0.33)	(0.65)	(2.06)	**(4.31)**	-
At 31 March 2022	**61.38**	**33.37**	**45.27**	**71.93**	**69.55**	**88.67**	**370.17**	**-**
Net book value								
At 31 March 2022	921.22	400.19	259.18	633.93	39.85	13.47	**2,267.84**	31.74
At 31 March 2021	-	-	-	100.77	28.41	33.40	**162.58**	2.86

Net book value

	As at 31 March 2022	As at 31 March 2021
Intangible assets	2,267.84	162.58
Intangible assets under development	31.74	2.86

(i) *Patent, Copyright and Intellectual Property*

On 1 April 2020, the Company has entered into intellectual property assignment agreement under which certain patent and IP rights relating to arthroscopy products have been exclusively licensed to the Company for a fixed yearly consideration in addition to a variable consideration payable on occurrence of a transaction event resulting in the "Holding Company" owning less than 20% of the outstanding voting shares in the Company. The Company assessed exit event to occur by 31 March 2025 and accordingly estimated the total pay-out of INR 150 million over the period of the agreement representing INR 10 million fixed yearly consideration payable for 5 years and INR 100 million payable as variable consideration on the exit date. The Company has discounted the total pay-out at 7.25% representing the borrowing rate and capitalised INR 111.80 million towards the intellectual property rights acquired. Expected useful life of the intellectual property is estimated to be 6 years and amortisation is done on straight-line basis.

in INR million

(ii) *Product development cost*

The Company has capitalised development cost of Arthroscopy and Urology products. The product development team has created new innovative products under the arthroscopy division and eligible product development cost incurred in the product development activities have been capitalised during the year. The activities include designing, prototyping and development. Expected useful life of the intangible is estimated to be 3 years and amortisation is done on straight-line basis.

Additionally, during the previous year ended 31 March 2021, the Company has reversed INR 5.15 milion out of previous year capitalised product development cost of INR 47.50 million incurred towards urology products in line with the settlement agreement entered in August 2020.

(iii) There are no overdue or cost overrun projects compared to its original plan and no Intangible assets under development which are temporarily suspended, on the above mentioned reporting dates.

5 Leases

The Group has entered into property leases consisting of the land, office space, depot and warehouse in addition to vehicle leases. These leases are for a period of two to ten years and lease of land is for 99 years with renewal option included in the contracts.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Right-of-use assets

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2022 and 31 March 2021 are as follows:

	Land	Building	Vehicles	Others	Total
Cost					
At 1 April 2020	**98.76**	**201.71**	**-**	**1.89**	**302.36**
Additions	-	201.83	52.37	0.27	254.47
Disposals	(2.09)	(34.84)	-	-	(36.93)
Modifications	-	1.42	-	-	1.42
Exchange differences	0.25	20.36	0.94	0.24	21.79
At 31 March 2021	**96.92**	**390.48**	**53.31**	**2.40**	**543.11**
Additions	-	532.87	20.35	-	553.22
Modifications	-	0.79	-	-	0.79
Additions through business combination (Refer note 30 (vi))	-	7.10	-	-	7.10
Exchange differences	1.37	(24.62)	(2.12)	(0.08)	(25.45)
At 31 March 2022	**98.29**	**906.62**	**71.54**	**2.32**	**1,078.77**
Accumulated depreciation					
At 1 April 2020	**1.76**	**40.18**	**-**	**0.03**	**41.97**
Depreciation	1.66	54.41	22.87	0.22	79.16
Disposals	(1.69)	(34.84)	-	-	(36.53)
Exchange differences	0.17	7.96	0.40	0.01	8.54
At 31 March 2021	**1.90**	**67.71**	**23.27**	**0.26**	**93.14**
Depreciation	1.59	86.38	20.38	0.24	108.59
Exchange differences	1.38	(7.77)	(1.16)	(0.01)	(7.56)
At 31 March 2022	**4.87**	**146.32**	**42.49**	**0.49**	**194.17**
Net book value					
At 31 March 2022	93.42	760.30	29.05	1.83	884.60
At 31 March 2021	95.02	322.77	30.04	2.14	449.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

Lease liabilities

The following is the break-up of current and non-current lease liabilities :

	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	69.95	70.26
Non-current lease liabilities	776.00	305.95
	845.95	**376.21**

The following is the movement in lease liabilities :

	For the year ended
At 1 April 2020	**174.45**
Additions	253.69
Modifications	1.42
Finance cost accrued during the year	12.39
Payment of lease liabilities	(79.50)
Exchange differences	13.76
At 31 March 2021	**376.21**
Additions	545.87
Additions through business combination (Refer note 30 (vi))	7.53
Modifications	0.79
Finance cost accrued during the year	36.56
Payment of lease liabilities	(102.31)
Exchange differences	(18.70)
At 31 March 2022	**845.95**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. There are no future cash outflows relating to leases that have not yet commenced.

The effective interest rate for lease liabilities is 4.50% - 6.70%, with maturity between 2021-2036.

For the year ended 31 March 2022, the Group has cash outflow amounting to INR 15.99 million (31 March 2021 : INR 8.40 million) relating to low value assets and short term leases.

in INR million

6 Financial assets

	As at 31 March 2022	As at 31 March 2021
Investments		
Non-current		
Investments carried at amortised cost (fully paid)		
Unquoted Government and trust securities		
Investment in Government securities in National Saving Certificates	0.02	0.02
Total non-current investments	**0.02**	**0.02**
Current		
Investments at fair value through profit or loss (FVTPL) (fully paid)		
Unquoted equity shares		
Renewable Wind Energy Private Limited [2,400 Equity shares of INR 10 each (31 March 2021: 2,400)]	0.24	0.24
Quoted equity shares		
Bank of India Limited [1,100 equity shares of INR 10 each (31 March 2021: 1,100)]	0.11	0.11
Quoted mutual funds		
Kotak Equity Arbitrage Fund-Growth [744,155.58 units of INR 30.21 each (31 March 2021 : 744,155.58 units of INR 29.05)]	22.48	21.62
ABSL Overnight Fund-Direct Plan-Growth [13,989.22 units of INR 1,149.58 each (31 March 2021 : Nil)]	16.08	-
Aditya Birla Sun Life Money Manager Fund-Growth [101,761.86 units of INR 298.81 each (31 March 2021 : Nil)]	30.41	-
Axis MF-Axis Money Market Fund-Direct [35,095.71 units of INR 1,151.79 each (31 March 2021 : Nil)]	40.42	-
Axis Overnight Fund - Direct Plan - Growth [10,223.95 units of INR 1,123.84 each (31 March 2021 : Nil)]	11.49	-
DSP Overnight Fund - Direct Plan - Growth [36,530.41 units of INR 1,138.38 each (31 March 2021 : Nil)]	41.59	-
HDFC Money Market Fund - Direct Plan - Growth [12,984.68 units of INR 4,654.8 each (31 March 2021 : Nil)]	60.44	-
HDFC Overnight Fund- Direct Plan- Growth [320.44 units of INR 3,157.45 each (31 March 2021 : Nil)]	1.01	-
ICICI Prudential Money Market Fund Option - Direct [180,601.48 units of INR 306.79 each (31 March 2021 : Nil)]	55.41	-
ICICI Prudential Overnight Fund Direct Plan Growth [8,828.97 units of INR 114.6 each (31 March 2021 : Nil)]	1.01	-
IDFC Cash Fund -Direct Plan -Growth [7,791.04 units of INR 2,570.94 each (31 March 2021 : Nil)]	20.03	-
IDFC Overnight Fund - Direct Plan - Growth [27,444.56 units of INR 1,133.78 each (31 March 2021 : Nil)]	31.12	-
Kotak Floater Short Term-Growth - Direct [6,911.98 units of INR 3,620.71 each (31 March 2021 : Nil)]	25.03	-
Kotak Overnight Fund-Direct-Growth [27,444.49 units of INR 1,133.68 each (31 March 2021 : Nil)]	31.11	-
Nippon India MF-Nippon India Overnight Fund-Direct [232,591.48 units of INR 114.12 each (31 March 2021 : Nil)]	26.54	-
Nippon India Money Market Fund Directgrowth [8,967.78 units of INR 3,350.56 each (31 March 2021 : Nil)]	30.05	-
SBI Magnum Insta Cash Fund - Liquid Floater - Direct [291.92 units of INR 3,461.35 each (31 March 2021 : Nil)]	1.01	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

	As at 31 March 2022	As at 31 March 2021
Tata Overnight Fund - Direct Plan - Growth [902.32 units of INR 1,121.34 each (31 March 2021 : Nil)]	1.01	-
Investment in Portfolio Management Service Fund		
Unquoted , Fully paid up		
India Reit Fund Scheme IV	1.18	1.18
India Advantage Fund S3 III	0.13	0.13
ICICI Prudential PMS Large Cap	11.47	10.39
Unquoted , Partly paid up		
Scheme Residential Opportunities Fund - I	4.85	5.00
Total FVTPL investments	**464.22**	**38.67**
Total investments	**464.24**	**38.69**
Aggregate cost of quoted investments	441.38	20.11
Aggregate market value of quoted investments	446.35	21.73
Aggregate cost and value of unquoted investments	17.89	16.96

	As at 31 March 2022	As at 31 March 2021
Loans (Unsecured considered good unless otherwise stated)		
(carried at amortised cost)		
Current		
Loan to employees	4.23	3.63
Loan to others *	59.67	-
Total current loans	**63.90**	**3.63**

* Represents loan (GBP 0.60 million) to affiliates of erstwhile shareholders of VitalCare Trading (UK) Ltd to be repaid to the shareholders on realisation of the same. Refer note 30(vi)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

	As at 31 March 2022	As at 31 March 2021
Bank balances other than cash and cash equivalents		
(carried at amortised cost)		
Current		
Balances with banks		
Deposits with original maturity of more than three months but less than twelve months	517.29	130.53
Total current bank balances other than cash and cash equivalents	**517.29**	**130.53**
Other financial assets		
(carried at amortised cost)		
Non-current		
Security deposit	54.75	61.63
Security deposit - credit impaired	15.04	3.01
	69.79	64.64
Impairment allowance		
Security deposit - credit impaired	(15.04)	(3.01)
Total security deposit	54.75	61.63
Balances with banks		
Deposits with remaining maturity of more than twelve months ^	2.62	32.03
Margin money deposits **		
- with banks	50.50	33.40
Total other non-current financial assets	**107.87**	**127.06**

Movement in provision for doubtful security deposit	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	3.01	9.14
Add: charge during the year	12.03	1.34
Less: written off during the year	-	(7.47)
Closing balance	**15.04**	**3.01**

^ includes bank deposits of Nil (31 March 2021 : INR 1.20 million) under lien in respect of overdraft/cash credit facility availed by Quality Needles Private Limited from Bank of India.

Current		
Margin money deposits **		
- with banks	-	10.90
Interest accrued	11.06	7.56
Unbilled revenue ***	112.05	69.81
Share Issue expenses (Refer note (i))	165.95	-
Total other current financial assets	**289.06**	**88.27**

** Includes margin money deposits that are intended to secure bank guarantees obtained by the Parent Company and deposits under lien availed by the Quality Needles Private Limited from Bank of India and HDFC bank.

*** Unbilled revenue is classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

(i) Represents amount towards the fees and expenses incurred by the Company in relation to the proposed initial public offer filed with Securities and Exchange Board of India (SEBI). Pursuant to the Offer Agreement entered with Quinag Acquisition (FDI) Ltd, the Holding Company and other selling shareholders on 5 September 2021, the fees and expenses are reimbursable in portion to the shares that are offered to the public as part of the offering. In the event of withdrawal or failure of the offer, all Offer related costs and expenses except listing fees, audit fees of statutory auditors (to the extent not directly attributable) and expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which shall be borne by the Company shall be shared between the Company and the Selling Shareholders in proportion to the number of Equity Shares that was originally proposed to be issued and/or transferred by each of the Company and the Selling Shareholders in the Offer respectively. On recognition of equity transaction, the Company's share of expenses directly attributable to issuance of equity instrument will be deducted from equity.

The Company vide resolution passed in its Board Meeting held on 19 May 2022 has decided to withdraw the proposed initial public offer filed with Securities and Exchange Board of India (SEBI) and according to the terms of Offer Agreement the Company's share of expenses is charged to Statement of Profit and Loss during the year ended 31 March 2022 and the remaining share of expenses are reimbursed by Selling Shareholders.

7 Inventories

(at the lower of cost and net realisable value)

in INR million

	As at 31 March 2022	As at 31 March 2021
Raw materials (including goods in transit INR 37.52 million (31 March 2021 : INR 41.85 million))	585.75	374.20
Work in progress	370.34	245.72
Finished goods	315.44	266.27
Traded goods	647.52	401.02
Total inventories	**1,919.05**	**1,287.21**

Total inventories is net of provision towards ageing, slow moving/non moving inventories and other provisions, INR 195.99 million (31 March 2021: INR 167.45 million).

The inventories are subject to charge created for borrowings as detailed in note 14.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

8 Trade receivables

(carried at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Trade receivables *	1,484.24	1,096.43
Total trade receivables	**1,484.24**	**1,096.43**
Break-up of security details:		
Current		
Trade receivables		
Secured, considered good	29.80	29.30
Unsecured, considered good	1,454.44	1,067.13
Trade receivables - credit impaired	71.03	41.55
	1,555.27	1,137.98
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(71.03)	(41.55)
Total trade receivables	**1,484.24**	**1,096.43**

* No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Trade receivables are subject to charge created for borrowings as detailed in note 14.

During the year ended 31 March 2022, INR 69.81 million of unbilled revenue as of 01 April 2021 has been converted to trade receivables on billing (31 March 2021 : INR 110.88 million).

Movement in loss allowance (allowance for bad and doubtful debts)	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	41.55	51.58
Additions through business combination and acquisition (Refer note 30 (iv))	1.44	-
Add: Charge for the year	39.30	17.88
Less: Bad debts written off during the year	(11.26)	(27.91)
Closing balance	**71.03**	**41.55**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

Trade receivables ageing schedule:

As at 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment #					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	611.02	832.33	25.67	6.94	1.74	6.54	1,484.24
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	2.70	5.10	4.05	8.23	12.68	25.85	58.61
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	2.79	7.97	0.46	1.20	-	-	12.42
Total	**616.51**	**845.40**	**30.18**	**16.37**	**14.42**	**32.39**	**1,555.27**

As at 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment #					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	657.88	392.41	18.93	27.21	-	-	1,096.43
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	5.13	3.79	26.48	35.40
Disputed Trade Receivables considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	1.61	1.09	3.45	-	-	6.15
Total	**657.88**	**394.02**	**20.02**	**35.79**	**3.79**	**26.48**	**1,137.98**

Where no due date of payment is available, ageing has been disclosed from the date of transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

9 Cash and cash equivalent

	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
- On current accounts	550.13	409.77
- Deposits with original maturity of less than three months*	209.85	677.97
Cash on hand	1.23	0.38
Total Cash and cash equivalents	**761.21**	**1,088.12**

* Represents deposits at fixed rates maintained with various banks by the Group.

10 Other assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
Capital advances	46.85	41.28
Balances with statutory / government authorities	7.55	8.33
Total other non-current assets	**54.40**	**49.61**
Current		
Advances recoverable in cash or kind, unsecured and considered good	245.30	320.77
Balances with statutory / government authorities	151.39	137.32
Export incentive receivable	62.98	72.48
Less : Provision for export incentives	(18.37)	-
Net export incentive receivable	**44.61**	**72.48**
Prepayments	114.99	40.34
Contribution to Gratuity Fund (net)	21.95	18.72
Total other current assets	**578.24**	**589.63**

11 Equity share capital

Authorised share capital of INR 1 each (31 March 2021 : INR 2)

	Equity Shares	
	Number	**Amount**
At 1 April 2020	**10,00,00,000**	**200.00**
At 31 March 2021	**10,00,00,000**	**200.00**
Increase in authorised share capital during the year (Refer Note (ii))	15,00,00,000	-
Share split from INR 2 to INR 1 (Refer Note (ii))	25,00,00,000	-
At 31 March 2022	**50,00,00,000**	**500.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 1 per share (31 March 2021 : INR 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of shares at the beginning and at the end of the reporting period:

Issued equity capital

Equity shares of INR 1 each issued, subscribed and fully paid (31 March 2021 : INR 2)	Number	Amount
At 1 April 2020	**4,62,37,064**	**92.47**
Issue of equity shares on Preferential allotment (Refer Note (i))	43,500	0.09
At 31 March 2021	**4,62,80,564**	**92.56**
Share split from INR 2 to INR 1 (Refer Note (ii))	4,62,80,564	-
Issue of equity shares on Rights issue (Refer Note (ii))	51,99,996	5.20
Issue of equity shares on exercise of TMIP options (Refer Note (ii))	9,42,200	0.94
At 31 March 2022	**9,87,03,324**	**98.70**

(i) On 14 September 2020, the Company had issued and allotted 43,500 equity shares of INR 2 each to 3 members at an issue price of INR 460.59 per share.

(ii) The Company vide resolution passed in its Board Meeting and General Meeting held on 15 July 2021 and 19 July 2021 respectively increased its Authorised share capital from INR 200 million divided into 100 million equity shares of INR 2 each to INR 500 million divided into 250 million equity shares of INR 2 each . Further, the Company vide resolution passed in its Board meeting and General Meeting held on 6 August 2021 and 7 August 2021 respectively sub-divided the nominal value of its equity shares from INR 2 each to INR 1 each.

The Company in its Board Meeting held on 16 August 2021 has approved the fresh issue of 5,199,996 equity shares of INR 1 each at a premium of INR 249 each aggregating to INR 1,300 million on rights basis. The Company has allotted 5,199,996 equity shares in the board meeting held on 26 August 2021.

The Nomination and Remuneration Committee and the Board of Directors of the Company approved acceleration of TMIP vesting 579,880 unvested options vide circular resolution passed on 10 October 2021 and 11 October 2021 respectively. Upon exercise, the Board of Directors vide circular resolution passed on 20 October 2021 allotted 942,200 equity shares of INR 1 each at an exercise price of INR 259 each.

Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31 March 2022	As at 31 March 2021
Quinag Acquisition (FDI) Limited		
97,551,030 (31 March 2021: 46,181,103) equity shares of INR 1 each (31 March 2021 : INR 2)	97.55	92.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	% holding in the class	Number	% holding in the class
Equity shares of INR 1 each issued, subscribed and fully paid (31 March 2021 : INR 2)				
Quinag Acquisition (FDI) Limited (Refer Note (ii))	9,75,51,030	98.83%	4,61,81,103	99.79%

Shares held by promoter

Promoter	As at 31 March 2022			As at 31 March 2021		
	Number	% holding in the class	% of change	Number	% holding in the class	% of change
Quinag Acquisition (FDI) Ltd						
At the beginning of the year	4,61,81,103	99.79%	-	4,61,81,103	99.88%	-
At the end of the year (Refer Note (i) and (ii))	9,75,51,030	98.83%	(0.95%)	4,61,81,103	99.79%	(0.09%)

On 14 September 2020, the Company has issued 43,500 equity shares of INR 2 each to 3 members at an issue price of INR 460.59 due to which holding of Quinag Acquisition (FDI) Limited has been diluted from 99.88% to 99.79%.

On 20 October 2021, the Company has issued 942,200 equity shares of INR 1 each at an exercise price of INR 259 each on account of TMIP vesting 579,880 unvested options due to which holding of Quinag Acquisition (FDI) Limited has been diluted from 99.79% to 98.83%.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 31 March 2022	As at 31 March 2021
	Number	Number
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and capital redemption reserve	2,55,95,115	2,55,95,115
Equity shares issued for acquisition of Quality Needles Private Limited	1,19,90,504	1,19,90,504

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the Group, please refer note 32.

12 Distribution made and proposed

	Year ended 31 March 2022	Year ended 31 March 2021
Cash dividends on equity shares declared and paid:		
Interim dividend during the year ended 31 March 2022 Nil (31 March 2021: INR 6.75) per share*	-	312.39
Dividend Distribution Tax ('DDT') on dividend**	-	0.94
Total	-	**313.33**

*(i) Board of directors in their meeting held on 7 December 2020, approved payment of interim dividend for financial year 2020-2021 at INR 6.75 per equity share.

** Dividend Distribution Tax ('DDT') of INR 0.94 million for the year ended 31 March 2021 relates to unpaid DDT for 2018-2019 and 2019-2020.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the Company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

13 Other equity

Securities premium

Securities premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

At 1 April 2020	**5,678.08**
Increase on account of Preferential allotment (Refer note 11(i))	19.95
At 31 March 2021	**5,698.03**
Increase on account of Rights issue (Refer note 11(ii))	1,294.80
Issue of equity shares on exercise of TMIP options (Refer note 11(ii))	243.08
Transfer from SBP reserves on exercise of TMIP options (Refer note 11(ii))	57.34
At 31 March 2022	**7,293.25**

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

At 1 April 2020	**1,529.18**
Total comprehensive income/(loss) for the year	856.93
Cash dividends (Refer note 12)	(312.39)
Dividend distribution tax (DDT) (Refer note 12)	(0.94)
At 31 March 2021	**2,072.78**
Total comprehensive income/(loss) for the year	789.99
At 31 March 2022	**2,862.77**

Share based payments (SBP) reserves

The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 32 for further details of these plans.

At 1 April 2020	**20.19**
Increase on account of share based compensation to employees for the year (Refer note 32)	40.29
Increase on account of reclassification from cash settled to equity settled (Refer note 32)	21.22
At 31 March 2021	**81.70**
Increase on account of share based compensation to employees for the year (Refer note 32)	56.77
Decrease on account of reclassification due to exercise of TMIP options (Refer note 32)	(57.34)
At 31 March 2022	**81.13**

General reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to consolidated statement of profit and loss.

At 1 April 2020	**1,869.65**
At 31 March 2021	**1,869.65**
At 31 March 2022	**1,869.65**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

Exchange differences on translating the financial statements of foreign operations

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to consolidated statement of profit and loss when the net investment is disposed-off.

At 1 April 2020	**(130.49)**
Net exchange differences on translation of foreign operations, net of tax effect	(11.56)
At 31 March 2021	**(142.05)**
Net exchange differences on translation of foreign operations, net of tax effect	14.85
At 31 March 2022	**(127.20)**

Capital reserve

The Group had accounted acquisition of Quality Needles Private Limited in the consolidated financial statements as common control business combination in accordance with Appendix C ('Common control transactions') of the Indian Accounting Standard 103 – Business Combinations. The difference between the amount recorded as share capital issued and amount of share capital of transferor is transferred to capital reserve. There was no new goodwill recognised as a result of combination under common control.

At 1 April 2020	**(4,487.20)**
At 31 March 2021	**(4,487.20)**
At 31 March 2022	**(4,487.20)**

Summary of other equity:

	As at 31 March 2022	As at 31 March 2021
Securities premium	7,293.25	5,698.03
Retained earnings	2,862.77	2,072.78
SBP reserve	81.13	81.70
General reserve	1,869.65	1,869.65
Exchange differences on translating the financial statements of foreign operations	(127.20)	(142.05)
Capital reserve	(4,487.20)	(4,487.20)
Total	**7,492.40**	**5,092.91**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

14 Borrowings

(carried at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Secured loan		
- from Bank	427.17	35.95
- from Holding Company in foreign currency (Refer note 33(b)(vi))	784.66	741.36
	1,211.83	777.31
Unsecured loan		
- from Holding Company in foreign currency	847.71	-
Less : Current maturities of non-current borrowings		
- from Bank	(324.53)	(14.33)
Total non-current borrowings	**1,735.01**	**762.98**
Current borrowings		
Loan repayable on demand (Secured)		
-from bank		
- Invoice financing in foreign currency	6.15	-
- Import nostro financing	57.28	27.47
- Pre and Post shipment finance	62.50	170.24
- Working capital loan	-	4.53
	125.93	**202.24**
Current maturities of non-current borrowings (Secured)		
- from Bank	324.53	14.33
Total current maturities of non-current borrowings	**324.53**	**14.33**
Total current borrowings	**450.46**	**216.57**
Aggregate secured borrowings	**1,337.76**	**979.55**
Aggregate unsecured borrowings	**847.71**	**-**

Term loan from bank consists of :

Term loan INR 0.22 million (31 March 2021: INR 2.89 million) represents car loan from Axis Bank related to various vehicles purchased. The rate of interest ranges from 8.36% to 9.95% p.a. (31 March 2021: 8.36% to 9.95%). The loan is secured by hypothecation of motor cars repayable monthly over a period of 3 years.

Term loan INR 20.62 million (31 March 2021: INR 33.06 million) represents loan from HSBC Bank for relocation of office premises. The rate of interest is 2.45% . The loan is secured by fixed and floating charge over the assets of Clinisupplies Limited repayable monthly over a period of 3 years.

Term loan from Standard Chartered Capital Limited (formerly known as Standard Chartered Investments and Loans (India) Limited) of INR 281.10 million (31 March 2021 : Nil) towards financing the acquisition of AbGel business from Sri Gopal Krishna Labs Private Limited. The loan is repayable in 4 equal semi annual installments starting at the end of 6 months from the first disbursement. The rate of interest on the term loan is 6.75% per annum (31 March 2021 : Nil). The term loan is secured by a first pari passu charge over Property, Plant and Equipment of the Company.

Term loan from Hongkong and Shanghai Banking Corporation Limited of INR 125.23 million (31 March 2021 : Nil) towards financing the acquisition of AbGel business from Sri Gopal Krishna Labs Private Limited including reimbursements. The loan is repayable at the end of 12 months. The rate of interest on the term loan ranges from 6.95% to 7.10% per annum (31 March 2021 : Nil). The term loan is secured by a first pari passu charge over Property, Plant and Equipment and Current assets of the Company.

in INR million

Loan from Holding Company in foreign currency (Secured):

Loan from Holding Company represent loan received from Quinag Acquisition (FDI) Ltd repayable quarterly over a period 2 years commencing from 1 April 2023. The Group has entered into an addendum with the Holding Company towards deferment of quarterly repayment till 31 March 2023. Accordingly the loan has been classified as non current from the year ended 31 March 2021. The rate of interest on this loan is LIBOR plus 5.50%. As at 31 March 2022, the loan outstanding is USD 10.35 million (INR 784.66 million) (31 March 2021: USD 8.33 million ; INR 741.36 million). Further, interest accrued upto 31 March 2022 has been capitalised and shown as part of principal amount (Refer note 34).

Invoice financing in foreign currency:

Invoice financing in foreign currency represents loan taken from HSBC bank amounting to INR 6.15 million (31 March 2021: Nil) which is secured by first charge over the discounted invoice of the Clinisupplies Limited and corporate guarantee of Healthium Medtech Limited repayable on demand. Interest rate for the facility is 1.95% over Bank of England base rate during the year.

Loan from Holding Company in foreign currency (Unsecured):

Loan from Holding Company represent loan received from Quinag Acquisition (FDI) Ltd by CliniSupplies Limited to facilitate the acquisition of VitalCare Trading (UK) Ltd. The rate of interest on this loan is 6.50% p.a with a duration of the loan is 3.75 years. The repayment of loan is due on the termination date as specified in loan agreement. As at 31 March 2022, the loan outstanding is GBP 8.52 million (INR 847.71 million) (31 March 2021: Nil).

Import Nostro financing from bank:

Import nostro financing from HSBC Bank of INR 57.28 million (31 March 2021: INR 27.47 million) represent 90 day dollar loan taken from the bank towards payment to import vendors. The rate of interest in the current period ranges from 3.30% to 3.96% which is linked to IBOR (31 March 2021: 3.50% linked to LIBOR) .

Pre and Post shipment finance:

Pre and post shipment finance of INR 62.50 million (31 March 2021 : INR 170.24 million) is from HSBC Bank represent rupee export credit under interest equalization scheme as per RBI instruction vide DOR.STR.REC.68/21.04.048/2021-22 dated 12 November 2021 (31 March 2021 : vide DBR.Dir.BC.No.69/04.02.001/2019-20 dated 13 May 2020). The rate of interest is 3.00% (31 March 2021 : 2.15% to 2.25%). This loan facility is repayable within 45 to 78 days (31 March 2021 : 120 days).

The above facilities availed from HSBC bank are secured by way of a charge on Trade receivables, Current assets and Property, plant and equipment (PPE).

Working capital loan :

Working capital drawdown loan is from State Bank of India of Nil (31 March 2021 : INR 4.53 million) secured on fixed deposits. The rate of interest is 1% above FD rate which will be around 5.90% (31 March 2021 : 5.90%). This loan facility is repayable on demand.

15 Trade payables

(carried at amortised cost)

in INR million

	As at 31 March 2022	As at 31 March 2021
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	52.08	15.24
- Total outstanding dues of creditors other than micro and small enterprises	912.23	663.55
Total current trade payables	**964.31**	**678.79**

Terms and conditions of the above financial liabilities:

- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For information on financial risk objectives and policies, Refer note 36 (c).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

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

The Group has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2022 and 31 March 2021. The details in respect of such dues are as follows:

	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	47.67	11.42
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	4.41	3.82
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	0.95
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 year) but without adding the interest specified under the MSMED Act 2006.	0.59	0.27
The amount of interest accrued and remaining unpaid at the end of accounting year.	4.41	3.82
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	4.41	3.82

Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Trade payables ageing schedule:

As at 31 March 2022

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date #				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	12.62	39.46	-	-	-	52.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	209.59	96.64	600.50	-	5.50	-	912.23
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**209.59**	**109.26**	**639.96**	**-**	**5.50**	**-**	**964.31**

As at 31 March 2021

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date #				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	15.24	-	-	-	15.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	421.39	88.39	133.23	20.54	-	-	663.55
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**421.39**	**88.39**	**148.47**	**20.54**	**-**	**-**	**678.79**

Where no due date of payment is available, ageing has been disclosed from the date of transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

Relationship with struck off companies.

Name of the struck off company	Nature of transactions with struck off company	Transactions during the year ended 31 March 2022	Balance outstanding as at 31 March 2022 **	Relationship with the struck off company, if any, to be disclosed
Om Steel Tubes Ltd.	Trade payables	0.34	-	Vendor

** amounts are below rounding off norms

16 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
(carried at amortised cost)		
Capital creditors	99.08	93.18
Deferred purchase consideration (Refer note 30(iv))	499.20	-
Government grant (Refer note 33(b)(viii))	5.54	-
Deposits (unsecured)		
Deposits from consignee agents (Refer note (i))	29.80	29.30
Total other non-current financial liabilities	**633.62**	**122.48**
Current		
(carried at amortised cost)		
Accrued employee payables	269.97	210.92
Payable on account of minimum wages	-	8.33
Payable towards ESOP cash settlement	-	2.64
Capital creditors	37.48	18.02
Deferred purchase consideration (Refer note 30(v) and 30 (vi))	231.48	-
Interest accrued but not due on borrowings (Refer note 14)	43.48	-
Dues to directors (Refer note 34)	9.85	2.30
	592.26	**242.21**
Financial liabilities at fair value through profit or loss		
Current		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	18.74
	-	**18.74**
Total other current financial liabilities	**592.26**	**260.95**

(i) Deposits from consignee agents carry interest @ 9.0% p.a. (31 March 2021: 9.0% p.a.) and the deposits are repayable after the expiry of respective agreements with the agents.

17 Other liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Deposit from employees	5.14	6.02
Total other non-current liabilities	**5.14**	**6.02**
Current		
Payable to statutory/government authorities	116.24	96.74
Advance from customers	117.00	146.61
Liability towards Corporate Social Responsibility (Refer note 41)	7.25	-
Total other current liabilities	**240.49**	**243.35**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

18 Provisions

	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for gratuity (Refer note 31)	5.77	2.22
Total non-current provisions	**5.77**	**2.22**
Current		
Provision for compensated absence	27.59	24.61
Provision for expected loss from sale/liquidation of subsidiary (Refer note 30(i))	10.00	10.00
Provision for litigations ***	10.51	10.51
Provision for gratuity (Refer note 31)	0.73	4.90
Total current provisions	**48.83**	**50.02**

*** Includes provision of INR 10.51 million (31 March 2021: INR 10.51 million) towards indirect tax litigation.

19 Income tax

The major components of income tax expense are:

Consolidated statement of profit and loss:

	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax:		
Current tax	339.30	274.47
Income tax credit pertaining to earlier period	-	(43.53)
Deferred tax:		
Relating to origination and reversal of temporary differences	(41.50)	45.11
Income tax expense reported in the consolidated statement of profit and loss	**297.80**	**276.05**

Other Comprehensive Income ('OCI') section

Deferred tax related to items recognised in OCI during the year:

	Year ended 31 March 2022	Year ended 31 March 2021
Tax effect on net (gain)/loss on remeasurements of defined benefit plans	0.87	(0.69)
Income tax charged/(credited) to OCI	**0.87**	**(0.69)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax and after exceptional items	**1,090.77**	**1,130.33**
Statutory tax rate (%)	25.17%	25.17%
At India's statutory income tax rate	274.55	284.50
Impact on account of non-deductible expenses	13.71	8.61
Impact on account of rate change *	-	16.60
Impact of reversal of income tax provision pertaining to earlier period	-	(43.53)
Effect of lower tax rates in the United Kingdom	(4.35)	(6.87)
Effect of losses of subsidiary and no deferred tax recognised	34.46	14.06
Others, net	(20.56)	2.68
Income tax expense for the year	**297.80**	**276.05**
Income tax expense reported in the consolidated statement of profit and loss	**297.80**	**276.05**

* HML, HOPL and QNPL have opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019. As a result, for the year ended 31 March 2022, statutory tax rate in India has reduced to 25.17% (31 March 2021 : 25.17%). On account of rate reduction deferred tax assets have decreased by Nil (31 March 2021 : INR 16.60 million) and the tax charge for the year have increased by Nil (31 March 2021 : INR 16.60 million).

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for the year ended 31 March 2022

in INR million

Deferred tax

Deferred tax relates to the following:

	Consolidated balance sheet		Consolidated statement of profit and loss	
	As at* 31 March 2022	As at 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation and amortization expense (difference between tax depreciation and depreciation/ amortization)	(265.70)	73.87	(7.69)	12.45
Impact of expenditure charged to the consolidated statement of profit and loss in the current year but allowed for tax purposes on payment basis	158.52	84.93	45.81	(75.66)
Others	27.42	38.15	1.91	13.66
Impact of exchange rate movement	-	-	2.34	3.75
Deferred tax expense/(income)			**42.37**	**(45.80)**
Net deferred tax assets/(liabilities)	**(79.76)**	**196.95**		

* Disclosed in consolidated balance sheet under Deferred tax assets (Net) INR 219.33 million and Deferred tax liabilities (Net) INR 299.09 million.

Reconciliation of deferred tax asset (net):

	As at 31 March 2022	As at 31 March 2021
Opening balance as of 1 April	**196.95**	**246.50**
Tax income/(expense) during the year recognised in consolidated statement of profit and loss	41.50	(45.11)
Tax income/(expense) during the year recognised in OCI	0.87	(0.69)
Deferred taxes acquired in business combinations	(316.74)	-
Impact of exchange rate movement	(2.34)	(3.75)
Closing balance as at 31 March	**(79.76)**	**196.95**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

There was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. The subsidiaries will not be distributed the profits until it obtains the consent of the parent. The parent does not foresee giving such a consent at the reporting date.

20 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	9,253.19	7,067.86
Other operating revenues		
Scrap sales	3.54	0.79
Export incentive	35.10	64.92
Royalty income	1.00	-
Total revenue from operations	**9,292.83**	**7,133.57**

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for the year ended 31 March 2022

in INR million

20.1 Disaggregated revenue information

	Year ended 31 March 2022	Year ended 31 March 2021
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
(a) Revenues by Geography		
India	3,771.77	2,602.33
United Kingdom	3,060.88	2,415.89
Rest of the world	2,460.18	2,115.35
Total	**9,292.83**	**7,133.57**
Geographical revenue is allocated based on the location of the customers.		
(b) Timing of revenue recognition		
Goods transferred at a point in time	9,253.19	7,067.86
Services transferred at a point in time	-	-
Total revenue from contracts with customers	**9,253.19**	**7,067.86**
(c) Set out below is the amount of revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	**146.11**	**119.97**

21 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend income	0.23	0.26
Profit on sale of investments (net)	1.29	2.41
Liabilities/ provisions no longer required written back	1.97	2.40
Foreign exchange gain (net)	-	88.57
Fair value gain on financial instruments at fair value through profit or loss	0.86	-
Net gain on sale/write off of property, plant and equipment	6.85	-
Other miscellaneous income	47.00	1.13
Total other income	**58.20**	**94.77**

22 Finance income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income - bank deposits	32.75	39.24
Total finance income	**32.75**	**39.24**

23 Cost of raw material and components consumed

23 (a) Raw material and components consumed *

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	374.20	391.36
Additions through business combination and acquisition (Refer note 30 (iv), (v) and (vi))	90.18	-
Add: Purchases	2,612.64	1,463.17
	3,077.02	**1,854.53**
Less: Inventory at the end of the year	(585.75)	(374.20)
Total raw material and components consumed	**2,491.27**	**1,480.33**

* Refer note 44 with regard to capitalization of materials consumed for self constructed assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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in INR million

23 (b) Purchase of traded goods

	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of traded goods	1,253.50	1,228.11
Total purchase of traded goods	**1,253.50**	**1,228.11**

23(c) (Increase)/decrease in inventories of finished goods, work-in progress and traded goods

	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year		
Finished goods	315.44	266.27
Work in progress	370.34	245.72
Traded goods	647.52	401.02
A	**1,333.30**	**913.01**
Inventories at the beginning of the year/acquisition		
Finished goods	266.27	226.92
Work in progress	245.72	282.68
Traded goods	401.02	351.61
Additions through business combination and acquisition (Refer note 30 (iv) and (vi))	95.00	-
B	**1,008.01**	**861.21**
Exchange difference	(18.85)	30.62
(Increase)/decrease in inventories of finished goods, work-in progress and traded goods (B-A+C)	**(344.14)**	**(21.18)**

24 Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus *	1,739.42	1,421.14
Contribution to provident and other funds	189.51	159.60
Employee share based payments (Refer note 32)	62.55	40.29
Gratuity expense	17.35	18.03
Staff welfare expenses	78.18	59.26
Total employee benefits expense	**2,087.01**	**1,698.32**

* Refer note 44 with regard to capitalization of employee costs in relation to self constructed assets.

25 Depreciation and amortization expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on Property, plant and equipment and Right-of-use assets (Refer note 3 and 5)	335.60	295.58
Depreciation expense capitalized during the year *	(1.54)	(2.74)
Depreciation adjusted with provision previously created **	-	(2.08)
	334.06	290.76
Amortization of intangible assets (Refer note 4)	228.37	62.55
Total depreciation and amortization expense	**562.43**	**353.31**
* Refer note 44 with regard to capitalization of depreciation in relation to self constructed assets.		
Impairment of Property, plant and equipment **	-	20.15
	-	20.15
Impairment adjusted with provision previously created **	-	(20.15)
Total impairment expense	-	-

** Represents impairment charge on property, plant and equipment held at MMM arising due to liquidation process being initiated. The depreciation expense and impairment charge for the year ended 31 March 2021 have been netted off against the provision created for expected loss from subsidiary / liquidation of subsidiary during the year ended 31 March 2020 (refer note 30(i)).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

in INR million

26 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on debts and borrowings	104.97	55.13
Interest on term loan	2.24	0.55
Interest on lease liabilities and others	57.85	21.22
Total interest expense	**165.06**	**76.90**
Bank charges	15.94	17.97
Total finance costs	**181.00**	**94.87**

27 Other expense

	Year ended 31 March 2022	Year ended 31 March 2021
Freight and forwarding charges	379.27	225.39
Contract labour charges *	283.99	202.46
Travelling and conveyance	103.15	46.35
Advertising and sales promotion	142.16	83.27
Sales commission	141.09	66.61
Legal and professional fees	210.21	132.76
Director's sitting fees	3.30	-
Director's commission	6.74	-
Power and fuel **	126.70	98.19
Repairs and maintenance		
Plant and Machinery	67.70	57.75
Buildings	36.82	26.74
Others	78.88	67.14
Foreign exchange loss (net)	59.36	-
Rates and taxes	58.95	42.07
Rent	15.99	8.40
Allowances for doubtful debts and advances ***	60.26	19.22
Royalty on sales	1.65	4.19
Insurance	31.01	26.68
CSR expenditure (Refer note 41)	23.56	20.89
Communication costs	11.93	14.21
Printing and stationery	5.48	5.14
Payment to auditors ****	15.89	16.49
Bad debts / advances written off	-	0.02
Impairment expense on CWIP	1.30	5.45
Storage Expenses	31.86	63.00
Net loss on sale/write off of property, plant and equipment	-	4.72
Fair value loss on financial instruments at fair value through profit or loss	-	17.66
Provision for export incentives	18.37	-
Miscellaneous expenses	126.19	68.90
Total other expense	**2,041.81**	**1,323.70**

* Does not include reversal of minimum wages provision amounting to INR 8.33 million (31 March 2021: INR 20.21 million), included in exceptional items (Refer note 43(i)).

** Refer note 44 with regard to capitalization of expenditure in relation to self constructed assets.

*** Includes specific allowances for doubtful debts of INR 5.13 million (31 March 2021: Nil) and allowances for doubtful advances of INR 3.80 million (31 March 2021: Nil).

in INR million

****** Payment to auditors (excluding goods and services tax): ^**

		Year ended 31 March 2022	Year ended 31 March 2021
(a)	Statutory audit fee (audit of standalone and consolidated financial statement and audit of subsidiary company) ^^	9.00	11.00
(b)	Paid to other auditors of subsidiary companies	5.91	4.22
(c)	Certification fees	0.88	0.77
(d)	Others	-	0.50
(e)	Out of pocket expenses	0.10	-
	Total	**15.89**	**16.49**

^ Excluding aggregate fees of INR 27.92 million, which includes out of pocket expenses of INR 0.42 million, paid towards proposed initial public offer related services. Refer note 6(i) for share issue expenses.

^^ Fee for the year ended 31 March 2021 includes INR 1 million pertaining to previous year 2019-2020.

28 Earnings per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to equity holders of parent	792.97	854.28
Weighted average number of Equity shares ^	**9,64,90,341**	**9,34,46,535**
Effect of dilution:		
Stock options granted under Healthium Time Based Key Employee Stock Incentive Plan 2019 and Healthium Performance Based Key Employee Stock Incentive Plan 2019 *^	7,87,393	-
Weighted average number of Equity shares adjusted for the effect of dilution ^	**9,72,77,734**	**9,34,46,535**
Basic earnings per share	8.22	9.14
Diluted earnings per share *	8.15	9.14

* Stock options granted under Healthium Time Based Key Employee Stock Incentive Plan 2019 and Healthium Performance Based Key Employee Stock Incentive Plan 2019 are anti-dilutive since the exercise price is higher than fair value of shares and accordingly have not been considered for the purpose of computing dilutive EPS for the year ended 31 March 2021.

^ Adjusted for sub-division of nominal value of the Company's equity shares from INR 2 each to INR 1 each and for effect of bonus element in the rights issue.(Refer note 11(ii)).

29 Peekay Mediequip Limited (Peekay)

On 13 July 2016, the Company had entered into a settlement agreement with Peekay and its promoters whereby the Company received INR 20.00 million towards transfer of entire equity shares held by the Company to the promoters of Peekay which had been disclosed as other income and it is agreed that loan of INR 64.16 million be repaid over a period of 24 months as per the repayment schedule prescribed therein from December 2016 onwards. Post entering of settlement agreement, the Company has not received any amount towards repayment loan as envisaged in the settlement agreement. The Company joined the other financial creditors and filed an application for liquidation of Peekay under Insolvency and Bankruptcy code ('IBC'). Resolution professional ('RP') was appointed and Committee of Creditors ('COC') was formed in accordance with Insolvency and Bankruptcy Board of India ('IBBI'). The Claim of the Company for INR 64.16 million against Peekay was admitted. Peekay promoter promised to pay all the financial creditors partially but failed to pay. In accordance with the IBBI guidance resolution plan draft was approved by COC and an advertisement was made seeking expression of interest from any other investors interested in participating in resolution plan and buying out Peekay. The COC have received the final list of eligible applicants in the month of June 2020 and is in the process of review and approval of the resolution plan.The resolution plan made by Promoters of Peekay was approved by COC and resolution plan is filed with NCLT and pending approval.

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for the year ended 31 March 2022

in INR million

30 Investment in subsidiaries

(i) Mena Medical Manufacturing FZC ('MMM'):

The Company in their Extra ordinary general meeting held on 25 May 2020 has approved and authorised the directors to take all necessary decisions and actions to exit as Joint Venture partners in MMM by transfer of shares/liquidating the entity/or any other option favourable to the Company by selling and disposing off 765 equity shares of face value AED 100 each held in MMM.

Further, the Company while representing in shareholders meeting of MMM held on 16 November 2020 has approved liquidation application to be filed with the Court of First Preference, Sharjah. The application along with the statutory charges for filing the petition for liquidation was made on 16 December 2020. The case was accepted on file by the Court on 11 February 2021 and is currently pending. The next date of hearing is scheduled on 15 September 2022.

As of 31 March 2020, the Group recorded provision amounting to INR 53.57 million being expected loss from liquidation of subsidiary in the consolidated statement of profit and loss. During the year ended 31 March 2022, all the costs incurred towards liquidation of MMM of Nil (31 March 2021 : INR 43.57 million) have been adjusted with the provision created in the previous year and as of 31 March 2022, the Group continues to hold provision amounting to INR 10.00 million (31 March 2021 : INR 10.00 million) towards expected loss from liquidation of subsidiary. The consolidated financial statements for the year ended 31 March 2022 include revenue of Nil (31 March 2021 : Nil), net loss of INR 0.31 million (net of loss of nil adjusted with aforesaid provision) (31 March 2021 : Nil (net of loss of INR 43.57 million adjusted with aforesaid provision)) and total assets as on 31 March 2022 amounting to INR 9.51 million (31 March 2021 : INR 9.72 million).

(ii) Healthium OEM Private Limited ('HOPL')

The Scheme of Arrangement ("the Scheme") for merger of Healthium OEM Private Limited ("Transferor Company") with the Company ("Transferee Company") and for reclassification of general reserves of the Company into Retained earnings of the Company, has been filed by the Company with the National Company Law Tribunal, Bengaluru Bench for approval. The appointed date of merger is 1 April 2021. Upon receipt of approval, the Scheme shall be given effect in the financial statements of the Company.

(iii) CliniDirect Pharmacy business

The Group decided that the pharmacy business in UK operation as non-core and did not fit with the strategic plans for the group and accordingly, closed pharmacy business during the previous year. As the pharmacy business contributed less than a percentage on consolidated revenue, the Group is of the view that it is not significant and does not represent a separate major line of business or geographical area of operations and accordingly not disclosed separately as a discontinued operation. The consolidated financial statements for the year ended 31 March 2022 include revenue of Nil (31 March 2021: INR 44.90 million), loss before tax of Nil (31 March 2021: profit before tax INR 13.97 million) and total assets of Nil as on 31 March 2022 (31 March 2021: Nil).

(iv) CareNow Medical Private Limited

"On 26 August 2021, the Company has acquired entire equity shares of CareNow Medical Private Limited ("CareNow"), which is engaged in the business of manufacturing infection control products, for purchase consideration comprising of:

- INR 1,293 million paid on the date of signing of share purchase agreement (""SPA"") to all the equity shareholders of CareNow, which includes INR 33 million in relation to working capital and debts as stated in the SPA;

- INR 50 million to be paid on receipt of United States Food and Drug Administration (""USFDA"") approval for "Theruptor" bandages within 12 months of the closing date payable to all the equity shareholders of CareNow;

- Additionally, the Company has entered into a Put and Call Option Agreement for purchase of Compulsorily Convertible Preference Shares (""CCPSs"") held by the preference shareholders of CareNow, where the CCPS may be purchased by the Parent Company at Put/Call Price to be determined after expiry of three years from the closing date depending on the achievement of revenue and gross margin targets as defined in the Put and Call Option Agreement, provided however, the maximum Put/Call Price for the CCPSs will not exceed INR 1,740 million. In this regard, an independent valuer, considering the probability of achievement of revenue and gross margin targets and factoring the present value impact, has estimated liability of INR 499.20 million and the same has been considered as purchase consideration for business combination accounting.

The Company consummated the acquisition at the end of the day of 31 August 2021 by payment of INR 1,293 million funded by issuance of own equity through rights issue to the shareholders of the Company.

in INR million

The purchase price as on the date of acquisition has been allocated to the acquired assets and liabilities as follows:

Particulars	Amount
Purchase consideration (including present value of earn-out consideration)	**1,792.20**
Assets acquired	241.67
Liabilities assumed	(24.55)
Brand	494.00
IP - Theruptor	564.44
IP - Others	10.30
Non compete agreement	185.10
Deferred tax liabilities on intangibles	(315.95)
Goodwill	637.19

* Purchase consideration of INR 50 million payable as deferred consideration upon receipt of USFDA approvals is not considered as the probability and timing of such approvals are highly uncertain as on the Closing Date and therefore, reliable estimates cannot be made. The management of the Company will consider to account this when uncertainties for USFDA approval is resolved.

(v) Acquisition of AbGel Business

On 26 May 2021, the Company executed the Business Transfer Agreement (""BTA""), as amended on 9 July 2021 with Sri Gopal Krishna Labs Private Limited (""SGKL"") and its shareholders to acquire the surgical haemostatic gelatine sponge business (the ""AbGel Business"") for a total consideration of INR 550 million as a going concern on a slump sale basis including its business assets, business liabilities, business know-how, contracts, permits, records, employees, any incorporeal assets.

The total purchase consideration paid/ payable by the Company to SGKL are as follows:

- INR 125 million on completion of conditions precedent to BTA paid on 12 July 2021;

- INR 375 million after receipt of zero balance certificate from banks paid on 31 July 2021;

- Balance payment of INR 50 million within in a period of 12 months from 31 July 2021, subject to adjustments, if any, as stated in BTA. The present value of said consideration on 31 July 2021 is INR 42.50 million.

The closing conditions stated in the BTA were consummated on the end of the day of 31 July 2021 and accordingly, effective this date the acquired business form part of the Company.

The purchase price as on the date of acquisition has been allocated to the acquired assets and liabilities as follows:

Particulars	Amount
Purchase consideration (including earn-out consideration)	**542.50**
Assets acquired	11.13
Liabilities assumed	(1.83)
Brand	488.60
Customer relationships	5.90
Goodwill	38.70

(vi) VitalCare Trading (UK) Ltd

On the beginning of the day of 1 July 2021, the Group through its subsidiary Clinisupplies Limited (""CSL"") executed the share purchase agreement with the shareholders of VitalCare Trading (UK) Ltd (""VitalCare"") to acquire the entire shareholding of VitalCare along with its subsidiaries Vital Care (Nanjing) Co. Limited, China and VitalCare Ltd, Ireland.

VitalCare is engaged in the business of manufacturing and sales of white labelled urology and anal irrigation products.

The total consideration payable by CSL to the shareholders of VitalCare are as follows:

- £ 8 million plus net cash and excess working capital of £ 2.72 million, of which surplus asset of £ 0.60 million payable by CSL to the sellers on realisation of the loan by VitalCare;

- £ 1.25 million to be paid after completion of audit for the financial year ending 31 March 2022 on achievement of revenue targets outlined in the share purchase agreement.

CSL consummated the acquisition on the beginning of the day of 1 July 2021 by payment of £ 10.12 million representing £ 8 million upfront purchase consideration and £ 2.12 million towards net cash and excess working capital as at closing.

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The purchase price as on the date of acquisition has been allocated to the acquired assets and liabilities as follows:

Particulars	Amount (in GBP million)	Amount (in INR million)
Purchase consideration (including net cash, working capital adjustment and earn-out consideration)	**11.97**	**1195.44**
Assets acquired	5.12	511.33
Liabilities assumed	(1.07)	(106.74)
Customer relationships	4.30	429.44
Non compete agreement	1.20	119.84
Goodwill	2.42	241.57

31 Gratuity and other post-employment benefit plans:

(a) Defined contribution plans

The Group makes contributions to Provident Fund, Employee State Insurance scheme contributions, National Insurance (United Kingdom) and Pension fund (United Kingdom) which are defined contribution plan for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Group recognized INR 59.21 million (31 March 2021: INR 50.46 million) for Provident Fund contributions, INR 6.66 million (31 March 2021: INR 6.20 million) for Employee State Insurance scheme contribution, INR 54.97 million (31 March 2021: INR 53.61 million) for National Insurance and INR 56.80 million (31 March 2021: INR 49.33 million) for Pension fund in the consolidated statement of profit and loss.

(b) Defined benefit plans

Gratuity

The Group offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary as amended from time to time for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans:

Disclosure as per Ind AS 19

	As at 31 March 2022	As at 31 March 2021
Change in projected benefit obligations		
Obligations at beginning of the year	141.46	126.79
Obligation assumed through business combination	0.63	-
Current Service cost	18.68	17.16
Interest cost	9.62	8.26
Benefits settled	(9.13)	(6.56)
Actuarial gain (through OCI)	1.09	(4.19)
Obligations at end of the year	**162.35**	**141.46**
Change in plan assets		
Plan assets at beginning of the year, at fair value	153.06	92.21
Interest income	10.95	7.39
Actuarial loss (through OCI)	(2.76)	(0.85)
Contributions	25.68	60.87
Benefits settled	(9.13)	(6.56)
Plan assets at end of the year	**177.80**	**153.06**
Present value of defined benefit obligation at the end of the year	162.35	141.46
Fair value of plan assets at the end of the year	177.80	153.06
Net liability/(asset) recognised in the consolidated balance sheet *	(15.45)	(11.60)

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in INR million

	Year ended 31 March 2022	Year ended 31 March 2021
Expenses recognised in consolidated statement of profit and loss		
Service cost	18.68	17.16
Interest (income)/cost (net)	(1.33)	0.87
Net gratuity cost	**17.35**	**18.03**
Re-measurement gains/(losses) in OCI		
Actuarial (losses)/gains due to financial assumption changes	(1.09)	4.19
Return on plan assets (greater)/less than discount rate	(2.76)	(0.85)
Total (losses)/gains routed through OCI	**(3.85)**	**3.34**

* The net asset amounting to INR 15.45 million as at 31 March 2022 (31 March 2021 : INR 11.60 million) represents excess contribution to gratuity fund by HML INR 21.95 milion (31 March 2021 : INR 18.72 million) disclosed in note 10 netted of against gratuity liability in QNPL INR 5.74 million (31 March 2021 : INR 7.12 million) and CareNow Medical Private Limited INR 0.76 million (31 March 2021 : Nil) disclosed in note 18.

The major categories of plan assets of the fair value of the total plan assets are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity benefit obligations for the Group's plans are shown below:

	Year ended 31 March 2022	Year ended 31 March 2021
	%	%
Discount rate	6.90%-7.55%	6.60%
Escalation rate	7%-9% for first three years. Thereafter 6%-7%	8%-9% for first three years. Thereafter 6%-7%
Withdrawal rate	5%-7%	5%-7%
Estimated rate of return on plan assets	6.90%-7.55%	6.60%
Retirement age	58 to 60 years	58 to 60 years
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 and 31 March 2021 is as shown below:

Sensitivity Level	Defined benefit obligation	
	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate		
1% increase	(12.90)	(11.67)
1% decrease	14.71	13.50
Escalation rate		
1% increase	13.88	12.93
1% decrease	(12.49)	(11.42)
Withdrawal rate		
1% increase	(0.07)	(0.60)
1% decrease	0.02	0.62

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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in INR million

The following payments are expected benefit settlements in future years:

	As at 31 March 2022	As at 31 March 2021
Within the next 12 months	13.83	9.42
Between 2 and 5 years	48.96	40.36
Beyond 5 years	145.56	124.06
Contributions likely to be made for the next one year	13.83	9.42

The average duration of the defined benefit plan obligation at the end of the reporting period is 9-14 years (31 March 2021: 9-14 years).

32 Share-based payments

a) Healthium Performance Based Key Employee Stock Incentive Plan 2019 (“PMIP”)

On 5 May 2019, the Board of directors approved ‘Healthium Performance Based Key Employee Stock Incentive Plan 2019’ (“PMIP”) for certain key employees, based on the Company’s performance and equity value creation. Pursuant to this plan, during the year ended 31 March 2022, the Company granted 560,720 stock options (31 March 2021: 262,430 stock options).

Vesting of the PMIP units is dependent upon the cumulative value realized by the Holding Company from the investment. Specifically, there is no time-based vesting for the PMIP units; instead, the vesting is based entirely on performance (as measured by returns to the Holding Company).

Upon exercise, the Administrator (i.e. Board of the Company) shall be entitled to cause the options to be settled in cash or equity. During the year ended 31 March 2020, the management believed that there was a probability of settling these award in cash and accordingly recorded it as a financial liability. On 29 September 2020, the Board of directors revisited the settlement criteria and was of the view that the awards will be settled by way of issuance of equity. Accordingly, this has been treated as modification and accounted as per below principles :

1.The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date i.e. 1 October 2020.

2.The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date.

3.The difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in the consolidated statement of profit and loss.

On 27 August 2021, the Board of Directors approved pursuant to occurance of a partial exit event, a one-time event allowing accelerated vesting of a PMIP units based on the predefined formula. Based on the assessment carried by the independent valuer and the impact of the modication on the value of the option is de-minimis.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2022 Number ^	Year ended 31 March 2022 WAEP (in INR)^	Year ended 31 March 2021 Number	Year ended 31 March 2021 WAEP (in INR)
Outstanding at 1 April	44,95,540	243	20,35,870	482
Granted during the year *	5,60,720	345	2,62,430	511
Forfeited during the year	(48,900)	290	(50,530)	485
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of the year	**50,07,360**	**254**	**22,47,770**	**486**
Exercisable at end of the year	-	-	-	-

* INR equivalent of USD 4.66 per option (31 March 2021: USD 6.96 per option)

^ Change in opening number of options and WAEP on account of share split (Refer Note 11 (ii))

in INR million

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 3 years (31 March 2021: 4 years)

The following table list the inputs to the model used for the PMIP plan for the year ended 31 March 2022 and 31 March 2021:

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend yield (%)	0 to 1.44%	1.46%
Expected volatility (%)	24.42% to 32.54%	28.98% to 29.68%
Risk-free interest rate (%)	3.41% to 5.56%	5.13% to 5.40%
Expected life of share options (years)	2.88 to 4.38	3.94 to 4.52
Weighted average share price (INR)	313	511
Weighted average fair value of stock options (INR)	49.02	51.77 to 54.89

b) Healthium Time Based Key Employee Stock Incentive Plan 2019 ("TMIP")

On 5 May 2019, the Board of Directors approved 'Healthium Time Based Key Employee Stock Incentive Plan 2019' ("TMIP") for certain key employees. Pursuant to this plan, during the year ended 31 March 2022, the Company granted 153,300 stock options (31 March 2021: 56,350 stock options).

Each option granted under the TMIP, entitles the holder thereof with an option to apply for and be issued one equity share of the Company at an exercise price of INR 345 (USD 4.66) (31 March 2021 : INR 255 (USD 3.48)^ per share). The equity shares covered under these options vest over a period of 5 years from the date of grant. The options granted shall be capable of being exercised at anytime post vesting and till occurrence of exit event as prescribed in the plan.

The fair value of options granted is estimated at the date of grant using a Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The expected life input is based on historical exercise patterns and post vesting termination behaviour. This model takes into consideration the following inputs that are required to compute the fair value of a stock option: 1) the exercise price of the option; 2) the fair market value of the underlying share; 3) the expected term of the option; 4) the expected volatility of the price of the underlying share; 5) the expected dividend yield of the underlying share; and 6) the risk-free interest rate over the expected term of the option.

The risk-free interest rate input is based on zero coupon yield curve for government securities with maturity equal to the expected life of the option. An annualised dividend yield based on the per share dividend declared by the Board of Directors of the Holding Company is used.

On 11 October 2021, the Board of Directors approved accelerated vesting of all unvested options issued to key employees on 7 May 2019 and 1 October 2020. The total options subject to accelerated vesting is 579,880 stock options.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Year ended 31 March 2022 Number ^	Year ended 31 March 2022 WAEP (in INR)^	Year ended 31 March 2021 Number	Year ended 31 March 2021 WAEP (in INR)
Outstanding at 1 April	9,65,300	243	4,37,150	482
Granted during the year *	1,53,300	345	56,350	511
Forfeited during the year	(8,400)	302	(10,850)	485
Cancelled during the year	-	-	-	-
Exercised during the year	(9,42,200)	241	-	-
Expired during the year	-	-	-	-
Outstanding at end of the year	**1,68,000**	**344**	**4,82,650**	**486**
Exercisable at end of the year	**17,500**	**241**	**85,120**	**488**

* INR equivalent of USD 4.66 per option (31 March 2021: USD 6.96 per option)

^ Change in opening number of options and WAEP on account of share split (Refer Note 11 (ii))

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in INR million

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 3.71 years (31 March 2021: 3.25 years).

The following table list the inputs to the model used for the TMIP for the year ended 31 March 2022 and 31 March 2021:

	Year ended 31 March 2022	Year ended 31 March 2021
Dividend yield (%)	0 to 1.44%	1.46%
Expected volatility (%)	24.42% to 32.54%	28.98% to 29.68%
Risk-free interest rate (%)	3.41% to 5.56%	5.13% to 5.40%
Expected life of share options (years)	2.88 to 4.38	3.94 to 4.52
Weighted average share price (INR)	313	511
Model used	Black Scholes	Black Scholes
Weighted average fair value of stock options (INR)	83.02	108.61 to 115.95

c) Class G Preference shares

As at 31 March 2022 Clinisupplies Limited has issued 9,000 (31 March 2021: 10,000) Class G preference shares ("G Shares") to selected employees at value of GBP 0.01. The employees holding the G shares are not eligible for dividends or voting rights or any share in the residual interest of the subsidiary on occurrence of a liquidation event. These G shares awarded were originally expected to be settled by 30 May 2022 based on the EBITDA targets achieved. However, the Company's growth trajectory had been impeded due to Covid-19 and external circumstances have meant that the actual achieved numbers in May 2022 may be substantially less than originally projected. During the year ended 31 March 2021, the management of the Parent Company and the members of the CliniSupplies Limited, had modified the G Share plan and had extended the term of measuring EBITDA targets by six months ending 30 November 2022, with the pay-out by 31 March 2023. The management believes that the subsidiary would achieve the EBITDA target of GBP 5 million and accordingly has maintained a provision of GBP 0.72 million (INR 71.39 million) towards the settlement of G Shares (31 March 2021: INR 59.83 million).

d) Stock options of Ultimate Holding Company

(i) The Company has appointed Mr. Ramesh Subrahmanian w.e.f , 29 September 2020 and Mr. Ajay Gupta w.e.f., 10 December 2020 as non-executive directors. During the year ended, Clinisupplies Limited has entered into a consultancy agreements with aforesaid non-executive Directors of the Company to advice and support on strategy and business development, merger and acquisition and mentoring senior management. The non-executive directors (or their affiliates) had invested an aggregate amount of USD 0.50 million in the equity shares and USD 0.75 million in loan notes of Tummel HoldCo Ltd, the Ultimate Holding Company. Further, the non-executive directors (or their affiliates) had been issued an aggregate options to purchase an aggregate of 201,100 ordinary shares of Tummel HoldCo Ltd. The Group had carried out fair valuation of options granted using Black-Scholes pricing model and had fair valued the co-investment, taking into account the terms and conditions. The fair value derived was immaterial and accordingly no cost has been recorded.

In August 2021, the Company and its subsidiary, Clinisupplies Limited terminated the aforesaid non-executive director agreement and consultancy agreement entered by respective entities with effect from 1 April 2021. Also, Tummel HoldCo Ltd, the Ultimate Holding Company fully repaid the loan notes issued to the non-executive directors.

The assumptions used for determining the fair value are as follows:	Year ended 31 March 2021
Dividend yield	0%
Expected volatility	38.90%
Risk-free interest rate	0.90%
Expected life of share options	4 years
Weighted average share price	$1
Weighted average fair value of stock options	$0.09

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(ii) On 21 April 2021, Cleardew Pacific Inc ("Cleardew"), an affiliate of Mr. Anish Bafna invested an aggregate amount of USD 0.20 million in equity shares and USD 0.30 million in loan notes of Tummel HoldCo Ltd, the Ultimate Holding Company. Further, Cleardew has been issued an aggregate options to purchase an aggregate of 599,300 ordinary shares of Tummel HoldCo Ltd. The Group has carried out fair valuation of options granted using Black-Scholes pricing model and has fair valued the co-investment, taking into account the terms and conditions. The fair value derived was immaterial and accordingly no cost has been recorded.

The assumptions used for determining the fair value are as follows:	Year ended 31 March 2021
Dividend yield	0%
Expected volatility	37.40%
Risk-free interest rate	0.90%
Expected life of share options	3.50 years
Weighted average share price	$1
Weighted average fair value of stock options	$0.14

e) H shares

On 8 November 2021, Clinisupplies Limited introduced H-Share scheme to selected employees, based on performance and equity value creation. As at 31 March 2022, Clinisupplies Limited has issued 42,700 H Time shares ("HTS") and 198,860 H Performance shares ("HPS") to selected employees at value of GBP 0.42 per share and GBP 0.33 per share respectively. The employees holding the HTS and HPS are not eligible for dividends or voting rights or any share in the residual interest of the subsidiary on occurrence of a liquidation event.

The HTS covered under scheme vest over a period of 3 years (1/6th each month) from the date of issue. The HPS vesting is dependent upon the cumulative value realized by the Holding Company from the investment. Specifically, there is no time-based vesting for the HPS, instead, the vesting is based entirely on performance (as measured by returns to the Holding Company).

As per the H-Share scheme, on occurance of a partial exit event or a complete exit event, the employees are required to sell and Clinisupplies Limited is obiligated to arrange for purchase of the HTS and HPS by the third party purchaser. In case of partial exit event or a complete exit event at the Parent Company, then there are 'call' and 'put' rights drafted in the Articles of Association of Clinisupplies Limited, whereby the employees will have the right to sell the HTS and HOS to Holding Company for cash or for shares of the Holding Company. In the event the Holding Company is unwilling or unable to purchases the HTS and HPS, then Clinisupplies Limited will settle the obiligation to the employee by way of payment of cash.

The management is of the view that the H-Share scheme is a cash settled award and has recorded the cost accordingly.

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in INR million

33 Commitments and contingencies

a. Other commitments

(i) Aggregate value of commitments made on unexecuted capital contracts not provided for INR 36.77 million (31 March 2021: INR 109.11 million).

(ii) Value of outstanding letter of credits for purchase of raw material amounts to INR 92 million (31 March 2021: INR 50.05 million).

b. Contingent Liabilities

	As at 31 March 2022	As at 31 March 2021
Bank guarantee (i)	41.73	33.40
Claims against the group not acknowledged as debts		
a) Income tax matters (ii)	55.60	59.42
b) Customs duty matters, under appeal	-	1.19
c) Service tax matters, under appeal (iii)	16.82	16.82
d) VAT/CST matters (iv) (Including Nil (31 March 2021: INR 1.01 million) for pending C Form)	-	1.01
e) National Pharmaceutical Pricing Authority ('NPPA') (v)	49.21	49.21
f) Karnataka Pollution Control Board ('KPCB') (vii)	10.00	-
g) Other disputed taxes / duties (Including penalty levied and interest up to the date of demand, if any) (viii)		
- Central Excise Department*	53.17	-
- Goods & Service (GST) Department**	34.20	-
- Legal Department District Judge, Coimbatore***	6.50	-
- Government grant****	6.27	-
- The Assistant Director of Drugs Control *****	0.04	-

(i) Bank guarantee has been given as guarantee to certain customers for executed contracts.

(ii) The Company has received demand orders based on the assessment by authorities till financial year 2016-2017 and 2017-2018, wherein certain adjustments were made to the taxable income in relation to various matters under section 37(1) and section 40(a)(ia) and transfer pricing adjustments of Income Tax Act, 1961. These demands are disputed by the management and the Company has filed appeals against these orders with various appellate authorities. The company has received a favourable order for the litigation filed for the financial year 2008-2009 and 2009-2010 before the Karnataka High Court in July 2021. The management is confident that its position will likely be upheld on ultimate resolution and will not have material adverse effect on the Company's financial position and results of operations.

(iii) The Company has received demand order in respect of remuneration paid to Directors, under Section 68(2) of Finance Act amounting to INR 11.87 million (31 March 2021 : INR 11.87 million) in respect of period 2012 to 2017. The Company has preferred an appeal against the aforesaid demand order which is pending as of date. The Company had paid INR 0.81 million under protest and further had paid INR 0.27 million differential of 2.5% for appeal in Tribunal to ensure 10% deposit. The Company is of the view that no liability would arise in respect of the aforesaid order and accordingly, no adjustments have been made in respect of this order in the financial statements. Further, the Company has demand in respect of common input taken on services amounting to INR 9.91 million (31 March 2021 : INR 4.95 million) for the period April 2016 to June 2017. During the year ended 31 March 2021, the Company has created provision to the extent of the demand amount INR 4.95 million and INR 4.95 million disclosure have been made under contingent liability.

in INR million

(iv) The Company has received order from Department of Goods and service tax Maharashtra towards assessment of VAT for financial year 2014-2015 and 2015-2016. The order confirms the investigation office of Maharashtra Sales tax concern on VAT % from 5.5% to 12.5% on Sutures which is classifed as device . The total demand raised by department is INR 26.33 million for both years (INR 13.05 million for financial year 2014-2015 and INR 13.28 million for financial year 2015-2016).The Company has filed appeal against the order on ground Sutures is drug as per Drugs and Cosmetics Act 1940 and sutures is categorised as drug as per order dated 20/04/2010. The Company has received favourable order from Joint Commissioner of State Tax Appeals granting total relief against liability of INR 26.33 million for financial year 2014-2015 and 2015-2016. Further, the Company is estimating Nil (31 March 2021 : INR 2.30 million) liability towards Form C and F, INR 1.29 million (31 March 2021: INR 1.29 million) has been provided in books and balance Nil (31 March 2020 : INR 1.01 million) considered as contingent liability. The Assessments for Karnataka under VAT has been completed upto June 2017, hence contingent liability of INR 1.01 million considered for March 2021 is no longer required.

(v) The National Pharmaceutical Pricing Authority ("NPPA") issued a notice to the Company on 5 April 2018 seeking information with regard to the pricing of the catheters sold by the Company. The Company had increased the maximum retail price ("MRP") displayed on the packaging of certain types of catheters sold from INR 108 to INR 180 between the period October 2016 to April 2018. This increase in MRP was beyond the limit prescribed under Paragraph 20 (1) of the Drugs Price Control Order, 2013 ("DPCO, 2013") which permits only upto a maximum 10% increase in the MRP of such products on a year on year basis. Subsequently on 5 February 2019 issued a demand notice ("Demand Notice") for alleged violation of Paragraph 20 of DPCO 2013 and directed the Company to deposit a sum of INR 128.41 million. The Company vide its written representations submitted that despite the increase in the price of the medical devices i.e. catheters, their realization price for the Company remained constant. NPPA rejected the submissions made by the Company and confirmed the Demand Notice vide its order dated 4 April 2019. Additionally, the NPPA also demanded payment of interest @ 15% calculated for the period from 1 December 2016 to 30 June 2019. Pursuant to order dated 31 October 2019 passed by Delhi High Court, the Company deposited 50% of the principal amount i.e. INR 64.20 million with the NPPA. Additionally , NPPA provided an opportunity for a personal hearing to the Company on 11 February 2020. NPPA vide its order dated 26 February 2020 rejected submissions of the Company and reinstated the Demand Notice further adding interest upto 29 February 2020. The Company had been directed to deposit an amount of INR 113.41 million (including interest of INR 49.21 million).

The Company has challenged the order dated 26 February 2020 passed by NPPA before the Delhi High Court by way of a Writ Petition No. 9902 of 2020 titled as Healthium Medtech Pvt. Ltd. v. Union of India and Ors. The Company also contended that imposition of interest was beyond Section 3 read with Section – 7A of the Act.

The Company has deposited the principal amount demanded by NPPA amount in 2 tranches - on 19 November 2019 INR 64.20 million and on 6 April 2020 INR 64.20 million to prevent further accrual of interest. The Hon'ble High Court vide its order dated 7 December 2020 has observed that the Company has deposited the principal amount and directed NPPA not to take any coercive steps against the Company till the next date of hearing. The said interim order is continuing till date and the next date of hearing is on 2 November 2022.

(vi) In relation to total initial term facility commitments of USD 115 million and total initial revolving facility commitments by Broad Street Credit Holdings LLC (the original lender) to the holding company, Quinag Acquisition (FDI) Ltd (the borrower) vide facilities agreement originally dated 7 June 2018 (and as amended and restated on 25 September 2018), subsidiaries of the Company incorporated in 'England and Wales' and 'Netherlands' namely Clinisupplies Limited, Clinidirect Limited, Sironium Medical Technologies Limited and Sironix Medical Technologies B.V. have agreed to be an additional guarantor for the said facility. In this regard,

a. CliniDirect Limited, Clinisupplies Limited and Sironium Medical Technologies Limited have entered into an English law governed debenture dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over its Tangible Moveable Property, Shares and Related Rights, Bank Accounts and Related Rights, goodwill and uncapped capital and assignment over Insurance Policies and Intra-Group Receivables (each as defined therein).

b. Sironix Medical Technologies B.V. has entered into:

i. an English law governed debenture dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over the shares held by it in Clinisupplies Limited and CliniDirect Limited, and Bank Accounts and Related Rights; and

ii. a Dutch law governed security agreement dated 25 September 2018 in favour of The Bank of New York Mellon, Singapore Branch as Security Agent, creating security over its movable assets, bank accounts, insurances, intercompany receivables, relevant agreements and other rights.

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c. On 9 October 2021, a deed of release has been entered into between CliniDirect Limited, Clinisupplies Limited, Sironium Medical Technologies Limited, Sironix Medical Technologies B.V. (together the "Released Companies") and The Bank of New York Mellon, wherein all the securities provided by the Released Companies under the facilities agreement originally dated 7 June 2018 (and as amended and restated on 25 September 2018) have been unconditionally and irrevocably released. CliniDirect Limited, Clinisupplies Limited and Sironium Medical Technologies Limited have filed the appropriate forms relating to satisfaction of charges with Companies House in England on 20 October 2021.

(vii) a. The Company received show cause notice dated 31 January 2021 from the Karnataka Pollution Control Board (KPCB) directing to pay a compensation of INR 10 million as per the provisions of Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment Protection Act, 1981.

b. The penalty was arrived at on the basis of the physical study conducted by the Central Pollution Control Board (CPCB) in exercise of the powers conferred under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment Protection Act, 1981.

(viii) Other disputed taxes / duties (Including penalty levied and interest up to the date of demand, if any)

*** Central Excise Department**

CareNow Medical Private Limited has a disputed demand pending with the Central Excise Deparment relating to the financial year 2013-2014, 2014-2015, 2015-2016, 2016-2017. The dispute is presently lying with the CESTAT, Chennai.

**** Goods & Service (GST) Department**

CareNow Medical Private Limited received a Show Cause notice from the GST department during the year ended 31 March 2022 towards wrong classification of few of its products with a demand to pay the differential tax of INR 34.29 million. CareNow Medical Private Limited has decided to appeal against the same.

***** Legal Department District Judge, Coimbatore**

During the year ended 31 March 2022, one of the executants of the sale deed of CareNow Medical Private Limited land had filed a petition with the District Judge, Coimbatore to annul the sale deed. CareNow Medical Private Limited, based on the opinion from the legal counsel, has decided to contest the same.

****** Government grant**

On 20 April 2022, CareNow Medical Private Limited received termination order from Biotechnology Industry Research Asssitance Council, India (BIRAC) in relation to the project "Theruptor Advanced Wound Care using patented Microbicidal Composite Material" (Proposal Ref. No. BIRAC/BT/NBM0274/NBM/07/19) funded under National BioPharma Mission. As part of the termination, CareNow Medical Private Limited required to refund INR 5.54 million representing the first installament of the grant received on 2 March 2021 along with interest of INR 0.73 million.

******* The Assistant Director of Drugs Control**

CareNow Medical Private Limited has a disputed demand pending with the Drugs Control Department relating to the financial year 2020-2021. The dispute is presently lying with the Judicial magistrate, Vellore. No provision has been made in the accounts for the same in the consolidated financial statements.

The above contingent liabilities of CareNow Medical Private Limited are idemnified in the Share Purchase Agreement ("SPA") entered by the Company on 26 August 2021.

(ix) The Company has certain other disputes, lawsuits and claims, including labour related matters, which arise in from time to time in the ordinary course of business. The Company believes that such matters are not expected to have material financial impacts on its consolidated financial statements.

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34. Related party transactions:

Note 1 (b) provides the information about the Group's structure including the details of the subsidiaries. Names of related parties and related party relationship, irrespective of whether transactions have occurred or not is given below:

Name of related party	Nature of relationship
Entity with significant influence where control exists:	
Tummel HoldCo Ltd	Ultimate Holding Company
Quinag Acquisition (FDI) Ltd ('Quinag')	Holding Company
Yasour Co.	Minority shareholder of subsidiary
Key management personnel:	
Mr. Mohammed Azeez	Chief Operating Officer and Whole Time Director of HML, Director of HOPL and CN (Director of CN from 1 September 2021)
Mr. Sudarshan Kailash Chandra Jain	Director
Mr. Shashank Singh	Director
Mr. Steven Lewis Dyson	Director
Mr. Anish Vanraj Bafna	Chief Executive Officer and Managing Director, Director of QNPL and Sironix
Mr. Ramesh Subrahmanian (w.e.f. 29 September 2020)	Independent Director of HML, VCUK (Independent Director of VCUK from 1 July 2021)
Mr. Ajay Gupta (w.e.f. 10 December 2020)	Independent Director of HML and CSL
Mr. Vishal Maheshwari	Group Chief Financial Officer and Director of HOPL, Sironix and CN (Director of CN from 1 September 2021)
Ms. Pallavi Karkera	Company Secretary
Mr. Vivek Vinod Singh	Chief Executive Officer and Director of QNPL
Mr. Paul Cook	Director of CSL, CDL, Sironium and VCUK (Director of VCUK from 1 July 2021)
Mr. Samik Basu	Director of CSL, CDL, Sironium and VCUK (Director of VCUK from 1 July 2021)
Ms. Shrithee Megaji Shekar (w.e.f. 16 May 2019 till 3 April 2020)	Company Secretary of HOPL
Ms. Kankana Barua (w.e.f. 4 April 2020)	Company Secretary of HOPL and Group Chief Human Resource Officer, Director of CN (Director of CN from 6 October 2021)
Ms. Namrata Kaul (w.e.f. 17 August 2021)	Independent director of HML, Director of HOPL and QNPL
Mr. Venkatachalam Anand (w.e.f. 1 September 2021)	Director of CN
Mr. Lewis Calcutt (w.e.f. 1 July 2021)	Director of VCUK
Mr. Tim van de Schraaf (w.e.f. 7 September 2020)	Director of Sironix
Mr. Gerard Jan van Spall (w.e.f. 25 May 2021)	Director of Sironix

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

Transactions with the above related parties were:

Related party name	Nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Quinag Acquisition (FDI) Ltd	Loan received	817.69	74.37
	Loan repaid	-	22.40
	Interest cost	80.05	40.45
	Issue of equity shares on rights issue	1,297.21	311.72
	Share issue expenses (Refer note 6(i))	165.53	-
Mr. Mahadevan Narayanamoni	Share issue expenses (Refer note 6(i))	0.42	-
Mr. Vishal Maheshwari	Issue of equity shares on preferential allotment	-	7.50
	Dividend paid	-	0.11
	Issue of equity shares on rights issue	0.46	-
	Issue of equity shares on exercise of TMIP options	21.76	-
Mr. Sudarshan Kailash Chandra Jain	Issue of equity shares on preferential allotment	-	3.00
	Dividend paid	-	0.04
	Issue of equity shares on rights issue	0.18	-
Ms. Kankana Barua	Issue of equity shares on preferential allotment	-	9.53
	Dividend paid	-	0.14
	Issue of equity shares on rights issue	0.58	-
	Issue of equity shares on exercise of TMIP options	5.44	-
Mr. Mohammed Azeez	Issue of equity shares on exercise of TMIP options	3.63	-
Mr. Anish Vanraj Bafna	Issue of equity shares on exercise of TMIP options	126.91	-
Ms. Pallavi Karkera	Issue of equity shares on exercise of TMIP options	0.54	-
Mr. Vivek Vinod Singh	Issue of equity shares on exercise of TMIP options	14.50	-

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Related party name	Nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Key management personnel:			
Mr. Mohammed Azeez	Remuneration paid*	9.42	7.81
	Reimbursement of expenses	-	0.24
Mr. Vivek Vinod Singh	Remuneration paid*	14.49	14.04
Mr. Paul Cook	Remuneration paid*	26.81	22.02
Mr. Samik Basu	Remuneration paid*	20.06	16.18
Mr. Lewis Calcutt	Remuneration paid*	7.93	-
Mr. Anish Vanraj Bafna ^	Remuneration paid*	75.38	59.98
Mr. Vishal Maheshwari	Remuneration paid*	19.38	16.83
Ms. Pallavi Karkera	Remuneration paid*	2.03	1.41
Ms. Namrata Kaul	Sitting fees	0.70	-
	Commission	1.65	-
Mr. Ramesh Subrahmanian ^	Sitting fees	1.40	1.94
	Commission	2.50	-
Mr. Ajay Gupta ^	Sitting fees	1.20	1.13
	Commission	2.59	-
Ms. Shrithee Megaji Shekar	Remuneration paid*	-	0.10
Ms. Kankana Barua	Remuneration paid*	12.43	11.00
Mr. Venkatachalam Anand	Remuneration paid*	2.21	-

* As the liability for gratuity and compensated absence is provided on an actuarial basis and incentives on estimated basis as a whole at respective entity level, the amount pertaining to the key management personnel are not included above.

During the year ended 31 March 2022, the Company has granted Nil options and Nil options (31 March 2021: 4,890 options and 1,050 options) to key management personnel under PMIP and TMIP respectively. The amount pertaining to these options are not included above. (Refer note 32(a) and 32(b)). On 20 October 2021, the Company has issued 667,100 equity shares of INR 1 each at an exercise price of INR 259 each to key management personnel on account of vesting of TMIP options.(Refer note 11(ii)).

As at 31 March 2022, CliniSupplies Limited has outstanding 3,550 (31 March 2021: 3,550) Class G Preference Shares to key management personnel. (Refer note 32(c)).

As at 31 March 2022, CliniSupplies Limited has outstanding 114,980 (31 March 2021: Nil) Class H Shares to key management personnel. (Refer note 32(e)).

^ Refer note 32(d) for options issued to certain directors of the Company.

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Balances at the year end:

Related party name		As at 31 March 2022	As at 31 March 2021
Mr Vivek Vinod Singh	Managerial remuneration payable	3.01	2.30
Ms. Namrata Kaul	Sitting fees payable	0.10	-
	Commission payable	1.65	-
Mr. Ramesh Subrahmanian	Commission payable	2.50	-
Mr. Ajay Gupta	Commission payable	2.59	-
Quinag Acquisition (FDI) Ltd	Loan payable	1,632.37	741.36
	Interest payable	41.19	-
	Share issue expenses receivable (Refer note 6(i))	165.53	-
Mr. Mahadevan Narayanamoni	Share issue expenses receivable (Refer note 6(i))	0.42	-
Yasour Co.	Commission payable	0.01	0.01

Other transactions

(a) Refer note 33(b)(vi) with respect to Guarantee provided by certain overseas subsidiaries of the Company towards initial term facility commitments of USD 115 million and total initial revolving facility commitments availed by holding company, Quinag Acquisition (FDI) Ltd.

35 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Group. The Chief Executive Officer and Managing Director has been identified as the chief operating decision maker.

The Company, together with its subsidiaries, has identified a single business segment being “Medical Devices” comprising surgical consumables, other health care products such as natural and synthetic, absorbable and non-absorbable sutures and suture materials, meshes, tapes, needles, surgical gloves, urology, infection prevention and wound care products . This being a single segment, hence no additional segment disclosure has been made for the business segment.

The Group’s operations spans across the world and are categorized geographically as (a) India (b) United Kingdom and (c) Rest of the world.

Segment revenue by geographical location are as follows:*

Region	Year ended 31 March 2022	Year ended 31 March 2021
India	3,771.77	2,602.33
United Kingdom	3,060.88	2,415.89
Rest of the world	2,460.18	2,115.35
Total	**9,292.83**	**7,133.57**

* Revenues by geographic area are based on the geographical location of the customers.

No external customer individually accounted for more than 10% of the total revenue of the Group during the year ended 31 March 2022 and 31 March 2021.

in INR million

Non-current operating assets by geographical locations are as follows:**

Region	As at 31 March 2022	As at 31 March 2021
India	4,338.50	1,832.02
United Kingdom	2,880.08	1,636.18
Rest of the world	46.24	-
Total	**7,264.82**	**3,468.20**

** Non-current operating assets includes Property, plant and equipment, Capital work in progress, Goodwill, Other intangible assets, Intangible asset under development, Right-of-use assets, Deferred tax assets, Income tax assets and Other non-financial assets.

36 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds investments in debt and equity instruments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a. 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and Group's deposits with Banks. The Group's borrowings in the nature of working capital loans and deposits are short term in nature with fixed rate interest and hence not exposed to significant interest rate risk. The Group's long term borrowing are with fixed and floating interest rates. A 10% increase or decrease in the floating interest component applicable to the loans and borrowings would affect the Group's net profit by INR 10.07 million for 31 March 2022 and INR 3.75 million for 31 March 2021.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign currency forward contracts to hedge foreign currency risk. The Group does not enter into financial instrument transactions for trading or speculative purposes.

The Group's exposure to foreign currency risk is as follows:

31 March 2022

Particulars	AED	Euro	GBP	USD	JPY
Trade receivable	-	0.48	0.04	5.09	-
Cash and cash equivalent	-	0.14	0.05	2.66	-
Trade payable	-	(0.56)	-	(0.81)	(18.73)
Borrowings	-	-	-	(11.12)	-
Net assets/(liabilities)	**-**	**0.06**	**0.09**	**(4.18)**	**(18.73)**

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for the year ended 31 March 2022

in INR million

31 March 2022

Particulars	AED	Euro	GBP	USD	JPY
Trade receivable	-	0.23	0.72	4.28	-
Cash and cash equivalent	-	0.01	-	2.14	-
Trade payable	-	(0.05)	-	(0.65)	(3.14)
Borrowings	-	-	-	(10.23)	-
Net assets/(liabilities)	**-**	**0.19**	**0.72**	**(4.46)**	**(3.14)**

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Group would cause the profit before tax to decrease or increase respectively by 0.29% (31 March 2021: by 0.22%).

Currency wise sensitivity analysis :

31 March 2022 — **Increase/(decrease) in profit before tax in INR million**

Particulars	AED	Euro	GBP	USD	JPY
Foreign currency - 1% increase	-	0.05	0.09	(3.17)	(0.12)
Foreign currency - 1% decrease	-	(0.05)	(0.09)	3.17	0.12

31 March 2022 — **Increase/(decrease) in profit before tax in INR million**

Particulars	AED	Euro	GBP	USD	JPY
Foreign currency - 1% increase	-	0.17	0.74	(3.34)	(0.02)
Foreign currency - 1% decrease	-	(0.17)	(0.74)	3.34	0.02

(c) Price risk

The Group invests surplus funds in liquid mutual funds. The Group is exposed to market price risk arising from uncertainties about future values of the investment. The Group manages the equity price risk through investing surplus funds on liquid mutual funds for short term basis.

The table below summarises the impact of increase/decrease of the Net Asset Value (NAV) on the profit for the year. The analysis is based on the assumption that the NAV price would increase 5% and decrease by 5% with all variable constant.

	31 March 2022	31 March 2021
	Increase/(decrease) in profit	
Price - increase by 5%	22.32	1.09
Price - decrease by 5%	(22.32)	(1.09)

(d) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of Latex, Latex based gloves and Stainless wires.These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's raw materials generally fluctuate in line with commodity cycles. Cost of raw materials forms the largest portion of the Group's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of 31 March 2022 and 31 March 2021, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

in INR million

b. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Details of financial assets – not due, past due and impaired

None of the Group's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2022 and 31 March 2021. The Group's credit period for trade receivables payable by its customers generally ranges from 30 to 120 days.

The ageing of trade receivables is given below:

	As at 31 March 2022	As at 31 March 2021
Neither past due nor impaired	616.51	657.88
Past due but not impaired		
- Less than 365 days	875.58	414.04
- More than 365 days	63.18	66.06
Less: Allowance for credit losses	(71.03)	(41.55)
Total	**1,484.24**	**1,096.43**

Loans and advances

Other than trade receivables and loans and advances, the Group has no significant class of financial assets that is past due but not impaired.

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group's treasury management team monitors on a daily basis the fund positions/requirements and identifies future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Group.

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for the year ended 31 March 2022

in INR million

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting year based on contractual undiscounted cash flows:

	As at 31 March 2022			
	One year or less	One to five years	Over five years	Total
Financial assets				
Investments (current and non current)	464.22	0.02	-	464.24
Loans (current and non current)	63.90	-	-	63.90
Trade receivables	1,484.24	-	-	1,484.24
Cash and cash equivalents	761.21	-	-	761.21
Bank balances other than cash and cash equivalents	517.29	-	-	517.29
Other financial assets (current and non current)	289.06	107.87	-	396.93
Total	**3,579.92**	**107.89**	**-**	**3,687.81**
Financial liabilities				
Borrowings (current and non-current) *	450.46	1,735.01	-	2,185.47
Lease liabilities (current and non-current) **	110.89	396.74	694.20	1,201.83
Trade payables	964.31	-	-	964.31
Other financial liabilities (current and non current)	592.26	633.62	-	1,225.88
Total	**2,117.92**	**2,765.37**	**694.20**	**5,577.49**

* Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature.

** Includes future cash outflow towards estimated interest on lease liabilities.

	As at 31 March 2021			
	One year or less	One to five years	Over five years	Total
Financial assets				
Investments (current and non current)	38.67	0.02	-	38.69
Loans (current and non current)	3.63	-	-	3.63
Trade receivables	1,096.43	-	-	1,096.43
Cash and cash equivalents	1,088.12	-	-	1,088.12
Bank balances other than cash and cash equivalents	130.53	-	-	130.53
Other financial assets (current and non current)	88.27	127.06	-	215.33
Total	**2,445.65**	**127.08**	**-**	**2,572.73**
Financial liabilities				
Borrowings (current and non-current) *	216.57	762.98	-	979.55
Lease liabilities (current and non-current) **	72.61	222.35	169.14	464.10
Trade payables	678.79	-	-	678.79
Other financial liabilities (current and non current)	260.95	122.48	-	383.43
Total	**1,228.92**	**1,107.81**	**169.14**	**2,505.87**

* Maturity profile in relation to interest expense on borrowings has not been disclosed as the interest rates are variable in nature.

** Includes future cash outflow towards estimated interest on lease liabilities.

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in INR million

37 Capital management

For the purpose of capital management, capital includes issued equity capital, reserves such as share premium and all other equity reserves attributable to the equity holders. The primary objective is to maximise share holder value.

The Group manages the capital structure based on an adequate gearing which yields higher share holder value which is driven by the business requirements for capital expenditure and cash flow requirements for operations and plans of business expansion. Accordingly based on the relative gearing and effective operating cash flows generated, the Group manages the capital either by raising required funds through debt or equity. The current gearing of the Group is as under:

	As at 31 March 2022	As at 31 March 2021
A. Total Equity	**7,591.10**	**5,185.47**
B. Loans and Borrowings		
Non-current borrowings	1,735.01	762.98
Current borrowings	450.46	216.57
Less: Current investments	(464.22)	(38.67)
Less: Other bank balances	(530.97)	(170.12)
Less: Cash and cash equivalents (for 31 March 2021 limited to the extent of balance of borrowings)	(761.21)	(770.76)
	429.07	**-**
C. Total capital and debt (A+B)	**8,020.17**	**5,185.47**
D. Total loans and borrowings as a percentage of total capital (B/C)	**5.35%**	**0.00%**
E. Total equity as a percentage of total capital (A/C)	**94.65%**	**100.00%**

38 Fair value hierarchy and disclosure

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within 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)

a Investments are valued at fair value through profit or loss account

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Investments				
Quoted equity shares	6	Level 1	0.11	0.11
Unquoted equity shares	6	Level 3	0.24	0.24
Mutual funds	6	Level 1	446.24	21.62
Portfolio management services	6	Level 3	17.63	16.70
Total			**464.22**	**38.67**

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in INR million

b Financial assets carried at amortised cost*

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Unquoted Government and trust securities	6	Level 3	0.02	0.02
Trade receivables	8	Level 3	1,484.24	1,096.43
Loans				
- Current	6	Level 3	63.90	3.63
Bank balances other than cash and cash equivalents				
- Current	6	Level 3	517.29	130.53
Other financial assets				
- Current	6	Level 3	289.06	88.27
- Non current	6	Level 3	107.87	127.06
Total			**2,462.38**	**1,445.94**

c Financial assets carried at actual cost

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	9	Level 1	761.21	1,088.12
Total			**761.21**	**1,088.12**

d Financial liabilities carried at amortised cost*

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Borrowings	14	Level 3	2,185.47	979.55
Trade payables				
- Current	15	Level 3	964.31	678.79
Lease liabilities ^				
- Current	5	Level 3	69.95	70.26
- Non current	5	Level 3	776.00	305.95
Other financial liabilities				
- Current	16	Level 3	592.26	242.21
- Non current	16	Level 3	633.62	122.48
Total			**5,221.61**	**2,399.24**

e Financial liabilities carried at fair value through profit or loss account

	Schedule	Fair value hierarchy	As at 31 March 2022	As at 31 March 2021
Other financial liabilities				
- Current	16	Level 3	-	18.74
Total			-	**18.74**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

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in INR million

39 Hedging activities and derivatives:

Derivatives not designated as hedging instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward contracts are as follows:

Particulars	As of 31 March 2022		As of 31 March 2021	
	In USD million	In INR million	In USD million	In INR million
Forward Contracts	-	-	5.98	447.18

The foreign currency forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, from 1 to 12 months. The table below analyses the derivative financial instruments into relevant maturity grouping based on the remaining period as at the consolidated balance sheet date:

Particulars	As of 31 March 2022		As of 31 March 2021	
	In USD million	In INR million	In USD million	In INR million
Not later than 1 month	-	-	0.32	23.93
Later than 1 month and not later than 3 months	-	-	2.78	207.89
Later than 3 months and not later than 1 year	-	-	2.88	215.37

These foreign exchange forward contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

40 Transfer pricing

The Company and its subsidiaries has entered into significant domestic and international transactions with its associated enterprises within the meaning of section 92BA and 92A of the Income Tax Act, 1961 respectively. The Group is of the view that all the aforesaid transactions have been made at arms' length terms and hence, the aforesaid legislations will not have any impact on the consolidated financial statements of the Group.

41 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Board of Directors of companies incorporated in India. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. Gross amount required to be spent by the Group during the year was INR 23.56 million (31 March 2021: INR 19.84 million). The expenses incurred towards CSR activities amounting to INR 23.56 million (31 March 2021: INR 20.89 million) has been charged to the consolidated statement of profit and loss and is disclosed under other expenses.

Disclosures in accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a) Gross amount required to be spent by the Company during the year		
Parent Company	9.61	8.50
QNPL (Subsidiary company)	13.25	11.34
CareNow Medical Private Limited (Subsidiary company) ^	1.20	0.55

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for the year ended 31 March 2022

in INR million

b) Amount spent during the year ended 31 March 2022:	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets			
Parent Company	-	-	-
QNPL (Subsidiary company)	-	-	-
CareNow Medical Private Limited (Subsidiary company) ^	-	-	-
(ii) On purposes other than (i) above			
Parent Company * (includes the excess amount of INR 0.73 million spent during year ended 31 March 2021)	5.31	4.30	9.61
QNPL (Subsidiary company)	11.00	2.25	13.25
CareNow Medical Private Limited (Subsidiary company) ^	0.50	0.70	1.20

* Includes an amount of Nil spent in kind.

c) Amount spent during the year ended 31 March 2021:	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any assets			
Parent Company	-	-	-
QNPL (Subsidiary company)	-	-	-
CareNow Medical Private Limited (Subsidiary company) ^	-	-	-
(ii) On purposes other than (i) above			
Parent Company **	9.23	-	9.23
QNPL (Subsidiary company) ***	11.66	-	11.66
CareNow Medical Private Limited (Subsidiary company) ^	0.55	-	0.55

** Includes an amount of INR 7.56 million spent in kind

*** Includes an amount of INR 0.32 million pertaining to year 2019-2020 unspent amount.

^ The Group acquired CareNow Medical Private Limited with effect from 1 September 2021. For the purpose of this disclosure, it is disclosed as per statutory financial statements of CareNow Medical Private Limited which includes pre acquisition period.

Details of ongoing project and other than ongoing project

In case of Section 135(6) of Companies Act, 2013 (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c #
-	-	7.25	-	-	-	7.25

In case of Section 135(5) of Companies Act, 2013 (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.73	-	16.81	16.08	-

in INR million

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Amount required to be spent by the Group during the year	24.06	20.39
(b) Amount of expenditure incurred (includes excess money spent during previous year)	16.81	21.44
(c) Shortfall / (excess) at the end of the year	7.25	(1.05)
(d) Total of previous years shortfall	-	0.32
(e) Reason for shortfall :	Pertains to ongoing projects	Not applicable
(f) Nature of CSR activities :	Improving maternal health and early childhood development through a life cycle approach.	
(g) Details of related party transactions	Not applicable	Not applicable
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Not applicable	Not applicable

Subsequent to year ended 31 March 2022, all amounts that are unspent under section (6) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account.

42 Statutory Group Information:

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements: Contribution of net assets/(liability), share of profit, share of comprehensive income in the consolidated financial statements

A As at and for the year ended 31 March 2022

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	in INR million	As % of consolidated profit and loss	in INR million	As % of OCI	in INR million	As % of consolidated total comprehensive income	in INR million
Parent								
Healthium Medtech Limited	56%	10,228.63	40%	314.05	41%	(5.07)	40%	308.98
Indian subsidiaries								
Healthium OEM Private Limited	25%	4,538.12	0%	0.35	0%	-	0%	0.35
Quality Needles Private Limited	12%	2,140.47	79%	613.07	(21%)	2.61	79%	615.68
CareNow Medical Private Limited	1%	210.01	(1%)	(6.57)	4%	(0.52)	(1%)	(7.09)
Foreign subsidiaries								
Mena Medical Manufacturing FZC	(1%)	(255.29)	0%	(0.31)	0%	-	0%	(0.31)
Sironix Medical Technologies BV	3%	481.10	(18%)	(135.71)	0%	-	(18%)	(135.71)
Sironium Medical Technologies Limited	0%	37.41	0%	(1.36)	0%	-	0%	(1.36)
Clinisupplies Limited (including Meditex and VCUK)	4%	711.39	(8%)	(65.70)	76%	(9.52)	(8%)	(75.22)
Clinidirect Limited	0%	(14.92)	8%	60.22	0%	-	8%	60.22
Total	**100%**	**18,076.92**	**100%**	**778.04**	**100%**	**(12.50)**	**100%**	**765.54**
Adjustments arising out of consolidation		(10,485.82)		14.93		24.37		39.30
Total		**7,591.10**		**792.97**		**11.87**		**804.84**

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for the year ended 31 March 2022

in INR million

B As at and for the year ended 31 March 2021

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	in INR million	As % of consolidated profit and loss	in INR million	As % of OCI	in INR million	As % of consolidated total comprehensive income	in INR million
Parent								
Healthium Medtech Private Limited	54%	8,318.86	42%	640.17	(98%)	(2.60)	42%	637.57
Indian subsidiaries								
Healthium OEM Private Limited	29%	4,537.78	23%	356.68	0%	-	23%	356.68
Quality Needles Private Limited	10%	1,524.79	36%	546.52	198%	5.25	36%	551.77
Foreign subsidiaries								
Mena Medical Manufacturing FZC	(2%)	(257.48)	(3%)	(43.71)	0%	-	(3%)	(43.71)
Sironix Medical Technologies BV	4%	638.43	(1%)	(11.70)	0%	-	(1%)	(11.70)
Sironium Medical Technologies Limited	0%	40.03	0%	(0.46)	0%	-	0%	(0.46)
Clinisupplies Limited (including Meditex)	5%	754.92	2%	22.93	0%	-	2%	22.93
Clinidirect Limited	0%	(76.37)	1%	17.94	0%	-	1%	17.94
Total	**100%**	**15,480.96**	**100%**	**1,528.37**	**100%**	**2.65**	**100%**	**1,531.02**
Adjustments arising out of consolidation		(10,295.49)		(674.09)		(11.56)		(685.65)
Total		**5,185.47**		**854.28**		**(8.91)**		**845.37**

43 Exceptional items

	Year ended 31 March 2022	Year ended 31 March 2021
Contract labour charges (i)	8.33	20.21
Share issue expenses (Refer note 6(i))	(28.46)	-
Total	**(20.13)**	**20.21**

(i) During the year ended 31 March 2022, the Company has reversed INR 8.33 million (31 March 2021 : INR 20.21 million) towards minimum wages provision basis the settlement of liability.

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in INR million

44 Capitalization of expenditure

The Group uses self-constructed specialized machines for manufacture of needles. During the year ended 31 March 2022, the Group has capitalized the following directly/indirectly attributable expenses which has been incurred for the construction of such machines. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Property, plant and equipment **			
Salaries and wages	24	13.29	11.06
Cost of raw material and components consumed	23	34.31	38.48
Power and fuel	27	0.53	0.32
Depreciation expense	25	1.76	1.62
		49.89	**51.48**
Capital work-in-progress *			
Salaries and wages	24	10.89	9.06
Cost of raw material and components consumed	23	31.45	22.78
Power and fuel	27	0.59	0.22
Depreciation expense	25	1.54	1.12
		44.47	**33.18**

* Capitalized out of expense incurred during the year.

** Transferred from Capital work-in-progress on capitalization of asset during the year.

45 Subsequent events

(a) The Board of directors of the Company are proposing interim dividend of INR 4.35 per share to be approved in their meeting held on 19 May 2022.

(b) The Company vide resolution passed in its Board Meeting held on 19 May 2022 has decided to withdraw the proposed initial public offer filed with Securities and Exchange Board of India (SEBI) and according to the terms of Offer Agreement the Company's share of expenses is charged to Statement of Profit and Loss during the year ended 31 March 2022 and the remaining share of expenses are reimbursed by Selling Shareholders.

46 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Rajeev Kumar
Partner
Membership no.: 213803

Place: Bengaluru, India
Date: 26 May 2022

For and on behalf of Board of Directors of
Healthium Medtech Limited
(formerly known as Healthium Medtech Private Limited)

Anish Vanraj Bafna
CEO and Managing Director
DIN: 02925792

Mohammed Azeez
Director
DIN: 03527725

Pallavi Karkera
Company Secretary
Membership no.: F10224

Vishal Maheshwari
Group Chief Financial Officer

Place: Bengaluru, India
Date: 26 May 2022

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ajay Gupta - Chairman and Non-Executive Independent Director

Anish Bafna - Managing Director and Chief Executive Officer

Mohammed Azeez - Whole-time Director

Namrata Kaul-Non - Executive Independent Director

Ramesh Subrahmanian - Non-Executive Independent Director

Shashank Singh - Non-Executive Nominee Director

Steven Dyson - Non-Executive Nominee Director

Sudarshan Jain - Non-Executive Nominee Director

SENIOR MANAGEMENT TEAM

ANISH BAFNA Managing Director and Chief Executive Officer

VISHAL MAHESHWARI Chief Financial Officer & Head- Supply Chain

KANKANA BARUA Chief Human Resources Officer & Head- IT

PAUL COOK Head - UK (Clinisupplies)

VIVEK SINGH Head-Needle Business (QNPL)

MOHAMMED AZEEZ Whole-time Director and the Chief Operating Officer, Healthium

ANAND VENKAT Chief Innovation Officer, Healthium

EHSAN HUQ Head - Sales, Healthium Medtech

ANOOP PENUPOLU Head - Arthroscopy, Healthium Medtech

DR ASHOK MOHARANA Head - Clinical Affairs, Healthium Medtech

CHIEF FINANCIAL OFFICER

Vishal Maheshwari

COMPANY SECRETARY & COMPLIANCE OFFICER

Pallavi Karkera

STATUTORY AUDITORS

S. R. Batliboi & Associates LLP
Chartered Accountants

INTERNAL AUDITORS

M/s PWC Services LLP
Chartered Accountants

COST AUDITORS

M/s K.S. Kamalakara & Co
Cost Accountants

SECRETARIAL AUDITOR

Dwarakanath C
Practicing Company Secretary

REGISTERED OFFICE

Healthium Medtech Limited

CIN : U03311KA1992PLC013831

472/D, 4th Phase, 13th Cross, Peenya Industrial Area, Bengaluru 560058, India

Tel No: +91 80 4186 8000

Email:cs@healthiummedtech.com

Website: www.healthiummedtech.com

CORPORATE OFFICE

Healthium Medtech Limited

Arliga Northstar, Cowrks 12th Floor, Adjacent to Galleria Mall,

Yelahanka, Bengaluru-560064

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited (Formerly KFin Technologies Private Limited)

Selenium Tower B, Plot 31-32, Serilingampally Mandal, Financial District, Nanakramguda,

Hyderabad - 500 032

Tel No: +91-40-6716 2222

Healthium Medtech Limited
Arliga Northstar, Cowrks 12th Floor, Adjacent to Galleria Mall,
Yelahanka, Bengaluru - 560 064, India
www.healthiummedtech.com