

**ZUVENTUS HEALTHCARE LTD.**  
**FINANCIAL STATEMENT FOR THE YEAR ENDED**  
**March 31, 2022**

# **ZUVENTUS HEALTHCARE LTD.**

## **Financial Statements together with the Independent Auditor's Report For the Year March 2022**

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# B S R & Co. LLP

Chartered Accountants

8th floor, Business Plaza,  
Westin Hotel Campus,  
36/3-B, Koregaon Park Annex,  
Mundhwa Road, Ghorpadi,  
Pune - 411001, India

Telephone: +91 20 6747 7300  
Fax: +91 20 6747 7310

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Zuventus Healthcare Limited**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the financial statements of Zuventus Healthcare Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Emphasis of matter

We draw attention to Note 38 to the financial statements, which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Company has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Company and hence no provision has been recognised in these financial statements as at 31 March 2022. Though the Company has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.

Our opinion is not qualified in respect of this matter.

### Other Information

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



**Zuventus Healthcare Limited**

**Independent Auditor's Report – 31 March 2022 (Continued)**

**Other Information (continued)**

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

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

**Management's and Board of Directors' Responsibilities for the Financial Statements**

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

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

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

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

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

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

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



## B S R & Co. LLP

### Zuventus Healthcare Limited

#### Independent Auditor's Report – 31 March 2022 (*Continued*)

##### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

##### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.



## B S R & Co. LLP

### Zuventus Healthcare Limited

#### Independent Auditor's Report – 31 March 2022 (*Continued*)

##### Report on Other Legal and Regulatory Requirements (continued)

- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 38 to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 46 to the 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, 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
  - (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 46 to the 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, 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.
  - (iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.



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**Zuventus Healthcare Limited**

**Independent Auditor's Report – 31 March 2022 (Continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

- e) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note 16 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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

  
Abhishek

Partner

Membership No. 062343  
UDIN: 22062343AIIMMX5670

Place: Pune  
Date: 3 May 2022

B S R & Co. LLP

**Zuventus Healthcare Limited**

**Independent Auditor's Report – 31 March 2022 (Continued)**

**Annexure A to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022**

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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, except goods-in-transit and stocks lying with third parties, has been physically verified by the Management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by Management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company, except as disclosed in Enclosure 1 to this Annexure.





**B S R & Co. LLP**

**Zuventus Healthcare Limited**

**Independent Auditor's Report – 31 March 2022 (Continued)**

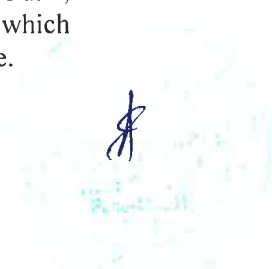
**Annexure A to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022 (continued)**

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations provided to us, the Company has neither given any loan nor made any investments, to which section 185 of the Act is applicable. The Company has complied with Section 185 of the Act for guarantee and security provided for its holding company. The Company has complied with the provisions of Section 186 of the Act, in respect of guarantees and securities provided. The Company has not given any loan to which Section 186 of the Act is applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in one case of Employees' State Insurance where there is a delay of 11 days.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are stated in Enclosure 2 to this Annexure.



**B S R & Co. LLP**

**Zuventus Healthcare Limited**

**Independent Auditor's Report – 31 March 2022 (Continued)**

**Annexure A to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022 (continued)**

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the Management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the 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.



## B S R & Co. LLP

### Zuventus Healthcare Limited

#### Independent Auditor's Report – 31 March 2022 (*Continued*)

##### **Annexure A to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022 (*continued*)**

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.  
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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.



**B S R & Co. LLP**

**Zuventus Healthcare Limited**

**Independent Auditor's Report – 31 March 2022 (Continued)**

**Annexure A to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022 (continued)**

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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



**Abhishek**

Partner

Membership No. 062343

UDIN: 22062343AIIMMX5670

Place: Pune  
Date: 3 May 2022

B S R & Co. LLP

Zuventus Healthcare Limited

Independent Auditor's Report – 31 March 2022 (Continued)

Annexure A to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022 (continued)

Enclosure 1

| Quarter           | Name of Bank                            | Particulars | Amount as per books of account<br>(Rs. In Millions) | Amount reported in the Stock Statements<br>(Rs. In Millions) | Amount of difference<br>(Rs. In Millions) | Whether return/statement subsequently rectified |
|-------------------|---|-------------|---|--|---|---|
| 30 June 2021      | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,466.19  | 1,444.65   | 21.54                                     | No  |
| 30 June 2021      | Axis Bank Limited & Bank of Maharashtra | Receivables | 987.29  | 891.32   | 95.97                                     | No  |
| 30 June 2021      | Axis Bank Limited & Bank of Maharashtra | Payables    | 1,312.43  | 814.66   | 497.77                                    | No  |
| 30 September 2021 | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,345.90  | 1,340.24   | 5.66                                      | No  |
| 30 September 2021 | Axis Bank Limited & Bank of Maharashtra | Receivables | 1,068.05  | 1,131.73   | (63.68)                                   | No  |
| 30 September 2021 | Axis Bank Limited & Bank of Maharashtra | Payables    | 775.31  | 303.91   | 471.40                                    | No  |
| 31 December 2021  | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,524.19  | 1,491.90   | 32.29                                     | No  |
| 31 December 2021  | Axis Bank Limited &                     | Receivables | 913.49  | 821.09   | 92.40                                     | No  |



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| Quarter          | Name of Bank                            | Particulars | Amount as per books of account<br>(Rs. In Millions) | Amount reported in the Stock Statements<br>(Rs. In Millions) | Amount of difference<br>(Rs. In Millions) | Whether return/statement subsequently rectified |
|------------------|---|-------------|---|--|---|---|
|                  | Bank of Maharashtra                     |             |   |  |   |   |
| 31 December 2021 | Axis Bank Limited & Bank of Maharashtra | Payables    | 994.20  | 505.88   | 488.32                                    | No  |
| 31 March 2022    | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,739.01  | 1,725.70   | 13.31                                     | No  |
| 31 March 2022    | Axis Bank Limited & Bank of Maharashtra | Receivables | 787.56  | 718.05   | 69.51                                     | No  |
| 31 March 2022    | Axis Bank Limited & Bank of Maharashtra | Payables    | 942.24  | 638.26   | 303.98                                    | No  |

Also refer note 40 to the financial statements for details of the reasons for the differences



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Enclosure 2

| Name of the Statute                      | Nature of the dues | Amount Disputed<br>(Rs. In million) | Amount paid under protest<br>(Rs. In million) | Period to which the amount relates | Forum where dispute is pending  |
|--|--------------------|-------------------------------------|---|------------------------------------|---|
| The Provident Fund Act, 1972             | Provident Fund     | 53.61                               | 20.00   | FY 2010-11                         | High Court, Mumbai  |
| The Tamil Nadu Value Added Tax Act, 2006 | Value added tax    | 15.58                               | -   | FY 2015-16                         | The Tamil Nadu Sales Tax Appellate Tribunal (Main Bench), Chennai - 104 |
| Maharashtra VAT                          | Value added tax    | 2.34                                | 0.10  | FY 2014-15                         | Jt. Commissioner of Sales Tax, Pune Div., Pune                          |
| Maharashtra VAT                          | Value added tax    | 3.27                                | 0.15  | FY 2015-16                         | Jt. Commissioner of Sales Tax, Pune Div., Pune                          |
| Maharashtra VAT                          | Value added tax    | 1.67                                | 0.09  | FY 2016-17                         | Jt. Commissioner of Sales Tax, Pune Div., Pune                          |
| Maharashtra VAT                          | Value added tax    | 3.83                                | 0.20  | FY 2017-18                         | Jt. Commissioner of Sales Tax, Pune Div., Pune                          |
| Finance Act, 1994                        | Service Tax        | 10.54                               | 0.00  | FY 2016-17                         | CESTAT, Kolkata   |
| The Income Tax Act, 1961                 | Income tax         | 5.53                                | 5.53 #  | AY 2012-13                         | Income Tax Appellate Tribunal, Pune                                     |
| The Income Tax Act, 1961                 | Income tax         | 97.94                               | 19.59   | AY 2012-13                         | Commissioner of Income Tax (Appeals)                                    |
| The Income Tax Act, 1961                 | Income tax         | 0.21                                | 0.21 #  | AY 2013-14                         | Commissioner of Income Tax (Appeals)                                    |
| The Income Tax Act, 1961                 | Income tax         | 8.27                                | 8.27  | AY 2014-15                         | Commissioner of Income Tax (Appeals)                                    |
| The Income Tax Act, 1961                 | Income tax         | 105.40                              | 83.87 #                                       | AY 2016-17                         | Commissioner of Income Tax (Appeals)                                    |



**B S R & Co. LLP**

| <b>Name of the Statute</b> | <b>Nature of the dues</b> | <b>Amount Disputed<br/>(Rs. In million)</b> | <b>Amount paid under protest<br/>(Rs. In million)</b> | <b>Period to which the amount relates</b> | <b>Forum where dispute is pending</b> |
|----------------------------|---------------------------|---|---|---|---------------------------------------|
| The Income Tax Act, 1961   | Income tax                | 71.12                                       | 12.71   | AY 2017-18                                | Commissioner of Income Tax (Appeals)  |

\* FY and AY stand for Financial Year and Assessment Year respectively.

# paid in cash or by way of adjustment against income tax refund





**B S R & Co. LLP**

**Zuventus Healthcare Limited**

**Annexure B to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022**

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

**(Referred to in paragraph (2) (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

A handwritten signature in blue ink is positioned above a circular blue ink stamp. The stamp contains text in Hindi, including the name of the firm and the date of the report.

**B S R & Co. LLP**

**Zuventus Healthcare Limited**

**Annexure B to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2022 (continued)**

**Auditor's Responsibility (continued)**

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

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

**Meaning of Internal Financial Controls with reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

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



**Abhishek**

Partner

Membership No. 062343

UDIN: 22062343AIIMMX5670

Place: Pune

Date: 3 May 2022

ZUVENTUS HEALTHCARE LIMITED  
Balance Sheet as at March 31, 2022

| Particulars   | Note | Rs. In Millions |                 |
|---|------|-----------------|-----------------|
|   |      | As at           |                 |
|   |      | March 31, 2022  | March 31, 2021  |
| <b>Assets</b>   |      |                 |                 |
| <b>Non-current assets</b>                             |      |                 |                 |
| Property, plant and equipment                         | 2    | 2,630.65        | 2,029.36        |
| Capital work-in-progress                              | 3    | 5.60            | 8.33            |
| Right-of-use-assets                                   | 5    | 251.82          | 274.51          |
| Intangible assets                                     | 4    | 3.82            | 5.17            |
| <b>Financial assets</b>                               |      |                 |                 |
| i) Investments  | 9    | -               | 0.03            |
| ii) Other financial assets                            | 6    | 234.91          | 73.69           |
| Income tax assets(net)                                | 34   | 285.86          | 144.65          |
| Other non-current assets                              | 7    | 64.43           | 46.63           |
| <b>Total non-current assets</b>                       |      | <b>3,477.09</b> | <b>2,582.37</b> |
| <b>Current assets</b>                                 |      |                 |                 |
| Inventories   | 8    | 1,739.01        | 1,147.18        |
| <b>Financial assets</b>                               |      |                 |                 |
| i) Investments  | 9    | -               | 300.00          |
| ii) Trade receivables                                 | 10   | 787.56          | 898.71          |
| iii) Cash and cash equivalents                        | 11   | 203.52          | 441.53          |
| iv) Bank balances other than (iii) above              | 12   | 1,265.88        | 247.84          |
| vi) Other financial assets                            | 13   | 67.93           | 10.81           |
| Other current assets                                  | 14   | 218.40          | 258.06          |
| <b>Total current assets</b>                           |      | <b>4,282.30</b> | <b>3,304.13</b> |
| <b>Total assets</b>                                   |      | <b>7,759.39</b> | <b>5,886.50</b> |
| <b>Equity and liabilities</b>                         |      |                 |                 |
| <b>Equity</b>   |      |                 |                 |
| Equity share capital                                  | 15   | 200.55          | 200.55          |
| <b>Other equity</b>                                   |      |                 |                 |
| Reserves and surplus                                  | 16   | 5,030.28        | 3,577.04        |
| <b>Total equity</b>                                   |      | <b>5,230.83</b> | <b>3,777.59</b> |
| <b>Liabilities</b>                                    |      |                 |                 |
| <b>Non-current liabilities</b>                        |      |                 |                 |
| <b>Financial liabilities</b>                          |      |                 |                 |
| i) Lease liability                                    | 5    | 151.29          | 167.71          |
| ii) Other financial liabilities                       | 17   | 174.69          | 183.94          |
| Provisions  | 18   | 145.15          | 121.65          |
| Deferred tax liabilities (Net)                        | 33   | 56.15           | 25.16           |
| <b>Total non-current liabilities</b>                  |      | <b>527.28</b>   | <b>498.46</b>   |
| <b>Current liabilities</b>                            |      |                 |                 |
| <b>Financial liabilities</b>                          |      |                 |                 |
| i) Borrowings   | 19   | -               | 223.39          |
| ii) Lease liability                                   | 5    | 71.68           | 71.48           |
| iii) Trade payables                                   | 20   | -               | -               |
| Total outstanding dues to micro and small enterprises |      | 80.47           | -               |
| Total outstanding dues to others                      |      | 861.87          | 542.16          |
| iv) Other current financial liabilities               | 21   | 637.86          | 509.07          |
| Provisions  | 22   | 168.45          | 118.47          |
| Other current liabilities                             | 23   | 88.12           | 84.46           |
| Current tax liabilities (net)                         | 34   | 92.83           | 61.42           |
| <b>Total current liabilities</b>                      |      | <b>2,001.28</b> | <b>1,610.45</b> |
| <b>Total liabilities</b>                              |      | <b>2,528.56</b> | <b>2,108.91</b> |
| <b>Total equity and liabilities</b>                   |      | <b>7,759.39</b> | <b>5,886.50</b> |

The notes referred to above form an integral part of the financial statement.  
As per our report of even date attached.

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

  
Abhishek  
Partner  
Membership No. 062343

For and on behalf of the Board of Directors  
of Zuventus Healthcare Ltd  
DIN U85320PN2002PLC018324

  
Satish Mehta  
Chairman  
DIN - 00118691

  
P. K. Guha  
Managing Director  
DIN - 00118415




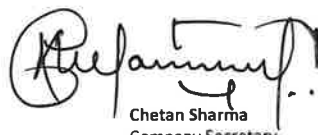

  
Chetan Sharma  
Company Secretary  
Membership No. F8352

  
Ganesh Ramchandran  
Chief Financial Officer

Place: Pune  
Date: May 3, 2022

Place: Pune  
Date: May 3, 2022



| ZUVENTUS HEALTHCARE LIMITED   |   |   |   |
|---|---|---|---|
| Statement of Profit & Loss for the year ended March 31, 2022  |   |   |   |
| Particulars   | Note  | Rs. in Millions   |   |
|   |   | Year ended<br>March 31, 2022  | Year ended<br>March 31, 2021  |
| <b>Revenue :</b>  |   |   |   |
| Revenue from operations   | 24  | 10,514.47   | 8,120.88  |
| Other income  | 25  | 122.42  | 17.44   |
| <b>Total Income</b>   |   | <b>10,636.89</b>  | <b>8,138.32</b>   |
| <b>Expenses :</b>   |   |   |   |
| Cost of materials consumed  | 26  | 1,882.98  | 1,177.99  |
| Purchases of stock-in-trade   |   | 2,016.95  | 1,693.59  |
| Changes in inventories of finished goods, work-in-progress and traded goods   | 27  | (341.67)  | (168.31)  |
| Employee benefit expenses   | 28  | 2,181.96  | 1,949.76  |
| Finance cost  | 31  | 77.08   | 109.80  |
| Depreciation and amortisation expense   | 30  | 267.49  | 278.76  |
| Other expenses  | 29  | 2,042.95  | 1,563.39  |
| <b>Total Expenses</b>   |   | <b>8,127.74</b>   | <b>6,604.98</b>   |
| <b>Profit before taxation</b>   |   | <b>2,509.15</b>   | <b>1,533.34</b>   |
| <b>Tax expense</b>  | 32  |   |   |
| Current tax   |   | 592.89  | 564.68  |
| Deferred tax  |   | 38.77   | (46.12)   |
| <b>Total tax expenses</b>   |   | <b>631.66</b>   | <b>518.56</b>   |
| <b>Profit for the year</b>  |   | <b>1,877.49</b>   | <b>1,014.78</b>   |
| <b>Other comprehensive income (OCI)</b>   |   |   |   |
| <i>Items that will not be reclassified subsequently to profit or loss</i>   |   |   |   |
| Remeasurements of post-employment benefit obligations   | 43  | (30.92)   | 17.95   |
| Income tax relating to these items  | 32  | 7.78  | (6.27)  |
| <b>Net other comprehensive (loss)/income not to be reclassified subsequently to profit or loss</b>  |   | <b>(23.14)</b>  | <b>11.68</b>  |
| <b>Total comprehensive income for the year</b>  |   | <b>1,854.35</b>   | <b>1,026.46</b>   |
| <b>Earnings per equity share:</b>   |   |   |   |
| Basic earnings per share  | 41  | 93.62   | 50.60   |
| Diluted earnings per share  |   | 93.62   | 50.60   |
| Face value per share : Rs. 10 (March 31, 2021 : Rs. 10)   |   |   |   |
| The notes referred to above form an integral part of the financial statement.<br>As per our report of even date attached.                     |   |   |   |
| <b>For B S R &amp; Co. LLP</b><br>Firm Registration: 101248W/W-100022<br>Chartered Accountants  |   | <b>For and on behalf of the Board of Directors<br/>           of Zuventus Healthcare Ltd</b><br>CIN U85320PN2002PLC018324                         |   |
| <br><b>Abhishek</b><br>Partner<br>Membership No. 062343    | <br><b>Satish Mehta</b><br>Chairman<br>DIN - 00118691 | <br><b>P. K. Guha</b><br>Managing Director<br>DIN - 00118415 | <br><b>Chetan Sharma</b><br>Company Secretary<br>Membership No. F8352 |
| <br><b>Ganesh Ramchandran</b><br>Chief Financial Officer | Place: Pune   | Place: Pune   | Place: Pune   |
| Date: May 3, 2022   | Date: May 3, 2022   | Date: May 3, 2022   | Date: May 3, 2022   |



**ZUVENTUS HEALTHCARE LIMITED**  
Statement of Changes in Equity for the year ended March 31, 2022

| A. Equity Share Capital         | Note | Rs. in millions |
|---------------------------------|------|-----------------|
| As at April 1, 2020             |      | 200.55          |
| Changes in equity share capital | 15   | -               |
| As at March 31, 2021            |      | 200.55          |

| A. Equity Share Capital         | Note | Rs. in millions |
|---------------------------------|------|-----------------|
| As at April 1, 2021             |      | 200.55          |
| Changes in equity share capital | 15   | -               |
| As at March 31, 2022            |      | 200.55          |

| Other equity   | Note | Reserves and Surplus |                  | Equity contribution from holding company | Total other equity |
|--|------|----------------------|------------------|--|--------------------|
|  |      | General Reserve      | Retained earning |  |                    |
| As at April 1, 2020  |      | 161.67               | 2,587.62         | 4.29                                     | 2,753.58           |
| Profit for the year  |      | -                    | 1,014.78         | -  | 1,014.78           |
| Items of other comprehensive income recognised directly in retained earnings |      | -                    | 11.68            | -  | 11.68              |
| Cash settlement of stock options issued to employees                         |      | -                    | -                | (2.45)                                   | (2.45)             |
| Dividend paid  | 16   | -                    | (200.55)         | -  | (200.55)           |
| As at March 31, 2021   |      | 161.67               | 3,413.53         | 1.84                                     | 3,577.04           |

| Other equity   | Note | Reserves and Surplus |                  | Equity contribution from holding company | Total other equity |
|--|------|----------------------|------------------|--|--------------------|
|  |      | General Reserve      | Retained earning |  |                    |
| As at April 1, 2021  |      | 161.67               | 3,413.53         | 1.84                                     | 3,577.04           |
| Profit for the year  |      | -                    | 1,877.49         | -  | 1,877.49           |
| Items of other comprehensive income recognised directly in retained earnings |      | -                    | (23.14)          | -  | (23.14)            |
| Dividend paid  | 16   | -                    | (401.11)         | -  | (401.11)           |
| As at March 31, 2022   |      | 161.67               | 4,866.77         | 1.84                                     | 5,030.28           |

The notes referred to above form an integral part of the financial statement.  
As per our report of even date attached.

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



Abhishek  
Partner  
Membership No. 062343

For and on behalf of the Board of Directors  
of Zuventus Healthcare Ltd  
CIN U85320PN2002PLC018324



Satish Mehta  
Chairman  
DIN - 00118691



P. K. Guha  
Managing Director  
DIN - 00118415



Chetan Sharma  
Company Secretary  
Membership No. F8352



Ganesh Ramchandran  
Chief Financial Officer

Place: Pune

Date: May 3, 2022

Place: Pune

Date: May 3, 2022



**ZUVENTUS HEALTHCARE LIMITED**  
Cash Flow Statement for the year ended March 31, 2022

| Particulars  | Rs. in Millions   |                 |
|--|-------------------|-----------------|
|  | Year ended        | Year ended      |
|  | March 31, 2022    | March 31, 2021  |
| <b>Cash flow from operating activities :-</b>  |                   |                 |
| Profit before taxation   | 2,509.15          | 1,533.34        |
| <b>Adjustment for:</b>   |                   |                 |
| Depreciation and amortisation expenses   | 267.49            | 278.76          |
| Finance cost   | 77.08             | 109.80          |
| Provision for doubtful debts   | 7.55              | 17.79           |
| Interest from bank and others  | (79.34)           | (2.95)          |
| Change in fair value of investment in preference shares                                | -                 | 65.13           |
| Loss on redemption of preference shares  | -                 | 32.57           |
| Loss on sale of property, plant and equipment  | 0.17              | 1.14            |
| Expense towards cash settlement of stock option recognised through retain earnings     | -                 | (2.45)          |
| <b>Operating profit before working capital changes</b>                                 | <b>2,782.10</b>   | <b>2,033.13</b> |
| <b>Working capital adjustments:</b>  |                   |                 |
| - Decrease in other assets   | 44.37             | 101.14          |
| - Increase in other liabilities  | 3.66              | 23.53           |
| - (Increase) / decrease in other financials assets                                     | 4.19              | 6.81            |
| - Increase in other financials liabilities   | 119.63            | 20.45           |
| - (Increase) / (decrease) in trade payables  | 400.18            | (211.81)        |
| - Decrease in trade receivables  | 103.60            | 107.83          |
| - (Increase) in inventories  | (591.83)          | (193.22)        |
| - Increase / (decrease) in provisions  | 1.83              | (93.61)         |
| <b>Cash generated from operating activities</b>  | <b>2,867.73</b>   | <b>1,794.25</b> |
| Income taxes paid (net of refund)  | (702.70)          | (533.07)        |
| <b>Net cash inflow from operating activities (A)</b>                                   | <b>2,165.03</b>   | <b>1,261.18</b> |
| <b>Cash flows from Investing activities</b>  |                   |                 |
| Acquisition of property, plant and equipment, intangibles and capital work-in-progress | (849.12)          | (57.52)         |
| Receipt of government grant for depreciable capital assets                             | 50.00             | -               |
| Proceeds from sale of property, plant and equipment                                    | 0.55              | 2.74            |
| Sale of Investment   | 300.03            | 150.00          |
| Interest received from banks and others  | 37.66             | 0.46            |
| Term deposits placed   | (2,252.24)        | (247.00)        |
| Term deposits matured  | 1,053.35          | 1.04            |
| <b>Net cash (outflow) from investing activities (B)</b>                                | <b>(1,659.77)</b> | <b>(150.28)</b> |
| <b>Cash flows from financing activities</b>  |                   |                 |
| Repayment of lease liabilities   | (104.86)          | (107.93)        |
| Interest paid  | (13.91)           | (49.39)         |
| Interim dividend paid (and related dividend distribution tax)                          | (401.11)          | (200.55)        |
| <b>Net cash (outflow) from financing activities (C)</b>                                | <b>(519.88)</b>   | <b>(357.87)</b> |
| Net (decrease) / increase in cash and cash equivalents (A+B+C)                         | (14.62)           | 753.03          |
| Cash and cash as at beginning of the year (refer below)                                | 218.14            | (534.89)        |
| Cash and cash equivalent as at end of the year (refer below)                           | 203.52            | 218.14          |

| Components of cash and cash equivalent:                              | Rs. in Millions |                |                 |
|--|-----------------|----------------|-----------------|
|  | As at           | As at          | As at           |
|  | March 31, 2022  | March 31, 2021 | March 31, 2020  |
| Cash on hand (refer note no. 11)                                     | 0.43            | 0.14           | 0.30            |
| Balances with bank in current accounts (refer note no. 11)           | 161.77          | 358.36         | 5.22            |
| Balances with bank in cash credit accounts (refer note no. 11)       | 41.32           | 83.03          | -               |
| Bank overdrafts used for cash management purpose (refer note no. 19) | -               | (223.39)       | (540.41)        |
| <b>Total cash and cash equivalent*</b>                               | <b>203.52</b>   | <b>218.14</b>  | <b>(534.89)</b> |

\*Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.



**ZUVENTUS HEALTHCARE LIMITED**  
**Cash Flow Statement for the year ended March 31, 2022**

|   | Rs. in Millions       |                       |
|---|-----------------------|-----------------------|
|   | As at                 | As at                 |
| <b>Changes in liabilities arising from financial activities</b> | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
| <b>Finance cost</b>   |                       |                       |
| Opening balance   | -                     | -                     |
| Finance cost during the year                                    | 77.08                 | 109.80                |
| Amount paid during the year                                     | (13.91)               | (49.39)               |
| Others (including amortised cost adjustment)                    | (63.17)               | (60.41)               |
| Closing balance   | -                     | -                     |

**Footnotes to the cash flow statement:**

1. Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The notes referred to above form an integral part of the financial statement.  
 As per our report of even date attached.

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

  
**Abhishek**  
 Partner  
 Membership No. 062343

For and on behalf of the Board of Directors  
 of Zuventus Healthcare Ltd  
 CIN U85300PN2002PLC018324

  
**Satish Mehta**  
 Chairman  
 DIN - 00118691

  
**P. K. Guha**  
 Managing Director  
 DIN - 00118415

  
**Chetan Sharma**  
 Company Secretary  
 Membership No. F8352

  
**Ganesh Ramchandran**  
 Chief Financial Officer

Place: Pune  
 Date: May 3, 2022

Place: Pune  
 Date: May 3, 2022



**ZUVENTUS HEALTHCARE LIMITED**Notes to the financial statements  
For the year ended March 31, 2022

(Currency - Rs. In millions unless otherwise specified)

**1 General Information :**

Zuventus Healthcare Limited (hereinafter referred to as "Company") is a Company limited by shares, incorporated and domiciled in India. The Company has its own manufacturing facility in Jammu, Sikkim and Bangalore. The Company is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products in India.

**A. Basis of preparation****a. Statement of compliance**

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

The company has considered the amendments to schedule III of the Companies Act, 2013 notified by Ministry of corporate Affairs ('MCA') via. notification dated March 24, 2021 in the financial statements disclosures, wherever applicable.

The financial statements were authorised for issue by the Company's Board of Directors on May 3, 2022.

Details of the Company's accounting policies are included in Note B. These policies have been consistently applied to all the years presented, unless otherwise stated.

**b. Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest millions, unless otherwise indicated.

**c. Basis of Measurement**

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

| Items   | Measurement Basis   |
|---|---|
| Certain Financial assets and liabilities        | Fair Value  |
| Equity settled share based payment arrangements | Fair Value  |
| Net defined benefit (asset) / liability         | Fair Value of plan assets less present value of defined benefit obligations |

**d. Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Assumptions and estimation uncertainties**

Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ended March 31, 2022 is included in following notes:

Note B. c. Useful lives of property, plant, equipment and intangibles;

Note 8 - Valuation of inventories

Note 22 and 38 - Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;

Note 33 - Recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;

Note 36 - Impairment of financial instruments;

Note 37 - Measurement of fair value of optionally convertible and redeemable preference shares; key assumptions for earning growth rate and discount rate

Note 43 - Measurement of defined benefit obligations: key actuarial assumptions;

Note 05 - Measurement of discount rate for initial recognition of ROU and Lease Liability as per IND AS 116

**e. Measurement of fair values**

A number of the Company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to measurement of fair values. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework including Level 3 fair value, and reports directly to the head of treasury.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).





**A. Basis of preparation (continued)**

**f. Current versus non current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held for the purpose of being traded;
- c. it is expected to be realized within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be settled within 12 months after the reporting date; or
- d. the Company does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Company is less than 12 months.

**B. Significant accounting policies**

**a. Foreign Currency Translation**

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

**b. Financial Instruments**

**i. Recognition and initial measurement**

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**ii. Classification and subsequent measurement**

**Financial assets**

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

- amortised cost; or
- Fair value through profit and loss (FVTPL)

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

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



**B. Significant accounting policies (continued)**

**b. Financial Instruments (continued)**

**ii. Classification and subsequent measurement (continued)**

**Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policy and objectives for the portfolio and the operation of those policies in practice;
- These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;
- How the performance of portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

**Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets: Subsequent measurement and gains and losses**

|                                    |  |
|------------------------------------|--|
| Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.   |
| Financial assets at amortized cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |

**Financial liabilities: Classification, subsequent measurement and gains and losses**

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

**iii. Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.



**B. Significant accounting policies (continued)**

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**iv. Offsetting**

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

**c. Property, plant and equipment**

**i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing cost less accumulated depreciation and accumulated impairment losses, if any.

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to company.

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance Lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for the following:

- Furniture and fixtures at leasehold premises are depreciated over the lease period.
- Vehicles are depreciated over 5 years, as per technical evaluation.
- Certain plant and machinery are depreciated over 3-10 years, as per technical evaluation

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**d. Intangible Assets**

**i. Initial recognition:**

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases future economic benefit embodied in the specific asset to which it relates.

**iii. Amortisation**

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

The estimated useful lives are as follows:

| Intangible Asset | Estimated useful life |
|------------------|-----------------------|
| Software         | 3 to 6 Years          |

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.



**B. Significant accounting policies (continued)**

**e. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories based weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in-progress is determined with reference to the selling price of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

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

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

**f. Impairment**

**I. Impairment of financial Instruments**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

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

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;
- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganisation;
- The disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized in the Statement of profit and loss.

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

The company assumes that the credit risk on financial assets has increased significantly if it is more than 30 days past due.

The Company considers financial asset to be in default when:

- a. the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
- b. The financial asset is 90 days or more past due.

**Measurement of expected credit loss**

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

**Presentation of allowance of expected credit losses in the balance sheet**

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

**Write – off**

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



**B. Significant accounting policies (continued)**

*ii. Impairment of non-financial asset*

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

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

**g. Employee benefits**

*i. Short term employee benefits*

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

*ii. Share-based payment transactions*

Share-based compensation benefits are provided to employees by Holding company via Employee Stock Option Scheme ("ESOS") 2013.

The grant date fair value of equity settled share-based payment awards granted to employees of the Company is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

*iii. Defined contribution plan*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards superannuation fund scheme and Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*iv. Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation result in a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.



**B. Significant accounting policies (continued)**

*v. Other long term employee benefits:*

The Company's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

**h. Provisions (other than for employee benefits), Contingent liabilities and contingent assets**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

*i. Contingencies*

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

*ii. Contingent liabilities and contingent assets*

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

**i. Revenue**

*i. Sale of goods*

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price).

*ii. Sales returns and breakage expiry*

When a customer has a right to return the product within a given period, the Company has recognised an allowance for returns. The allowance is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Company has an obligation to accept the goods which will expire. The Company has recognised an allowance for the returns due to expiry. The allowance is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

**j. Government grants**

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

**k. Lease**

**The Company as a lessee**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



**B. Significant accounting policies (continued)**

**k. Lease (continued)**

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease

payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which

the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**l. Recognition of interest income or expenses**

Interest income or expenses is recognised using effective interest method.

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

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

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

**m. Income tax**

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes, It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

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

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised/recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.



**B. Significant accounting policies (continued)**

*ii. Deferred tax (continued)*

The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period.

**n. Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**o. Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

**p. Cash and cash equivalents**

Cash and cash equivalents comprises of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**q. 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 are identified as Chief operating decision maker. Refer note 42 for segment information.

**r. Earnings Per Share**

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

**s. Cash flow statement**

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

**t. Research and development**

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

**u. Regroupings**

Appropriate regroupings have been made in the standalone Balance Sheet and standalone Statement of Profit and Loss (including Other Comprehensive Income), wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the accounting policies and classification as per the standalone Ind AS financial information of the Company for the year ended March 31, 2022 prepared in accordance with Revised Schedule III of Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles. The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassified as required. As a result of amendment to Schedule III, deposits have been reclassified to other financial assets which was earlier forming part of loans.

**C. Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.





ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

| Note 2<br>Property, plant and equipment | Gross book value       |                                 |                                 |                      | Accumulated depreciation |                        |                          |                                 | Rs. in Millions      |                         |                         |
|---|------------------------|---------------------------------|---------------------------------|----------------------|--------------------------|------------------------|--------------------------|---------------------------------|----------------------|-------------------------|-------------------------|
|   | As at<br>April 1, 2021 | Additions<br>during the<br>year | Disposals<br>during the<br>year | Other<br>Adjustments | As at<br>March 31, 2022  | As at<br>April 1, 2021 | Charge for<br>the period | Disposals<br>during the<br>year | Other<br>adjustments | As at<br>March 31, 2022 | As at<br>March 31, 2022 |
| Freehold land                           | 13.02                  | 480.27                          | -                               | -                    | 493.29                   | -                      | -                        | -                               | -                    | -                       | 493.29                  |
| Leasehold improvements                  | 28.48                  | -                               | -                               | -                    | 28.48                    | 16.28                  | 3.73                     | -                               | -                    | 20.01                   | 8.47                    |
| Building                                | 1,185.49               | 262.63                          | -                               | -                    | 1,448.12                 | 167.75                 | 39.95                    | -                               | -                    | 207.70                  | 1,240.42                |
| Plant and machinery                     | 1,064.13               | 39.98                           | 3.32                            | (50.00)              | 1,050.79                 | 347.36                 | 86.87                    | 2.64                            | -                    | 431.59                  | 619.20                  |
| Electrical installation                 | 188.48                 | 9.00                            | -                               | -                    | 197.48                   | 68.42                  | 17.06                    | -                               | -                    | 85.48                   | 112.00                  |
| Air handling equipment                  | 140.24                 | 0.12                            | 0.07                            | -                    | 140.29                   | 47.03                  | 10.32                    | 0.04                            | -                    | 57.31                   | 82.98                   |
| Computers                               | 45.29                  | 4.90                            | 0.06                            | -                    | 50.13                    | 41.54                  | 3.06                     | 0.06                            | -                    | 44.54                   | 5.59                    |
| Office equipment's                      | 21.02                  | 12.51                           | 0.01                            | -                    | 33.52                    | 12.66                  | 3.20                     | -                               | -                    | 15.86                   | 17.66                   |
| Furniture and fixtures                  | 55.64                  | 9.80                            | -                               | -                    | 65.44                    | 21.51                  | 5.54                     | -                               | -                    | 27.05                   | 38.39                   |
| Vehicles                                | 51.47                  | 8.60                            | 1.40                            | -                    | 58.67                    | 41.95                  | 6.07                     | 1.40                            | -                    | 46.02                   | 12.65                   |
| <b>Total</b>                            | <b>2,793.26</b>        | <b>827.81</b>                   | <b>4.85</b>                     | <b>(50.00)</b>       | <b>3,566.21</b>          | <b>763.90</b>          | <b>175.80</b>            | <b>4.14</b>                     | <b>-</b>             | <b>935.56</b>           | <b>2,630.65</b>         |

| Note 2<br>Property, plant and equipment | Gross book value       |                                 |                                 |                      | Accumulated depreciation |                        |                          |                                 | Rs. in Millions      |                         |                         |
|---|------------------------|---------------------------------|---------------------------------|----------------------|--------------------------|------------------------|--------------------------|---------------------------------|----------------------|-------------------------|-------------------------|
|   | As at<br>April 1, 2020 | Additions<br>during the<br>year | Disposals<br>during the<br>year | Other<br>Adjustments | As at<br>March 31, 2021  | As at<br>April 1, 2020 | Charge for<br>the period | Disposals<br>during the<br>year | Other<br>adjustments | As at<br>March 31, 2021 | As at<br>March 31, 2021 |
| Freehold land                           | 13.02                  | -                               | -                               | -                    | 13.02                    | -                      | -                        | -                               | -                    | -                       | 13.02                   |
| Leasehold improvements                  | 28.47                  | 0.01                            | -                               | -                    | 28.48                    | 12.30                  | 3.98                     | -                               | -                    | 16.28                   | 12.20                   |
| Building                                | 1,185.41               | 0.08                            | -                               | -                    | 1,185.49                 | 127.65                 | 40.10                    | -                               | -                    | 167.75                  | 1,017.74                |
| Plant and machinery                     | 1,036.79               | 31.75                           | 4.41                            | -                    | 1,064.13                 | 262.33                 | 85.72                    | 0.69                            | -                    | 347.36                  | 716.77                  |
| Electrical installation                 | 188.48                 | -                               | -                               | -                    | 188.48                   | 47.99                  | 20.43                    | -                               | -                    | 68.42                   | 120.06                  |
| Air handling equipment                  | 135.65                 | 4.70                            | 0.11                            | -                    | 140.24                   | 36.75                  | 10.36                    | 0.08                            | -                    | 47.03                   | 93.21                   |
| Computers                               | 44.92                  | 0.37                            | -                               | -                    | 45.29                    | 36.76                  | 4.78                     | -                               | -                    | 41.54                   | 3.75                    |
| Office equipment's                      | 19.05                  | 2.03                            | 0.06                            | -                    | 21.02                    | 9.65                   | 3.07                     | 0.06                            | -                    | 12.66                   | 8.36                    |
| Furniture and fixtures                  | 55.79                  | 0.36                            | 0.51                            | -                    | 55.64                    | 16.35                  | 5.59                     | 0.43                            | -                    | 21.51                   | 34.13                   |
| Vehicles                                | 55.08                  | 0.81                            | 4.42                            | -                    | 51.47                    | 37.97                  | 7.74                     | 4.36                            | -                    | 41.35                   | 10.12                   |
| <b>Total</b>                            | <b>2,762.86</b>        | <b>40.11</b>                    | <b>9.51</b>                     | <b>-</b>             | <b>2,793.26</b>          | <b>587.75</b>          | <b>181.77</b>            | <b>5.62</b>                     | <b>-</b>             | <b>763.90</b>           | <b>2,029.36</b>         |

Title deeds of Immovable Properties not held in name of the Company:

| Description   | 31-Mar-22                | 31-Mar-21 |
|---|--------------------------|-----------|
| Title deeds held in the name of   | Zuventus Healthcare Ltd. |           |
| Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | N/A                      |           |
| Reason for not being held in the name of the Company  | N/A                      |           |



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

| Notes 3<br>Capital work in progress | Rs. in Millions     |                           |                             |                           |                   |
|-------------------------------------|---------------------|---------------------------|-----------------------------|---------------------------|-------------------|
|                                     | As at the beginning | Additions during the year | Capitalised during the year | Disposals during the year | Other adjustments |
| Year ended March 31, 2022           | 8.33                | 6.24                      | 8.97                        | -                         | 5.60              |
| Year ended March 31, 2021           | 6.60                | 9.19                      | 7.46                        | -                         | 8.33              |

Capital work-in-progress ageing schedule

| March 31, 2022                 | Rs. in Millions  |             |             |
|--------------------------------|------------------|-------------|-------------|
|                                | Less than 1 year | 1 - 2 years | 2 - 3 years |
| Projects in progress           | 5.60             | -           | -           |
| Projects temporarily suspended | -                | -           | 5.60        |
| <b>Total</b>                   | <b>5.60</b>      | <b>-</b>    | <b>5.60</b> |

| March 31, 2021                 | Rs. in Millions  |             |             |
|--------------------------------|------------------|-------------|-------------|
|                                | Less than 1 year | 1 - 2 years | 2 - 3 years |
| Projects in progress           | 3.22             | 5.11        | -           |
| Projects temporarily suspended | -                | -           | 8.33        |
| <b>Total</b>                   | <b>3.22</b>      | <b>5.11</b> | <b>8.33</b> |

Footnotes to Note 2 and 3:

1. The capital work in progress at the year end mainly consists of plant and machinery, building and other assets pertaining to various projects / plants.
2. Refer Note 40 for information on property, plant and equipment pledged as security by the company.
3. The company does not have any capital work in progress which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable
4. During the year, company has received Capital Investment Subsidy claim under North East Industrial Investment Policy 2017 of Rs. 50 Million for Sikkim Plant.



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

| Note 4<br>Intangible assets | Rs. in Millions        |                                 |                                |                          |                         |                        |                        |                                |                         |                         |
|-----------------------------|------------------------|---------------------------------|--------------------------------|--------------------------|-------------------------|------------------------|------------------------|--------------------------------|-------------------------|-------------------------|
|                             | Gross Book Value       |                                 |                                | Accumulated amortisation |                         |                        | Net book value         |                                |                         |                         |
|                             | As at<br>April 1, 2021 | Additions<br>during the<br>year | Deletion<br>during the<br>year | Other<br>Adjustments     | As at<br>March 31, 2022 | As at<br>April 1, 2021 | Charge for<br>the year | Deletion<br>during the<br>year | As at<br>March 31, 2022 | As at<br>March 31, 2022 |
| Software                    | 19.12                  | 1.45                            | -                              | -                        | 20.57                   | 13.95                  | 2.80                   | -                              | 16.75                   | 3.82                    |
| <b>Total</b>                | <b>19.12</b>           | <b>1.45</b>                     | <b>-</b>                       | <b>-</b>                 | <b>20.57</b>            | <b>13.95</b>           | <b>2.80</b>            | <b>-</b>                       | <b>16.75</b>            | <b>3.82</b>             |

| Note 4<br>Intangible assets | Rs. in Millions        |                                 |                                |                          |                         |                        |                        |                                |                         |                         |
|-----------------------------|------------------------|---------------------------------|--------------------------------|--------------------------|-------------------------|------------------------|------------------------|--------------------------------|-------------------------|-------------------------|
|                             | Gross Book Value       |                                 |                                | Accumulated amortisation |                         |                        | Net book value         |                                |                         |                         |
|                             | As at<br>April 1, 2020 | Additions<br>during the<br>year | Deletion<br>during the<br>year | Other<br>Adjustments     | As at<br>March 31, 2021 | As at<br>April 1, 2020 | Charge for<br>the year | Deletion<br>during the<br>year | As at<br>March 31, 2021 | As at<br>March 31, 2021 |
| Software                    | 12.41                  | 6.71                            | -                              | -                        | 19.12                   | 9.89                   | 4.06                   | -                              | 13.95                   | 5.17                    |
| <b>Total</b>                | <b>12.41</b>           | <b>6.71</b>                     | <b>-</b>                       | <b>-</b>                 | <b>19.12</b>            | <b>9.89</b>            | <b>4.06</b>            | <b>-</b>                       | <b>13.95</b>            | <b>5.17</b>             |



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financial statements (continued)**  
**For the year ended March 31, 2022**

**Note 5 : Leases - 116**

Lease contracts entered by the Company majorly pertains for land and buildings taken on lease to conduct its business in the ordinary course. Information about leases for which the company is lessee is presented as below:

**Right-of-use asset**

| Particulars                         | Rs. in Millions |                 |               |
|-------------------------------------|-----------------|-----------------|---------------|
|                                     | Land            | Land & Building | Total         |
| Balance as at April 1, 2021         | 55.81           | 218.70          | 274.51        |
| Additions for new leases entered    | -               | 66.20           | 66.20         |
| Deletions for leases terminated     | -               | -               | -             |
| Depreciation charge for the year    | (0.76)          | (88.13)         | (88.89)       |
| <b>Balance as at March 31, 2022</b> | <b>55.05</b>    | <b>196.77</b>   | <b>251.82</b> |

| Particulars                         | Rs. in Millions |                 |               |
|-------------------------------------|-----------------|-----------------|---------------|
|                                     | Land            | Land & Building | Total         |
| Balance as at April 1, 2020         | 56.56           | 224.25          | 280.81        |
| Additions for new leases entered    | -               | 91.65           | 91.65         |
| Deletions for leases terminated     | -               | (5.02)          | (5.02)        |
| Depreciation charge for the year    | (0.75)          | (92.18)         | (92.93)       |
| <b>Balance as at March 31, 2021</b> | <b>55.81</b>    | <b>218.70</b>   | <b>274.51</b> |

**Lease Liabilities**

| Particulars                      | Rs. in Millions |                |
|----------------------------------|-----------------|----------------|
|                                  | March 31, 2022  | March 31, 2021 |
| Balance as at the beginning      | 239.19          | 238.41         |
| Additions for new leases entered | 66.20           | 91.65          |
| Deletions for leases terminated  | -               | (5.03)         |
| Interest on lease liabilities    | 22.44           | 22.09          |
| Repayment of lease liabilities   | (104.86)        | (107.93)       |
| <b>Balance as at the end</b>     | <b>222.97</b>   | <b>239.19</b>  |
| Current                          | 71.68           | 71.48          |
| Non-current                      | 151.29          | 167.71         |

**Maturity analysis - contractual undiscounted cash flows-**

| Particulars   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Less than one year                                      | 88.42          | 89.96          |
| One to five years                                       | 165.36         | 66.86          |
| More than five years                                    | 24.84          | 146.85         |
| <b>Total undiscounted lease liabilities at year end</b> | <b>278.62</b>  | <b>303.67</b>  |

**Amount recognised in statement of Profit & Loss**

| Particulars   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Interest on lease liabilities   | 22.44          | 22.09          |
| Depreciation on right-of-use assets   | 88.89          | 92.93          |
| Expenses relating to short term leases  | 2.62           | 0.62           |
| Expenses relating to leases of low value assets, excluding leases of low value assets | 7.20           | 1.01           |
| <b>Total</b>  | <b>121.15</b>  | <b>116.65</b>  |

**Amounts recognised in cash flow statement**

**Cash flow from financing activities**

|   |          |          |
|---|----------|----------|
| Repayment of lease liabilities (including interest) | (104.86) | (107.93) |
|---|----------|----------|

The weighted average incremental borrowing rate of 9-9.85% (March 31, 2021 : 9-9.85%) has been applied to lease liabilities recognised in the balance sheet.



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

| (Currency-Rs in Millions unless otherwise specified)                       |  | Rs. in Millions |                |
|--|--|-----------------|----------------|
| Note 6<br>Other financials Assets  |  | March 31, 2022  | March 31, 2021 |
| Unsecured considered good, unless otherwise stated :                       |  |                 |                |
| Term deposits with banks for remaining maturity period more than 12 months |  | 190.37          | 9.52           |
| Deposits to related parties (refer note 46)                                |  | 1.02            | 1.00           |
| Other security deposits  |  | 41.19           | 63.17          |
| Interest accrued on deposits with bank                                     |  | 2.33            | -              |
| <b>Total</b>   |  | <b>234.91</b>   | <b>73.69</b>   |

Note : Term deposits of Rs. 9.03 million (March 31, 2021: Rs.9.52 million) are held as lien by bank for performance bank guarantees, earnest money deposits and others.

| Note 7<br>Other non-current assets                   |  | Rs. in Millions |                |
|--|--|-----------------|----------------|
|  |  | March 31, 2022  | March 31, 2021 |
| Unsecured considered good, unless otherwise stated : |  |                 |                |
| Capital advances                                     |  | 24.87           | 2.36           |
| Prepaid expenses                                     |  | 0.27            | 0.16           |
| Balances with government authorities                 |  | 39.29           | 44.11          |
| <b>Total</b>   |  | <b>64.43</b>    | <b>46.63</b>   |

| Note 8<br>Inventories   |  | Rs. in Millions |                 |
|---|--|-----------------|-----------------|
|   |  | March 31, 2022  | March 31, 2021  |
| Raw materials [includes in transit : Rs. 2.09 million ( March 31, 2021 : Rs. 5.56 million)] |  | 484.60          | 264.46          |
| Packing materials   |  | 80.11           | 52.28           |
| Work-in-progress  |  | 44.62           | 27.70           |
| Finished goods  |  | 581.09          | 408.17          |
| Traded goods  |  | 535.28          | 383.45          |
| Stores and spares   |  | 13.31           | 11.12           |
| <b>Total</b>  |  | <b>1,739.01</b> | <b>1,147.18</b> |

Amounts recognised in profit or loss

Write-downs of inventories amounted to Rs. 17.78 millions ( March 31, 2021 : Rs.21.64 millions). Increase/decrease in write-down provision is recognised as an expense during the year and included in 'cost of material consumed or changes in inventories of finished goods, work in progress and traded goods' in statement of profit and loss.

Inventories have been hypothecated as security against the short term borrowings (refer note 40).

| Note 9<br>Investments   |  | Number of shares/units |                | Rs. in Millions |                |
|---|--|------------------------|----------------|-----------------|----------------|
|   |  | March 31, 2022         | March 31, 2021 | March 31, 2022  | March 31, 2021 |
| <b>Non-current Investments</b>  |  |                        |                |                 |                |
| <b>Investment in Government Securities :</b>  |  |                        |                |                 |                |
| <b>Unquoted</b>   |  |                        |                |                 |                |
| National Savings Certificates   |  |                        | 2,500          | -               | 0.03           |
|   |  |                        |                | -               | 0.03           |
| <b>Current Investments</b>  |  |                        |                |                 |                |
| <b>Investment In optionally convertible redeemable preference shares (fully paid-up):</b>                           |  |                        |                |                 |                |
| <b>Unquoted - Valued at fair value through profit and loss</b>  |  |                        |                |                 |                |
| Fully paid Optionally Redeemable Convertible Preference Shares of Rs. 10 each of Gennova Biopharmaceuticals Limited |  |                        | 30,000,000     | -               | 300.00         |
| <b>Aggregate amount of unquoted investments</b>   |  |                        |                | -               | <b>300.03</b>  |

Note: Optionally convertible redeemable preference shares ('OCRPS') are issued by the fellow subsidiary of the Company viz., Gennova Biopharmaceuticals Limited. The OCRPS have a par value of Rs.10 with a maximum tenure of 12 years and is optionally convertible in equity share of the fellow subsidiary in the ratio of 1 equity share for every 5 OCRPS. The redemption option can be availed anytime after the expiry of the 10th anniversary of the allotment date but on or before the 12th anniversary of the allotment date, provided that the Company has not exercised the conversion option. The conversion option can be availed anytime after the 8th anniversary of the allotment date but on or before the 12th anniversary of the allotment date. In May 2021, all the preference shares were redeemed at par value of Rs.10, accordingly the said preference shares were valued at Rs 10 as at 31 March 2021.

| Note 10<br>Trade receivables                 |  | Rs. in Millions |                |
|--|--|-----------------|----------------|
|  |  | March 31, 2022  | March 31, 2021 |
| Trade Receivable considered good - Unsecured |  | 787.56          | 898.71         |
| Trade Receivable - credit impaired           |  | 58.63           | 50.81          |
|  |  | 846.19          | 949.52         |
| Less: allowance for doubtful debts           |  | (58.63)         | (50.81)        |
| <b>Total</b>                                 |  | <b>787.56</b>   | <b>898.71</b>  |



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financial statements (continued)  
For the year ended March 31, 2022

Note:10 Trade receivable (Continued)

Of the above, trade receivables from related parties are as below

| Particulars  | Rs. in Millions |                |
|--|-----------------|----------------|
|  | March 31, 2022  | March 31, 2021 |
| Total trade receivables from related parties (refer note 46) | -               | 1.15           |
| Less: Allowance for doubtful debts                           | -               | -              |
| <b>Net trade receivables</b>                                 | <b>-</b>        | <b>1.15</b>    |

For terms and conditions of trade receivables owing from related parties, refer note 46.  
Refer note 40 for information on trade receivables pledged as security by the company.  
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 36.

| As at March 31, 2022  | Rs. in Millions |                    |                   |              |             |                   |               |
|---|-----------------|--------------------|-------------------|--------------|-------------|-------------------|---------------|
|   | Not due         | Less than 6 months | 6 months - 1 year | 1 - 2 years  | 2 - 3 years | More than 3 years | Total         |
| Undisputed receivables - considered good                                | 537.90          | 253.03             | 18.09             | 10.42        | 6.84        | 19.91             | 846.19        |
| Undisputed receivables - which have significant increase in credit risk | -               | -                  | -                 | -            | -           | -                 | -             |
| Undisputed receivables - credit impaired                                | -               | -                  | -                 | -            | -           | -                 | -             |
| Disputed receivables - considered good                                  | -               | -                  | -                 | -            | -           | -                 | -             |
| Disputed receivables - which have significant increase in credit risk   | -               | -                  | -                 | -            | -           | -                 | -             |
| Disputed receivables - credit impaired                                  | -               | -                  | -                 | -            | -           | -                 | -             |
| <b>Total</b>  | <b>537.90</b>   | <b>253.03</b>      | <b>18.09</b>      | <b>10.42</b> | <b>6.84</b> | <b>19.91</b>      | <b>846.19</b> |
| Less: Loss allowance  | -               | -                  | -                 | -            | -           | -                 | (58.63)       |
| <b>Total</b>  | <b>537.90</b>   | <b>253.03</b>      | <b>18.09</b>      | <b>10.42</b> | <b>6.84</b> | <b>19.91</b>      | <b>787.56</b> |

| As at March 31, 2021  | Rs. in Millions |                    |                   |             |              |                   |               |
|---|-----------------|--------------------|-------------------|-------------|--------------|-------------------|---------------|
|   | Not due         | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years  | More than 3 years | Total         |
| Undisputed receivables - considered good                                | 522.61          | 366.72             | 31.29             | 8.08        | 11.59        | 9.23              | 949.52        |
| Undisputed receivables - which have significant increase in credit risk | -               | -                  | -                 | -           | -            | -                 | -             |
| Undisputed receivables - credit impaired                                | -               | -                  | -                 | -           | -            | -                 | -             |
| Disputed receivables - considered good                                  | -               | -                  | -                 | -           | -            | -                 | -             |
| Disputed receivables - which have significant increase in credit risk   | -               | -                  | -                 | -           | -            | -                 | -             |
| Disputed receivables - credit impaired                                  | -               | -                  | -                 | -           | -            | -                 | -             |
| <b>Total</b>  | <b>522.61</b>   | <b>366.72</b>      | <b>31.29</b>      | <b>8.08</b> | <b>11.59</b> | <b>9.23</b>       | <b>949.52</b> |
| Less: Loss allowance  | -               | -                  | -                 | -           | -            | -                 | (50.81)       |
| <b>Total</b>  | <b>522.61</b>   | <b>366.72</b>      | <b>31.29</b>      | <b>8.08</b> | <b>11.59</b> | <b>9.23</b>       | <b>898.71</b> |

| Note 11<br>Cash and cash equivalents    | Rs. in Millions |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| Cash on hand                            | 0.43            | 0.14           |
| Balances with banks in current accounts | 161.77          | 358.36         |
| Bank balances on cash credit            | 41.32           | 83.03          |
| <b>Total</b>                            | <b>203.52</b>   | <b>441.53</b>  |

| Note 12<br>Bank balances other than cash and cash equivalents   | Rs. in Millions |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| Term deposits with banks having initial maturity of more than 3 months but remaining maturity of less than 12 months (refer note below) | 1,265.88        | 247.84         |
| <b>Total</b>  | <b>1,265.88</b> | <b>247.84</b>  |

Note : Term deposits of Rs. 2.26 million (March 31, 2021: Rs.3.14 million) held as lien by bank against bank guarantees and letter of credit.

| Note 13<br>Other current financial assets           | Rs. in Millions |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| Unsecured considered good, unless otherwise stated: |                 |                |
| Interest accrued on deposits with bank              | 44.63           | 5.28           |
| Interest accrued on investments                     | 0.01            | 0.01           |
| Claim receivable                                    | 0.38            | 5.52           |
| Security deposits                                   | 22.91           | -              |
| <b>Total</b>  | <b>67.93</b>    | <b>10.81</b>   |

| Note 14<br>Other current assets                        | Rs. in Millions |                |
|--|-----------------|----------------|
|  | March 31, 2022  | March 31, 2021 |
| Unsecured considered good, unless otherwise specified: |                 |                |
| Advances for supply of goods and services              | 108.74          | 93.48          |
| Balances with government authorities                   | 56.04           | 125.43         |
| Advance to employees                                   | 13.35           | 12.25          |
| Prepaid expenses                                       | 8.86            | 4.65           |
| Other current assets                                   | 31.41           | 22.25          |
| <b>Total</b>   | <b>218.40</b>   | <b>258.06</b>  |



**ZUVENTUS HEALTHCARE LIMITED**  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

Rs. in Millions

| Note 15<br>Equity Share Capital  | March 31, 2022   |        | March 31, 2021   |        |
|--|------------------|--------|------------------|--------|
|  | Number of shares | Value  | Number of shares | Value  |
| a. Authorised share capital<br>Equity shares of Rs. 10 each                | 2,50,00,000      | 250.00 | 2,50,00,000      | 250.00 |
| b. Issued, subscribed and paid up capital*<br>Equity shares of Rs. 10 each | 2,00,55,180      | 200.55 | 2,00,55,180      | 200.55 |

\* All issued shares are fully paid up

**c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the period/ year**

Rs. in Millions

| Particulars   | March 31, 2022   |        | March 31, 2021   |        |
|---|------------------|--------|------------------|--------|
|   | Number of shares | Value  | Number of shares | Value  |
| Equity shares outstanding at the beginning and at the end of the period/ year | 2,00,55,180      | 200.55 | 2,00,55,180      | 200.55 |

**d. Shares held by holding company**

| Particulars  | March 31, 2022     |                   | March 31, 2021     |                   |
|--|--------------------|-------------------|--------------------|-------------------|
|  | No. of shares held | % of Shareholding | No. of shares held | % of Shareholding |
| Equity shares<br>Emcure Pharmaceuticals Limited, the holding Company | 1,59,60,000        | 79.58%            | 1,59,60,000        | 79.58%            |

**e. Equity shareholders holding shares more than 5%**

| Particulars  | March 31, 2022     |                   | March 31, 2021     |                   |
|--|--------------------|-------------------|--------------------|-------------------|
|  | No. of shares held | % of Shareholding | No. of shares held | % of Shareholding |
| <b>Promoters</b><br>Emcure Pharmaceuticals Limited | 1,59,60,000        | 79.58%            | 1,59,60,000        | 79.58%            |
| <b>Others</b><br>Mr. Prakash Kumar Guha            | 25,11,000          | 12.52%            | 25,11,000          | 12.52%            |
| <b>Total</b>                                       | <b>1,84,71,000</b> | <b>92.10%</b>     | <b>1,84,71,000</b> | <b>92.10%</b>     |

**h. Percentage change in shares held by promoters**

| Particulars                    | 31-Mar-22 | 31-Mar-21 |
|--------------------------------|-----------|-----------|
| Emcure Pharmaceuticals Limited | 0.00%     | 0.00%     |

**f. Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financial statements (continued)**  
**For the year ended March 31, 2022**

Rs. in Millions

| Note 16   | March 31, 2022  | March 31, 2021  |
|---|-----------------|-----------------|
| <b>Reserves and Surplus</b>   |                 |                 |
| <b>General Reserve</b>  |                 |                 |
| Balance as at the beginning and at the end of the year                      | 161.67          | 161.67          |
| <b>Surplus in statement of profit and loss</b>                              |                 |                 |
| Balance as at the beginning of the year                                     | 3,413.53        | 2,587.62        |
| Profit for the year   | 1,877.49        | 1,014.78        |
| <b>Items of other comprehensive income transferred to retained earnings</b> |                 |                 |
| Remeasurement of post employment benefit obligation, net of tax             | (23.14)         | 11.68           |
| <b>Appropriations</b>   |                 |                 |
| Final Dividend - FY 2020-21   | (100.28)        | -               |
| Interim Dividend - FY 2020-21   | -               | (200.55)        |
| Interim Dividend - FY 2021-22   | (300.83)        | -               |
| <b>Balance as at the end of the year</b>                                    | <b>4,866.77</b> | <b>3,413.53</b> |
| <b>Equity contribution from Holding Company</b>                             |                 |                 |
| Balance as at the beginning of the year                                     | 1.84            | 4.29            |
| Cash settlement of stock options issued to employees                        | -               | (2.45)          |
| <b>Balance as at the end of the year</b>                                    | <b>1.84</b>     | <b>1.84</b>     |
| <b>Total</b>  | <b>5,030.28</b> | <b>3,577.04</b> |

The following dividends were declared and paid by the Company during the year:

Rs. in Millions

| Particulars   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Final dividend on equity shares FY 2020-21(Rs. 5 per equity share)*   | 100.28         | -              |
| Interim dividend on equity shares FY 2021-22(Rs. 15 per equity share) | 300.83         | -              |
| Interim dividend on equity shares FY 2020-21(Rs. 10 per equity share) | -              | 200.55         |
| <b>Total</b>  | <b>401.11</b>  | <b>200.55</b>  |

\* Final dividend paid during the year ended March 31, 2022 amounting to Rs.100.28 million is related to dividend proposed during the year ended March 31, 2021.

Note: After the reporting dates the following dividend were proposed by the directors subject to approval at the annual general meeting; the dividends have not been recognised as liabilities.

Rs. in Millions

| Particulars  | March 31, 2022 |
|--|----------------|
| Final dividend on equity shares (Rs. 5 per equity share) | 100.28         |
| <b>Total</b>   | <b>100.28</b>  |

**Nature and purpose of reserves :**

**Retained earnings**

Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

**General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

**Equity contribution from Holding Company**

Equity contribution from holding Company in the nature of employee stock option issued to employees.





ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

Rs. in Millions

| Note 17<br>Other non current financial liabilities  | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Trade deposits                                      | 31.25          | 31.25          |
| Other deposits                                      | -              | 3.00           |
| Allowance for expected sales return (refer note 21) | 143.44         | 149.69         |
| <b>Total</b>  | <b>174.69</b>  | <b>183.94</b>  |

Rs. in Millions

| Note 18<br>Non-current provisions                  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Provision for employee benefits                    |                |                |
| Provision for compensated absences (refer note 43) | 145.15         | 121.65         |
| <b>Total</b>                                       | <b>145.15</b>  | <b>121.65</b>  |

Rs. in Millions

| Note 19<br>Short-term borrowings                                       | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Secured  |                |                |
| Cash credit facilities / bank overdraft repayable on demand from banks | -              | 223.39         |
| <b>Total</b>   | <b>-</b>       | <b>223.39</b>  |

Note:

- 1) Working capital loans from banks are secured by hypothecation of inventories, book debts and receivables (Refer Note 40).
- 2) The loans are repayable within a year with a range of interest for rupee loans 3 Months MCLR+1.10% p.a.
- 3) Information about the Company's exposure to interest rate and liquidity risk is included in note 36.

Rs. in Millions

| Note 20<br>Trade payables  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Trade payables to related parties (Refer Note 46)                                | 4.57           | 9.89           |
| Other trade payables   |                |                |
| Total outstanding dues of micro and small Enterprises (refer footnote (c) below) | 80.47          | -              |
| Total outstanding dues of creditors other than micro & small enterprises         | 857.30         | 532.27         |
| <b>Total</b>   | <b>942.34</b>  | <b>542.16</b>  |

Note : Information regarding Micro, Small and Medium Enterprises

- a) All trade payable are current.
- b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.
- c) There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at year end. Refer note 47, for information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

Rs. in Millions

| As at March 31, 2022                        | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total         |
|---|---------------|------------------|-------------|-------------|-------------------|---------------|
| Micro and small enterprises                 | 0.03          | 80.47            | -           | -           | -                 | 80.50         |
| Others                                      | 143.97        | 717.46           | -           | 0.16        | 0.25              | 861.84        |
| Disputed dues - Micro and small enterprises | -             | -                | -           | -           | -                 | -             |
| Disputed dues - Others                      | -             | -                | -           | -           | -                 | -             |
| <b>Total</b>                                | <b>144.00</b> | <b>797.93</b>    | <b>-</b>    | <b>0.16</b> | <b>0.25</b>       | <b>942.34</b> |

Rs. in Millions

| As at March 31, 2021                        | Unbilled dues | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total         |
|---|---------------|------------------|-------------|-------------|-------------------|---------------|
| Micro and small enterprises                 | -             | -                | -           | -           | -                 | -             |
| Others                                      | 70.65         | 468.02           | 2.53        | -           | 0.96              | 542.16        |
| Disputed dues - Micro and small enterprises | -             | -                | -           | -           | -                 | -             |
| Disputed dues - Others                      | -             | -                | -           | -           | -                 | -             |
| <b>Total</b>                                | <b>70.65</b>  | <b>468.02</b>    | <b>2.53</b> | <b>-</b>    | <b>0.96</b>       | <b>542.16</b> |



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

Rs. in Millions

| Note 21<br>Other current financial liabilities             | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Employee benefits payable                                  | 367.28         | 313.00         |
| Creditors for capital assets                               | 18.70          | 18.78          |
| Other liabilities (refer note (a) below)                   | 8.70           | 4.20           |
| Allowance for expected sales return (refer note (b) below) | 243.18         | 173.09         |
| <b>Total</b>   | <b>637.86</b>  | <b>509.07</b>  |

Footnote:

(a) Other liabilities includes commission payable to directors also disclosed under Related Party Transaction. Refer note 46 for details.

(b) Allowance For Sales Return Subsequent To Sale

Allowance has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

| Particulars   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Balance at beginning of the year                        | 322.78         | 387.22         |
| Allowance made during the year                          | 420.18         | 282.46         |
| Unwinding of discounting on provision                   | 40.73          | 38.32          |
| Allowance utilised during the year                      | (397.07)       | (385.22)       |
| <b>At the end of the year (non-current and current)</b> | <b>386.62</b>  | <b>322.78</b>  |

Rs. in Millions

| Note 22<br>Short-term provisions       | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Provision for employee benefits        |                |                |
| Provision for compensated absences     | 54.65          | 51.96          |
| Provision for gratuity (refer Note 43) | 111.44         | 64.20          |
| Other provisions                       |                |                |
| Other provisions                       | 2.36           | 2.31           |
| <b>Total</b>                           | <b>168.45</b>  | <b>118.47</b>  |

Rs. in Millions

| Note 23<br>Other current liabilities                               | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Statutory dues including provident fund and tax deducted at source | 51.23          | 59.69          |
| Advances from customers  | 36.89          | 24.77          |
| <b>Total</b>   | <b>88.12</b>   | <b>84.46</b>   |



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financials statements (continued)**  
**For the year ended March 31, 2022**

Rs. in Millions

| <b>Note 24</b>                      | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|-------------------------------------|-----------------------|-----------------------|
| <b>Revenue from Operations</b>      |                       |                       |
| Sale of products (refer note 45)    | 10,505.52             | 8,094.88              |
| <b>Other operating revenue</b>      |                       |                       |
| Export incentives                   | 0.26                  | -                     |
| Scrap sales                         | 1.65                  | 1.09                  |
| GST refund received (refer note 48) | 7.04                  | 24.91                 |
| <b>Total</b>                        | <b>10,514.47</b>      | <b>8,120.88</b>       |

Rs. in Millions

| <b>Note 25</b>  | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|---|-----------------------|-----------------------|
| <b>Other Income</b>                                       |                       |                       |
| Interest income under the effective interest method from: |                       |                       |
| Banks and others  | 79.34                 | 2.95                  |
| Net gain on foreign currency transactions                 | 0.54                  | 3.50                  |
| Miscellaneous income                                      | 42.54                 | 10.99                 |
| <b>Total</b>  | <b>122.42</b>         | <b>17.44</b>          |



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

Rs. in Millions

| Note 26  | March 31, 2022  | March 31, 2021  |
|--|-----------------|-----------------|
| <b>Cost of material consumed</b>                   |                 |                 |
| <b>A: Raw material consumed</b>                    |                 |                 |
| Opening inventory                                  | 264.46          | 250.09          |
| Add : Purchases (net)                              | 1,686.37        | 949.58          |
|  | 1,950.83        | 1,199.67        |
| Less: Closing inventory                            | 484.60          | 264.46          |
| Cost of raw materials consumed during the year     | 1,466.23        | 935.21          |
| <b>B: Packing material consumed</b>                |                 |                 |
| Opening inventory                                  | 52.28           | 42.07           |
| Add : Purchases (net)                              | 444.58          | 252.99          |
|  | 496.86          | 295.06          |
| Less: Closing inventory                            | 80.11           | 52.28           |
| Cost of packing materials consumed during the year | 416.75          | 242.78          |
| <b>Total (A+B)</b>                                 | <b>1,882.98</b> | <b>1,177.99</b> |

Rs. in Millions

| Note 27   | March 31, 2022  | March 31, 2021  |
|---|-----------------|-----------------|
| <b>Changes in inventory of finished goods, work in progress and traded goods.</b>     |                 |                 |
| <b>Opening inventory</b>  |                 |                 |
| Finished goods  | 408.17          | 347.38          |
| Work-in-process   | 27.70           | 31.33           |
| Traded goods  | 383.45          | 272.30          |
|   | 819.32          | 651.01          |
| <b>Less: Closing inventory</b>  |                 |                 |
| Finished goods  | 581.09          | 408.17          |
| Work-in-process   | 44.62           | 27.70           |
| Traded goods  | 535.28          | 383.45          |
|   | 1,160.99        | 819.32          |
| <b>(Increase) in inventories of finished goods, work-in-progress and traded goods</b> | <b>(341.67)</b> | <b>(168.31)</b> |



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financials statements (continued)**  
**For the year ended March 31, 2022**

Rs. in Millions

| <b>Note 28</b>  | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|---|-----------------------|-----------------------|
| <b>Employee benefit expenses</b>                          |                       |                       |
| Salaries, wages and bonus                                 | 1,927.21              | 1,713.41              |
| Contribution to provident and other funds (refer Note 43) | 125.61                | 115.42                |
| Gratuity (refer note 43)                                  | 47.60                 | 48.51                 |
| Employee share-based payment expenses (refer note 44)     | -                     | 7.55                  |
| Staff welfare expenses                                    | 81.54                 | 64.87                 |
| <b>Total</b>  | <b>2,181.96</b>       | <b>1,949.76</b>       |

Rs. in Millions

| <b>Note 29</b>   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|--|-----------------------|-----------------------|
| <b>Other expenses</b>  |                       |                       |
| Processing charges   | 65.61                 | 30.94                 |
| Factory consumables  | 76.23                 | 58.55                 |
| Power and fuel   | 156.43                | 117.11                |
| Insurance  | 16.62                 | 11.89                 |
| Repair and maintenance   | 58.32                 | 39.53                 |
| Rent   | 9.82                  | 1.63                  |
| Rates and taxes  | 44.35                 | 64.46                 |
| Freight  | 122.32                | 99.58                 |
| Advertisement & promotional materials  | 404.59                | 208.30                |
| Travelling, conveyance and vehicle expenses                                    | 454.66                | 310.17                |
| Commission on sales  | 218.40                | 167.88                |
| Printing, stationery, postage and telephones expenses                          | 23.21                 | 18.30                 |
| Legal and professional fees  | 108.83                | 90.49                 |
| Contractual Services   | 128.20                | 111.76                |
| Payment to auditors (refer note below)   | 1.35                  | 1.39                  |
| Commission to Non-Executive Directors (refer note 46)                          | 8.70                  | 4.20                  |
| Directors sitting fees (refer note 46)   | 0.62                  | 0.38                  |
| Provision for doubtful debts (refer note 36)                                   | 7.55                  | 17.79                 |
| Loss on sale of asset  | 0.17                  | 1.14                  |
| Net changes in fair value of preference shares - mandatorily measured at FVTPL | -                     | 65.13                 |
| Loss on redemption of preference shares  | -                     | 32.57                 |
| Bad debts written off  | 0.36                  | 0.12                  |
| Expenditure towards corporate social responsibility (refer Note 49)            | 21.80                 | 13.61                 |
| Miscellaneous expenses   | 114.81                | 96.47                 |
| <b>Total</b>   | <b>2,042.95</b>       | <b>1,563.39</b>       |

**Note : Payment to auditor:**

Rs. in Millions

| <b>Particulars</b>     | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|------------------------|-----------------------|-----------------------|
| Audit fees             | 1.30                  | 1.30                  |
| Other services         | -                     | 0.04                  |
| Out of pocket expenses | 0.05                  | 0.05                  |
| <b>Total</b>           | <b>1.35</b>           | <b>1.39</b>           |

Rs. in Millions

| <b>Note 30</b>                                | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|---|-----------------------|-----------------------|
| <b>Depreciation and amortisation expenses</b> |                       |                       |
| Depreciation on property, plant and equipment | 175.80                | 181.77                |
| Amortisation on intangible assets             | 2.80                  | 4.06                  |
| Depreciation on right-of-use assets           | 88.89                 | 92.93                 |
| <b>Total</b>                                  | <b>267.49</b>         | <b>278.76</b>         |

Rs. in Millions

| <b>Note 31</b>   | <b>March 31, 2022</b> | <b>March 31, 2021</b> |
|--|-----------------------|-----------------------|
| <b>Finance cost</b>  |                       |                       |
| Interest on short-term borrowings measured at amortised cost | 1.43                  | 30.67                 |
| Interest on shortfall of advance tax                         | 4.44                  | 7.78                  |
| Interest accrued on lease liability                          | 22.44                 | 22.09                 |
| Unwinding of discounts on provision                          | 40.73                 | 38.32                 |
| Other borrowing costs  | 8.04                  | 10.94                 |
| <b>Total</b>   | <b>77.08</b>          | <b>109.80</b>         |



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

Rs. in Millions

| Note 32  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| <b>a) Tax expenses</b>                                       |                |                |
| <b>Current tax expenses</b>                                  |                |                |
| Current tax on profits for the period                        | 653.63         | 570.42         |
| Tax related to prior years                                   | (60.74)        | (5.74)         |
| <b>Total current tax expense</b>                             | <b>592.89</b>  | <b>564.68</b>  |
| <b>Deferred tax</b>  |                |                |
| Originating and reversal of temporary differences            | (15.00)        | (33.10)        |
| Changes in recognised temporary differences of earlier years | 53.77          | (13.02)        |
| <b>Total deferred tax (benefit)/expense</b>                  | <b>38.77</b>   | <b>(46.12)</b> |
| <b>Total income tax expense</b>                              | <b>631.66</b>  | <b>518.56</b>  |

Rs. in Millions

| b) Tax Income/(expenses) recognised in OCI            | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Remeasurements of post-employment benefit obligations | 7.78           | (6.27)         |
|   | 7.78           | (6.27)         |

Rs. in Millions

| c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: | March 31, 2022 |               | March 31, 2021 |               |
|--|----------------|---------------|----------------|---------------|
| Profit before tax expense  |                | 2,509.15      |                | 1,533.34      |
| Tax using the company's domestic tax rate  | 25.17%         | 631.50        | 34.94%         | 535.81        |
| Effects of following on tax rates:   |                |               |                |               |
| Non deductible expenses  | 0.20%          | 5.08          | 0.49%          | 7.47          |
| Additional allowances for tax purpose  | 0.00%          | -             | -1.13%         | (17.30)       |
| Change in estimate related to prior years  | -2.42%         | (60.74)       | -0.37%         | (5.74)        |
| Difference in tax rate   | -0.28%         | (7.02)        | 0.74%          | 11.34         |
| Changes in recognised temporary differences of earlier years                               | 2.14%          | 53.77         | -0.85%         | (13.02)       |
| Other items  | 0.36%          | 9.07          | 0.00%          | -             |
| <b>Effective tax rate</b>  | <b>25.17%</b>  | <b>631.66</b> | <b>33.82%</b>  | <b>518.56</b> |

d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

| Unused tax losses - Long term capital loss                            | March 31, 2022 |                         | March 31, 2021 |                         |
|---|----------------|-------------------------|----------------|-------------------------|
|   | Gross amount   | Unrecognised tax effect | Gross amount   | Unrecognised tax effect |
| Unused tax losses for which no deferred tax asset has been recognised | -              | -                       | 179.56         | 41.84                   |
|   | -              | -                       | 179.56         | 41.84                   |

Note : Further It is not probable that future taxable profit will be available against which the deductible temporary difference pertaining to investment in preference share can be utilised. Accordingly, Deferred tax assets to the tune of Rs. 17.77 million not been recognised on deductible temporary difference pertaining to investment in preference share.

| e) Tax losses carried forward- Expiry | March 31, 2021 |
|---------------------------------------|----------------|
| Tax losses - Expiry in A.Y. 2029-30   | 179.56         |
| <b>Total</b>                          | <b>179.56</b>  |



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financials statements (continued)**  
**For the year ended March 31, 2022**

Rs. in millions

| Note 33   | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| <b>Deferred tax liabilities (net)</b>                 |                |                |
| <b>Deferred tax assets on:</b>                        |                |                |
| Allowance for doubtful debts on trade receivables     | 14.76          | 17.76          |
| Provision - employee benefit                          | 82.38          | 91.93          |
| Lease Liability                                       | 56.11          | 83.58          |
| <b>Total deferred tax assets</b>                      | 153.25         | 193.27         |
| <b>Deferred tax liabilities on:</b>                   |                |                |
| Property, plant and equipment                         | 158.92         | 140.20         |
| Intangible assets                                     | 0.96           | 1.81           |
| Right to use asset                                    | 49.52          | 76.42          |
| <b>Total deferred tax liabilities</b>                 | 209.40         | 218.43         |
|   |                |                |
| <b>Deferred income tax Assets/(liabilities) - net</b> | <b>(56.15)</b> | <b>(25.16)</b> |



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

Note 33 Deferred tax liability (net) (continued)

| Movement of Deferred tax assets / liabilities     | Rs. in millions                                   |   |   |   |          |  |
|---|---|---|---|---|----------|--|
|   | Balance of Deferred tax asset as at April 1, 2021 | Balance of Deferred tax liability as at April 1, 2021 | Transferred to statement of profit and loss | Transferred to Other comprehensive income | Others   | Balance of Deferred tax asset as at March 31, 2022 |
| Allowance for doubtful debts on trade receivables | 17.76   | -   | (3.00)                                      | -   | -        | 14.76  |
| Provision - employee benefit                      | 91.93   | -   | (17.33)                                     | 7.78                                      | -        | 82.38  |
| Lease Liability                                   | 83.58   | -   | (27.47)                                     | -   | -        | 56.11  |
| Investment in preference shares                   | -   | -   | -   | -   | -        | -  |
| Property, plant and equipment                     | -   | (140.20)  | (18.72)                                     | -   | -        | (158.92)   |
| Intangible assets                                 | -   | (1.81)  | 0.85  | -   | -        | (0.96)   |
| Right to use asset                                | -   | (76.42)   | 26.90                                       | -   | -        | (49.52)  |
| <b>Total</b>                                      | <b>193.27</b>                                     | <b>(218.43)</b>                                       | <b>(38.77)</b>                              | <b>7.78</b>                               | <b>-</b> | <b>(209.40)</b>                                    |

| Movement of Deferred tax assets / liabilities     | Rs. in millions                                   |   |   |   |          |  |
|---|---|---|---|---|----------|--|
|   | Balance of Deferred tax asset as at April 1, 2020 | Balance of Deferred tax liability as at April 1, 2020 | Transferred to statement of profit and loss | Transferred to Other comprehensive income | Others   | Balance of Deferred tax asset as at March 31, 2021 |
| Allowance for doubtful debts on trade receivables | 11.54   | -   | 6.22  | -   | -        | 17.76  |
| Provision - employee benefit                      | 86.29   | -   | 11.91                                       | (6.27)                                    | -        | 91.93  |
| Lease Liabilities                                 | 83.31   | -   | 0.27  | -   | -        | 83.58  |
| Investment in preference shares                   | -   | (22.63)   | 22.63                                       | -   | -        | -  |
| Property, plant and equipment                     | -   | (144.28)  | 4.08  | -   | -        | (140.20)   |
| Intangible assets                                 | -   | (0.88)  | (0.93)                                      | -   | -        | (1.81)   |
| Right to use asset                                | -   | (78.36)   | 1.94  | -   | -        | (76.42)  |
| <b>Total</b>                                      | <b>181.14</b>                                     | <b>(246.15)</b>                                       | <b>46.12</b>                                | <b>(6.27)</b>                             | <b>-</b> | <b>(218.43)</b>                                    |

| Note 34<br>Income tax assets/liabilities (net) | Rs. in millions |                |
|--|-----------------|----------------|
|  | March 31, 2022  | March 31, 2021 |
| Income tax assets (net of provision)           | 285.86          | 144.65         |
| Income tax liability (net of advance tax)      | (92.83)         | (61.42)        |
| <b>Total (net of advance tax)</b>              | <b>193.03</b>   | <b>83.23</b>   |





**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financials statements (continued)**  
**For the year ended March 31, 2022**

**Note 35 : Capital management**

**Risk management**

The company's objectives when managing capital are to

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder's, return capital to share holders or issue new shares.

Generally consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalent's)  
 divided by  
 Total equity as shown in the balance sheet.

The Company's strategy is to maintain a gearing ratio less than 1.50x, which is acceptable under bank norms. The gearing ratio at year end is as follows:

| Particulars  | Rs. in Millions |                |
|--|-----------------|----------------|
|  | March 31, 2022  | March 31, 2021 |
| Net debt*  | -               | -              |
| Equity attributable to owners of Zuventus Healthcare Limited | 5,230.83        | 3,777.59       |
| <b>Net Debt to Equity ratio*</b>                             | -               | -              |

\* As the net debt as on March 31, 2022 and March 31,2021 is negative, the Company for the purpose of this disclosure has considered net debt as zero and accordingly net debt to equity ratio is zero.



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financials statements (continued)**  
**For the year ended March 31, 2022**

**Note 36 : Financial risk management**

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is carried out by treasury department under guidance of board of directors and the core management team, and it focuses on actively ensuring the minimal impact of company's financial position.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

| Risk                           | Exposure arising from   | Measurement                                   | Management   |
|--------------------------------|---|---|--|
| Credit risk                    | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.                              | Aging analysis credit ratings                 | Diversification of bank deposits, credit limits and letters of credit                    |
| Liquidity risk                 | Borrowings and other liabilities  | Rolling cash flow forecasts                   | Availability of committed credit lines and borrowing facilities                          |
| Market risk - foreign exchange | Future commercial transactions<br><br>Recognised financial assets and liabilities not denominated in Indian rupee (Rs.) | Cash flow forecasting<br>Sensitivity analysis | Effective management of foreign exchange inflows & outflows                              |
| Market risk - interest rate    | Borrowings at variable rates  | Sensitivity analysis                          | Ongoing review of existing borrowing rates and seeking for new facilities at lower rate. |

**A. 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 other financial assets. 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 doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents and deposits.

Further, the Company also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Company depending on the diversity of its asset base, uses appropriate groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Company limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Company considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Company has exposure to credit risk which is limited to carrying amount of financial assets recognized at the date of Balance sheet.

**Trade receivables**

Trade receivables are usually due within 7-180 days. Generally, and by practice significant domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure except for receivables from government agencies and related parties. However, the Company does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Further, majority of the receivables pertains to receivables from Subsidiaries, wherein the concentration of credit risk is considered to be low. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Company uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

**Year ended March 31, 2022:**

**Expected credit loss for trade receivables under simplified approach**

| Ageing  | Not due       | 0-90 days past dues | 91-180 days past dues | 181-270 days past dues | 271-360 days past dues | More than 361 days past dues | Total         |
|---|---------------|---------------------|-----------------------|------------------------|------------------------|------------------------------|---------------|
| Gross carrying amount   | 537.90        | 197.39              | 55.64                 | 9.72                   | 8.37                   | 37.17                        | 846.19        |
| Expected loss rate (includes interest as well as credit loss)   | 1.95%         | 1.10%               | 8.43%                 | 27.47%                 | 44.32%                 | 93.87%                       | 6.93%         |
| Expected credit losses (loss allowance provision)               | 10.50         | 2.17                | 4.69                  | 2.67                   | 3.71                   | 34.89                        | 58.63         |
| <b>Carrying amount of trade receivables (net of impairment)</b> | <b>527.40</b> | <b>195.22</b>       | <b>50.95</b>          | <b>7.05</b>            | <b>4.66</b>            | <b>2.28</b>                  | <b>787.56</b> |



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financials statements (continued)**  
**For the year ended March 31, 2022**

**Year ended March 31, 2021:**

**Expected credit loss for trade receivables under simplified approach**

| Ageing  | Not due       | 0-90 days past dues | 91-180 days past dues | 181-270 days past dues | 271-360 days past dues | More than 361 days past dues | Total         |
|---|---------------|---------------------|-----------------------|------------------------|------------------------|------------------------------|---------------|
| Gross carrying amount   | 522.61        | 329.72              | 37.01                 | 18.73                  | 12.56                  | 28.89                        | 949.52        |
| Expected loss rate (includes interest as well as credit loss)   | 1.78%         | 0.83%               | 8.05%                 | 23.92%                 | 38.46%                 | 91.66%                       | 5.35%         |
| Expected credit losses (Loss allowance provision)               | 9.30          | 2.74                | 2.98                  | 4.48                   | 4.83                   | 26.48                        | 50.81         |
| <b>Carrying amount of trade receivables (net of impairment)</b> | <b>513.31</b> | <b>326.98</b>       | <b>34.03</b>          | <b>14.25</b>           | <b>7.73</b>            | <b>2.41</b>                  | <b>898.71</b> |

During the period, the Company has made write-offs of trade receivables amount to Rs. 0.36 million (March 31, 2021 : 0.12 million).

There are no financial assets which have been written off during the year which are subject to enforcement activity.

**Reconciliation of loss allowance provision — Trade receivables**

| Particulars                           | Rs. in Millions |              |
|---------------------------------------|-----------------|--------------|
|                                       | Mar-22          | Mar-21       |
| <b>Loss allowance opening balance</b> | <b>50.81</b>    | <b>33.02</b> |
| Amounts written off                   | (0.36)          | (0.12)       |
| Net remeasurement of loss allowances  | 7.46            | 17.67        |
| <b>Loss allowance closing balance</b> | <b>58.63</b>    | <b>50.81</b> |

**Cash and cash equivalents and deposits with banks:**

With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputable banks with very high credit worthiness.

**B. Liquidity risk**

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financial liabilities. Due to the dynamic nature of the underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a rolling 30 day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and revised at regular intervals.

The Company maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

**i. Financing arrangements**

The company has access to the following undrawn borrowing facilities of Rs. 239.77 million as at March 31, 2022 (March 31, 2021 Rs.552.08 million).

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

**ii. Maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flow's of financial liabilities. Balance's due within 12 months equal their carrying balance's as the impact of discounting is not significant.

| Contractual maturities of financial liabilities | Rs. in Millions |              |               |                   |                 |
|---|-----------------|--------------|---------------|-------------------|-----------------|
|   | within 1 Years  | 1 to 2 years | 2 to 5 years  | More than 5 years | Total           |
| <b>March 31, 2022</b>                           |                 |              |               |                   |                 |
| Trade payable                                   | 942.34          | -            | -             | -                 | 942.34          |
| Short term borrowings                           | -               | -            | -             | -                 | -               |
| Trade deposits                                  | -               | -            | 31.25         | -                 | 31.25           |
| Leased Liability                                | 88.42           | 78.13        | 87.23         | 24.84             | 278.62          |
| Other financial liabilities                     | 637.86          | -            | -             | -                 | 637.86          |
| <b>Total</b>                                    | <b>1,668.62</b> | <b>78.13</b> | <b>118.48</b> | <b>24.84</b>      | <b>1,890.07</b> |
| <b>March 31, 2021</b>                           |                 |              |               |                   |                 |
| Trade payable                                   | 542.16          | -            | -             | -                 | 542.16          |
| Short term borrowings                           | 223.39          | -            | -             | -                 | 223.39          |
| Trade deposits                                  | -               | -            | 34.25         | -                 | 34.25           |
| Leased Liability                                | 89.96           | 66.86        | 146.85        | -                 | 303.67          |
| Other financial liabilities                     | 509.07          | -            | -             | -                 | 509.07          |
| <b>Total</b>                                    | <b>1,364.58</b> | <b>66.86</b> | <b>181.10</b> | <b>-</b>          | <b>1,612.54</b> |



**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financial statements (continued)**  
**For the year ended March 31, 2022**

**C. Market risk**

Market risk is the risk that changes in Market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**i. Foreign currency risk**

The Company transacted in foreign currencies for procurement of raw material and sale of goods. Consequently the Company is exposed to a minimal foreign exchange risk through its purchases from overseas suppliers and sales to overseas customers in foreign currency.

| Particulars      | Currency | In Millions      |                |                  |                |
|------------------|----------|------------------|----------------|------------------|----------------|
|                  |          | March 31, 2022   |                | March 31, 2021   |                |
|                  |          | Foreign Currency | Local Currency | Foreign Currency | Local Currency |
| Trade receivable | USD      | 0.02             | 1.60           | 0.01             | 0.40           |
| Trade receivable | EURO     | 0.04             | 2.98           | -                | -              |
| Claim receivable | USD      | -                | -              | 0.08             | 5.52           |
| Trade payable    | USD      | *                | 0.23           | 0.01             | 0.73           |
| Trade payable    | GBP      | 0.03             | 2.89           | *                | 0.08           |

\* below rounding off norms

**Sensitivity:**

The company operates mainly in local currency and no/or minimum exposures to foreign currency. Hence no sensitivity analysis has been carried out.

**ii. Interest rate risk**

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. During the year ended on March 31 2022 and March 31 2021, the company's borrowings at variable rate were mainly denominated in INR.

**a. Interest rate risk exposure**

The Company's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Company to interest rate risk.

As a part of Company's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps, contracts to hedge foreign currency risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk related to interest rate movement.

**b. Sensitivity :**

The Company's policy is to minimize interest rate cash flow risk exposures on long-term borrowing. The company has exposure to local currency. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR).

The sensitivity of profit or loss due to changes in base rate / MCLR is as follows

| Particulars   | Rs. in Millions             |                |
|---|-----------------------------|----------------|
|   | Impact on profit before tax |                |
|   | March 31, 2022              | March 31, 2021 |
| Interest rates — increase by 25 basis points (25 bps) * | -                           | 0.56           |
| Interest rates — decrease by 25 basis points (25 bps) * | -                           | (0.56)         |

\* Holding all other variables constant

The bank deposits are placed on fixed rate of interest of approximately 4% to 9%. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financial statements (continued)  
For the year ended March 31, 2022  
Note 37 : Fair value measurements

A. Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

| March 31, 2022   |                            |                 |      |                 |            |         |         |       | Rs. in Millions |
|--|----------------------------|-----------------|------|-----------------|------------|---------|---------|-------|-----------------|
| Particulars  | Carrying amounts valued at |                 |      |                 | Fair value |         |         | Total |                 |
|  | FVTPL                      | Amortised cost  | Cost | Total           | Level 1    | Level 2 | Level 3 |       |                 |
| <b>Financial assets not measured at fair value*</b>      |                            |                 |      |                 |            |         |         |       |                 |
| Investments in government securities                     | -                          | -               | -    | -               | -          | -       | -       | -     |                 |
| Trade receivables  | -                          | 787.56          | -    | 787.56          | -          | -       | -       | -     |                 |
| Cash and cash equivalents                                | -                          | 203.52          | -    | 203.52          | -          | -       | -       | -     |                 |
| Term deposit with banks                                  | -                          | 1,265.88        | -    | 1,265.88        | -          | -       | -       | -     |                 |
| Other financial assets                                   | -                          | 302.84          | -    | 302.84          | -          | -       | -       | -     |                 |
| <b>Total financial assets</b>                            | -                          | <b>2,559.80</b> | -    | <b>2,559.80</b> | -          | -       | -       | -     |                 |
| <b>Financial liabilities not measured at fair value*</b> |                            |                 |      |                 |            |         |         |       |                 |
| Long term borrowings(including current maturities)       | -                          | -               | -    | -               | -          | -       | -       | -     |                 |
| Short term borrowings                                    | -                          | -               | -    | -               | -          | -       | -       | -     |                 |
| Trade deposits   | -                          | 31.25           | -    | 31.25           | -          | -       | -       | -     |                 |
| Other deposits   | -                          | -               | -    | -               | -          | -       | -       | -     |                 |
| Trade payables   | -                          | 942.34          | -    | 942.34          | -          | -       | -       | -     |                 |
| Creditors for capital goods                              | -                          | 18.70           | -    | 18.70           | -          | -       | -       | -     |                 |
| Lease liabilities  | -                          | 222.97          | -    | 222.97          | -          | -       | -       | -     |                 |
| Other financial liabilities                              | -                          | 375.98          | -    | 375.98          | -          | -       | -       | -     |                 |
| <b>Total financial liabilities</b>                       | -                          | <b>1,591.24</b> | -    | <b>1,591.24</b> | -          | -       | -       | -     |                 |

\* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

| March 31, 2021   |                            |                 |      |                 |            |         |               |               | Rs. in Millions |
|--|----------------------------|-----------------|------|-----------------|------------|---------|---------------|---------------|-----------------|
| Particulars  | Carrying amounts valued at |                 |      |                 | Fair value |         |               | Total         |                 |
|  | FVTPL                      | Amortised cost  | Cost | Total           | Level 1    | Level 2 | Level 3       |               |                 |
| <b>Financial assets measured at fair value</b>           |                            |                 |      |                 |            |         |               |               |                 |
| Investments in preference shares of subsidiary           | 300.00                     | -               | -    | 300.00          | -          | -       | 300.00        | 300.00        |                 |
| <b>Financial assets not measured at fair value*</b>      |                            |                 |      |                 |            |         |               |               |                 |
| Investments in government securities                     | -                          | 0.03            | -    | 0.03            | -          | -       | -             | -             |                 |
| Trade receivables  | -                          | 898.71          | -    | 898.71          | -          | -       | -             | -             |                 |
| Cash and cash equivalents                                | -                          | 441.53          | -    | 441.53          | -          | -       | -             | -             |                 |
| Security deposits  | -                          | 64.17           | -    | 64.17           | -          | -       | -             | -             |                 |
| Term deposit with banks                                  | -                          | 247.84          | -    | 247.84          | -          | -       | -             | -             |                 |
| Other financial assets                                   | -                          | 20.33           | -    | 20.33           | -          | -       | -             | -             |                 |
| <b>Total financial assets</b>                            | <b>300.00</b>              | <b>1,672.61</b> | -    | <b>1,972.61</b> | -          | -       | <b>300.00</b> | <b>300.00</b> |                 |
| <b>Financial liabilities not measured at fair value*</b> |                            |                 |      |                 |            |         |               |               |                 |
| Short term borrowings                                    | -                          | 223.39          | -    | 223.39          | -          | -       | -             | -             |                 |
| Trade deposits   | -                          | 31.25           | -    | 31.25           | -          | -       | -             | -             |                 |
| Other deposits   | -                          | 3.00            | -    | 3.00            | -          | -       | -             | -             |                 |
| Trade payables   | -                          | 542.16          | -    | 542.16          | -          | -       | -             | -             |                 |
| Creditors for capital goods                              | -                          | 18.78           | -    | 18.78           | -          | -       | -             | -             |                 |
| Lease liabilities  | -                          | 239.19          | -    | 239.19          | -          | -       | -             | -             |                 |
| Other financial liabilities                              | -                          | 317.20          | -    | 317.20          | -          | -       | -             | -             |                 |
| <b>Total financial liabilities</b>                       | -                          | <b>1,374.97</b> | -    | <b>1,374.97</b> | -          | -       | -             | -             |                 |

\* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

There are no transfers between any levels during the year.



B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

| Financial instruments measured at fair value |  |   |   |
|--|--|---|---|
| Type   | Valuation technique  | Significant unobservable inputs                           | Inter-relationship between significant unobservable inputs and fair value measurement   |
| Financial instruments measured at fair value | Discounted cash flows:<br>The valuation model considers present value of expected cash flows to be generated by the investee discounted using a risk-adjusted discount rate. | a. Earnings growth rate<br>b. Risk adjusted discount rate | The estimated fair value would increase (decrease) if:<br>- annual expected cash flows were higher (lower)<br>- the risk-adjusted discount rate were lower (higher) |

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:  
- Estimating future cash flow and discounted cash flow analysis.

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty credit risk.

C. Level 3 fair values:

i. Reconciliation of Level 3 fair values:

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

| Particulars  | Rs. in Millions                 |                                 |
|--|---------------------------------|---------------------------------|
|  | Investment in preference shares | Investment in preference shares |
|  | March 31, 2022                  | March 31, 2021                  |
| Opening Balance as on 01 April   | 300.00                          | 547.70                          |
| Redemption of preference shares  | (300.00)                        | (150.00)                        |
| losses recognised in profit or loss on redemption of preference shares | -                               | (32.57)                         |
| Gains/(losses) recognised in profit or loss                            | -                               | (65.13)                         |
| Closing balance as on  | -                               | 300.00                          |

ii. Sensitivity analysis:

For the fair values of investment in preference shares of subsidiary, reasonable possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects on the fair value:

| Particulars   | Fair value as at |                | Significant unobservable inputs *                   | Probability-   |                  |
|---|------------------|----------------|---|----------------|------------------|
|   | March 31, 2022   | March 31, 2021 |   | March 31, 2022 | March 31, 2021   |
| Unquoted preference shares  | -                | 300.00         | Earnings growth rate<br>Risk adjusted discount rate | -              | Refer note below |
| Increased earnings growth factor (+50 basis points (bps)) and lower discount rate (-50 bps) |                  |                |   |                |                  |
| lower earnings growth factor (-50 bps) and higher discount rate (+50 bps)                   |                  |                |   |                |                  |

Note : Subsequent to year end March 31, 2021, these preference shares have been redeemed at par value of Rs.10/- per share. Accordingly, the fair value of these preference share as on March 31, 2021 have been considered as Rs.10 per share.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see above.



**Note 38 : Contingent liabilities**  
Claims against the Company not acknowledged as debts as at March 31, 2022

| Sr. No. | Particulars                 | Rs. in Millions |                |
|---------|-----------------------------|-----------------|----------------|
|         |                             | March 31, 2022  | March 31, 2021 |
| a)      | Sales Tax/Entry Tax matters | 11.11           | 11.11          |
| b)      | Service Tax                 | 10.54           | 10.54          |
| c)      | Provident Fund matter       | 53.61           | 53.61          |
|         | <b>Total</b>                | <b>75.26</b>    | <b>75.26</b>   |

**Notes:**

- The Company is in the process of evaluating the impact of the Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. Based on legal advice received by the management, there are interpretation issues relating to the said SC judgement and review petitions are pending before the SC in this matter. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements.
- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.
- The Company is also contesting other civil claims against the Company not acknowledged as debts and the management believes that its position will likely be upheld in the appellate process and accordingly no provision has been recognised in this financial statements.
- A Search and Seizure Operation ('the Operation') was conducted by the Income Tax Department during the month of December 2020 under section 132 of the Income-tax Act, 1961. The Company has received notices u/s. 153A and has filed the required returns of income for the respective assessment years. Based on the enquiries made by the Income tax department and the Company's submissions thereto, Management is of the view that the matters involved are normal tax matters in respect of certain tax deductions and allowances, and accordingly the Operation will not have any significant impact on the Company's financial position and performance as at and for the year ended March 31, 2022 or any of the earlier years presented herein.
- The Officers of the DGGI, Mumbai made visit on 09th March 2022 and conducted an inquiry as per Section 70 of the CGST, 2017. The purpose of the search and inspection was to understand the process and procedure followed by Pharmaceutical Sector under GST Act. The Company shared the required information and explanation in this regards. Management is confident that no taxes will devolve on the Company and accordingly the Operation will not have any significant impact on the Company's financial position and performance as at and for the year ended March 31, 2022 or any of the earlier periods. The Company has not received any demand or Show Cause notice till date in the matter and the inquiry is on-going.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have any effect on its financial position.

**Note 39 : Capital and other commitments (to the extent not provided for)**

**A) Capital Commitment**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. 109.67 millions (March 31, 2021: Rs. 14.63 millions)

**B) Financial guarantees given**

The Company has given security and corporate guarantee on behalf of its Holding Company for loan taken from financial institution as per following.

| Particulars    | Currency | March 31, 2022 | March 31, 2021 |
|----------------|----------|----------------|----------------|
| Security       | INR      | 1,418.73       | 1,884.80       |
| Bank guarantee | INR      | 561.12         | 1,076.12       |

**Note 40 : Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars   | Note | Rs. in millions |                 |
|---|------|-----------------|-----------------|
|   |      | March 31, 2022  | March 31, 2021  |
| <b>Current</b>                                      |      |                 |                 |
| Financial assets                                    |      |                 |                 |
| Trade receivables                                   | 10   | 787.56          | 898.71          |
| Cash and cash equivalents                           | 11   | 203.52          | 441.53          |
| Bank balances other than above                      | 12   | 1,265.88        | 247.84          |
| Other financial assets                              | 13   | 67.93           | 10.81           |
| Other current assets                                | 14   | 218.40          | 258.06          |
| Non-financial assets                                |      |                 |                 |
| Inventories   | 8    | 1,739.01        | 1,147.18        |
| <b>Total current assets pledged as security</b>     |      | <b>4,282.30</b> | <b>3,004.13</b> |
| <b>Non Current</b>                                  |      |                 |                 |
| Property, plant and equipment (refer note below)    | 2    | 1,418.73        | 1,884.80        |
| <b>Total non current assets pledged as security</b> |      | <b>1,418.73</b> | <b>1,884.80</b> |
| <b>Total assets pledged as security</b>             |      | <b>5,701.03</b> | <b>4,888.93</b> |

Note: The Company has pledged asset of Rs. 1,418.73 (March 31, 2021 : Rs. 1,884.80 million) on behalf of its Holding Company for loan taken from financial institution.



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

**Additional disclosure required by Schedule III**

As disclosed above, the Company has availed loans from banks on the basis of security of current assets. The Company file statement of current assets with the bank on periodical basis. There difference between the statements filed by the Company and the books of accounts of the Company are as below:

| Quarter ended     | Name of Bank                            | Particulars | Amount as per books of account | Amount reported in the Stock Statements | Amount of difference | Reason for difference or discrepancies |
|-------------------|---|-------------|--------------------------------|---|----------------------|--|
| 30 June 2020      | Axis Bank Limited                       | Inventory   | 1,347.76                       | 1,359.48                                | (11.72)              | Refer Note 1                           |
| 30 June 2020      | Axis Bank Limited                       | Receivables | 1,085.72                       | 1,057.44                                | 28.28                | Refer Note 2                           |
| 30 June 2020      | Axis Bank Limited                       | Payables    | 971.31                         | 488.29                                  | 483.02               | Refer Note 3                           |
| 30 September 2020 | Axis Bank Limited                       | Inventory   | 1,312.85                       | 1,294.00                                | 18.85                | Refer Note 1                           |
| 30 September 2020 | Axis Bank Limited & Bank of Maharashtra | Receivables | 1,417.41                       | 1,375.91                                | 41.50                | Refer Note 2                           |
| 30 September 2020 | Axis Bank Limited & Bank of Maharashtra | Payables    | 601.76                         | 366.42                                  | 235.34               | Refer Note 3                           |
| 31 December 2020  | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,213.32                       | 1,221.63                                | (8.31)               | Refer Note 1                           |
| 31 December 2020  | Axis Bank Limited & Bank of Maharashtra | Receivables | 1,105.52                       | 1,077.16                                | 28.36                | Refer Note 2                           |
| 31 December 2020  | Axis Bank Limited & Bank of Maharashtra | Payables    | 968.46                         | 131.12                                  | 837.34               | Refer Note 3                           |
| 31 March 2021     | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,147.19                       | 1,138.61                                | 8.58                 | Refer Note 1                           |
| 31 March 2021     | Axis Bank Limited & Bank of Maharashtra | Receivables | 898.71                         | 929.33                                  | (30.62)              | Refer Note 2                           |
| 31 March 2021     | Axis Bank Limited & Bank of Maharashtra | Payables    | 542.16                         | 303.07                                  | 239.09               | Refer Note 3                           |
| 30 June 2021      | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,466.19                       | 1,444.65                                | 21.54                | Refer Note 1                           |
| 30 June 2021      | Axis Bank Limited & Bank of Maharashtra | Receivables | 987.29                         | 891.32                                  | 95.97                | Refer Note 2                           |
| 30 June 2021      | Axis Bank Limited & Bank of Maharashtra | Payables    | 1,312.43                       | 814.66                                  | 497.77               | Refer Note 3                           |
| 30 September 2021 | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,345.90                       | 1,340.24                                | 5.66                 | Refer Note 1                           |
| 30 September 2021 | Axis Bank Limited & Bank of Maharashtra | Receivables | 1,068.05                       | 1,131.73                                | (63.68)              | Refer Note 2                           |
| 30 September 2021 | Axis Bank Limited & Bank of Maharashtra | Payables    | 775.31                         | 303.91                                  | 471.40               | Refer Note 3                           |
| 31 December 2021  | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,524.19                       | 1,491.90                                | 32.29                | Refer Note 1                           |
| 31 December 2021  | Axis Bank Limited & Bank of Maharashtra | Receivables | 913.49                         | 821.09                                  | 92.40                | Refer Note 2                           |
| 31 December 2021  | Axis Bank Limited & Bank of Maharashtra | Payables    | 994.20                         | 505.88                                  | 488.32               | Refer Note 3                           |
| 31 March 2022     | Axis Bank Limited & Bank of Maharashtra | Inventory   | 1,739.01                       | 1,725.70                                | 13.31                | Refer Note 1                           |
| 31 March 2022     | Axis Bank Limited & Bank of Maharashtra | Receivables | 787.56                         | 718.05                                  | 69.51                | Refer Note 2                           |
| 31 March 2022     | Axis Bank Limited & Bank of Maharashtra | Payables    | 942.24                         | 638.26                                  | 303.98               | Refer Note 3                           |

Major differences between the Financial Statements and the Information submitted to the Banks are on account of:

**Note 1:** Inventories reported to the Bank does not include inventories of consumables and entries considered in the Books of Accounts post submission of information.

**Note 2:** Certain Trade Receivables are excluded while reporting to the bank on account of specified sanction terms, entries considered in the Books of Accounts post submission of information and provisions accounted in the Financial Statements does not form part of the informations submitted.

**Note 3:** Certain Payables are excluded while reporting to the bank on account of specified sanction terms, entries considered in the Books of Accounts post submission of information and provisions accounted in the Financial Statements does not form part of the informations submitted.





**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financials statements (continued)**  
**For the year ended March 31, 2022**

**Note 41 : Earnings per share**

| Particulars  | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Basic / Diluted earning per share                                      |                |                |
| A. Profit after tax attributable to equity shareholders (Rs. millions) | 1,877.49       | 1,014.78       |
| B. Weighted average number of equity shares for the year               | 2,00,55,180    | 2,00,55,180    |
| <b>Basic/Diluted earnings per share (Rs.) (A/B)</b>                    | <b>93.62</b>   | <b>50.60</b>   |
| <b>Face value per share (Rs.)</b>                                      | <b>10.00</b>   | <b>10.00</b>   |

**Note 42 : Segmental reporting**

The Company has identified "Pharmaceuticals" as the only primary reportable segment.

**Secondary Segment (By geographical segment)**

Rs. in Millions

| Particulars                    | March 31, 2022   | March 31, 2021  |
|--------------------------------|------------------|-----------------|
| <b>Sales</b>                   |                  |                 |
| India                          | 10,496.46        | 8,080.81        |
| Outside India                  | 9.06             | 14.07           |
| <b>Sub Total (A)</b>           | <b>10,505.52</b> | <b>8,094.88</b> |
| <b>Other Operating revenue</b> |                  |                 |
| India                          | 8.95             | 26.00           |
| Outside India                  | -                | -               |
| <b>Sub Total (B)</b>           | <b>8.95</b>      | <b>26.00</b>    |
| <b>Total (A+B)</b>             | <b>10,514.47</b> | <b>8,120.88</b> |

Non-current assets used in the Company's business or liabilities contracted have not been identified to any segment as the non-current assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities is made.

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.



Note 43 : Assets and liabilities relating to employee benefits

a. **Defined contribution plans**

The Company has certain defined contribution plans, Contributions are made to provident fund and family pension fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund and family pension fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 112.67 million, (March 31, 2021 Rs. 102.38 million.).

**Defined Contribution Plans:** The company has recognised the following amount in the statement of profit and loss for the year

| Particulars                                    | Rs. in Millions |                |
|--|-----------------|----------------|
|  | March 31, 2022  | March 31, 2021 |
| Contribution to employees' provident fund      | 74.22           | 64.16          |
| Contribution to employees' family pension fund | 38.45           | 38.22          |
| Others   | 12.94           | 13.04          |
| <b>Total</b>                                   | <b>125.61</b>   | <b>115.42</b>  |

b. **Post-employment obligations**

**Gratuity**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the demands by LIC of India. These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, etc.

c. **Defined benefit plans**

The amounts recognised in the balance sheet, profit or loss, other comprehensive income and the movements in the net defined benefit obligation are as follows:

| Particulars   | Rs. in Millions             |                           |               |
|---|-----------------------------|---------------------------|---------------|
|   | Present Value of Obligation | Fair Value of Plan assets | Total         |
| <b>As at April 1, 2021</b>  | <b>289.82</b>               | <b>(225.62)</b>           | <b>64.20</b>  |
| Current service cost  | 42.55                       | -                         | 42.55         |
| Transfer In/(Out)   | (0.93)                      | 1.46                      | 0.53          |
| Interest expenses/(income)  | 15.84                       | (13.04)                   | 2.80          |
| Mortality charges and taxes   | -                           | 1.71                      | 1.71          |
| <b>Total amount recognised in profit and loss</b>   | <b>57.46</b>                | <b>(9.87)</b>             | <b>47.59</b>  |
| Remeasurements of:<br>-Return on PLAN assets, excluding amounts included in interest expense/(income) | -                           | -                         | -             |
| Actuarial (gain)/ losses - experience   | -                           | (3.25)                    | (3.25)        |
| Actuarial (gain)/ losses - financial assumptions  | -                           | (0.46)                    | (0.46)        |
| <b>- Defined benefit obligations</b>  |                             |                           |               |
| Actuarial (gain)/ losses - experience   | 22.29                       | -                         | 22.29         |
| Actuarial (gain)/ losses - demographic changes  | (1.61)                      | -                         | (1.61)        |
| Actuarial (gain)/ losses - financial assumptions  | 13.94                       | -                         | 13.94         |
| <b>Total amount recognised In Other Comprehensive Income</b>  | <b>34.62</b>                | <b>(3.71)</b>             | <b>30.91</b>  |
| Employer contribution   | -                           | (31.26)                   | (31.26)       |
| Benefit payments  | (22.57)                     | 22.57                     | -             |
| <b>As at March 31, 2022</b>   | <b>359.33</b>               | <b>(247.89)</b>           | <b>111.44</b> |



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financials statements (continued)  
For the year ended March 31, 2022

Note 43 : Assets and liabilities relating to employee benefits (continued)

| Particulars  | Rs. in Millions             |                           |                |
|--|-----------------------------|---------------------------|----------------|
|  | Present Value of Obligation | Fair Value of Plan assets | Total          |
| <b>As at April 1, 2020</b>                                       | <b>257.80</b>               | <b>(187.10)</b>           | <b>70.70</b>   |
| Current service cost   | 43.42                       | -                         | 43.42          |
| Transfer In/(Out)  | 2.93                        | (2.84)                    | 0.09           |
| Interest expenses/(income)                                       | 13.91                       | (11.04)                   | 2.87           |
| Mortality charges and taxes                                      | -                           | 2.13                      | 2.13           |
| <b>Total amount recognised in statement of profit &amp; loss</b> | <b>60.26</b>                | <b>(11.75)</b>            | <b>48.51</b>   |
| <b>Remeasurements of:</b>  |                             |                           |                |
| -Return on PLAN assets, excluding amounts                        |                             |                           |                |
| Actuarial (gain)/ losses - experience                            | -                           | (5.97)                    | (5.97)         |
| Actuarial (gain)/ losses - financial                             | -                           | 2.58                      | 2.58           |
| - Defined benefit obligations                                    |                             |                           |                |
| Actuarial (gain)/ losses - experience                            | (9.49)                      | -                         | (9.49)         |
| Actuarial (gain)/ losses - demographic changes                   | 23.61                       | -                         | 23.61          |
| Actuarial (gain)/ losses - financial assumptions                 | (28.68)                     | -                         | (28.68)        |
|  |                             |                           | -              |
| <b>Total amount recognised in Other Comprehensive Income</b>     | <b>(14.56)</b>              | <b>(3.39)</b>             | <b>(17.95)</b> |
| Employer contribution  | -                           | (37.06)                   | (37.06)        |
| Benefits payments  | (13.68)                     | 13.68                     | -              |
| <b>As at March 31, 2021</b>                                      | <b>289.82</b>               | <b>(225.62)</b>           | <b>64.20</b>   |

d. The net liability disclosed above relates to funded and unfunded plans are as follows:

| Particulars                   | Rs. in Millions             |                           |
|-------------------------------|-----------------------------|---------------------------|
|                               | Period ended March 31, 2022 | Year ended March 31, 2021 |
| Present value of obligation   | 359.33                      | 289.82                    |
| Fair value of plan assets     | (247.89)                    | (225.62)                  |
| <b>Deficit of funded plan</b> | <b>111.44</b>               | <b>64.20</b>              |

The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions, The company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Principal actuarial assumptions as at the reporting date:

| Particulars                            | As At          |                |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| Discount rate                          | 6.00%          | 5.70%          |
| Expected rate of return on plan assets | 5.70%          | 5.50%          |
| Salary escalation rate                 | 9.00%          | 7.00%          |

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e. Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

| Particulars            | Change in Assumption | Impact on defined benefit obligation |                        |
|------------------------|----------------------|--------------------------------------|------------------------|
|                        |                      | Increase in Assumption               | Decrease in Assumption |
|                        |                      | March 31, 2022                       | March 31, 2022         |
| Discount rate          | 1.0%                 | (11.84)                              | 12.80                  |
| Salary escalation rate | 1.0%                 | 9.39                                 | (8.86)                 |
| Withdrawal rate        | 1.0%                 | (1.54)                               | 1.67                   |

| Particulars            | Change in Assumption | Impact on defined benefit obligation |                        |
|------------------------|----------------------|--------------------------------------|------------------------|
|                        |                      | Increase in Assumption               | Decrease in Assumption |
|                        |                      | March 31, 2021                       | March 31, 2021         |
| Discount rate          | 1.0%                 | (10.15)                              | 11.00                  |
| Salary escalation rate | 1.0%                 | 8.18                                 | (7.69)                 |
| Withdrawal rate        | 1.0%                 | (0.82)                               | 0.88                   |

Assumptions regarding future mortality for

f. Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed

- Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.
- Changes in bond yields: A decrease in bond yields will increase plan liabilities.
- Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence Company is encouraged to adopt asset-liability management.

The Company's assets are maintained in a trust fund managed by public sector insurance company via, LIC of India, LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.



Note 43 : Assets and liabilities relating to employee benefits (continued)

g. Defined benefit liability and employer contributions

The Company has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the company makes contribution as per the instructions received from LIC. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The company considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for following periods.

| Particulars   | Rs. in Millions |                |
|---|-----------------|----------------|
|   | March-31, 2022  | March 31, 2021 |
| Expected Contribution to post- employment benefit plans | 111.50          | 64.20          |
|   | 111.50          | 64.20          |

The weighted average duration of the defined benefit obligation is as follows

| Particulars   | Periods        |                |
|---|----------------|----------------|
|   | March-31, 2022 | March 31, 2021 |
| The weighted average duration of the defined benefit obligation (years) | 4.60           | 5.06           |
|   | 4.60           | 5.06           |

The following benefits payments are expected to be paid:

| Particulars                           | Rs. in Millions  |                   |                   |              |        |
|---------------------------------------|------------------|-------------------|-------------------|--------------|--------|
|                                       | Less than 1 year | between 1-2 years | between 2-5 years | over 5 years | Total  |
| March 31, 2022                        | 116.19           | 60.95             | 174.05            | 191.26       | 540.45 |
| Defined benefit obligation - gratuity |                  |                   |                   |              |        |
| March 31, 2021                        | 92.52            | 48.30             | 136.15            | 158.10       | 435.07 |
| Defined benefit obligation - gratuity |                  |                   |                   |              |        |

h) Major plan assets

| Particulars  | Rs. in Millions |                |
|--|-----------------|----------------|
|  | March-31, 2022  | March 31, 2021 |
|  | Unquoted        | Unquoted       |
| Investment funds                                     |                 |                |
| Insurance funds (LIC pension and group schemes fund) | 247.89          | 225.62         |
| Total  | 247.89          | 225.62         |

The category wise details of the plan assets is not available as it's maintained by LIC.



**Note 44 : Employees stock option plan**

Share-based compensation benefits are provided to employees via the holding company's Employees Stock Option Plan ("Emcure ESOS 2013")

The fair value of options granted under the "Emcure ESOS 2013" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options on the grant date:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

In the given case all options are issued by the holding company. The company does not have an obligation to settle these share based payment transactions, therefore these options are treated as equity settled transactions. Expense is recognised over the vesting period with corresponding increase in other equity.

Summary of options granted under the plan:

| Particulars                       | Tranche - 1    |                  |                |
|-----------------------------------|----------------|------------------|----------------|
|                                   | Exercise Price | March 31, 2022   | March 31, 2021 |
| Date of grant                     |                | October 01, 2013 |                |
| Opening balance                   | 221*           | 30,000           | 70,000         |
| Cancelled during the period/ year | 221*           | -                | (40,000)       |
| Closing balance                   | 221*           | 30,000           | 30,000         |
| Exercisable                       |                | -                | -              |

\*During the year ended March 31, 2016, the company had issued bonus shares to its shareholders in the ratio of 3:1. Correspondingly, proportionate adjustment has been made by increasing the number of options granted and reducing exercise price per option. Board of directors vide resolution dated January 29, 2016 has approved the adjustments to options granted.

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant Date   | Exercise Share options price (Rs.)<br>March 31, 2022 | Number of share options March 31, 2022 | Exercise Share options price (Rs.)<br>March 31, 2021 | Number of share options March 31, 2021 |
|--|--|--|--|--|
| October 1, 2013  | 221  | 30,000                                 | 221  | 30,000                                 |
| Total  | 221  | 30,000                                 | 221  | 30,000                                 |
| Weighted average remaining contractual life of options | 6 Years  |  | 7 Years  |  |

Expenses arising from share-based payment transaction

| Particulars   | Rs. in Millions |                |                |
|---|-----------------|----------------|----------------|
|   | March 31, 2022  | March 31, 2021 | March 31, 2020 |
| Expense arising from employee share-based payment plan recognised in statement of profit and loss | -               | 7.55           | -              |
| Expense arising from employee share-based payment plan recognised in reserve and surplus          | -               | 2.45           | -              |



ZUVENTUS HEALTHCARE LIMITED

Notes to the financial statements (continued)

For the year ended March 31, 2022

Note 45 : Revenue from contract with customer

| Particulars  | Rs. in millions               |                               |
|--|-------------------------------|-------------------------------|
|  | Period ended<br>31 March 2022 | Period ended<br>31 March 2021 |
| Revenue recognised from contracts with customers   |                               |                               |
| Disaggregation of revenue  |                               |                               |
| Based on markets   |                               |                               |
| Within India   | 10,498.11                     | 8,081.90                      |
| Outside India -  |                               |                               |
| Other continents   | 9.06                          | 14.07                         |
| <b>Total</b>   | <b>10,507.17</b>              | <b>8,095.97</b>               |
| Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period  | 24.77                         | 11.38                         |
| Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods |                               |                               |

There is no significant change in the contract liabilities.

The Company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to return and do not contain any financing component. The payment is generally due within 30 to 60 days. The Company is obliged for returns/refunds due to expiry & saleable returns. There are no other significant obligations attached in the contract with customer.

There is no significant judgement involve in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods.

The transaction price is ascertained and allocated to the performance obligations based on the standalone price of individual performance obligation.

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

| Particulars   | Rs. in Millions  |                 |
|---|------------------|-----------------|
|   | 31 March 2022    | 31 March 2021   |
| Contract price  | 10,927.08        | 8,378.43        |
| Less:   |                  |                 |
| Amount recognised as sales returns & breakage expiry      | (420.18)         | (282.46)        |
| Allowance for interest loss                               | 0.27             | -               |
| <b>Revenue recognised in statement of profit and loss</b> | <b>10,507.17</b> | <b>8,095.97</b> |

Major customer

The Company has no external customer which accounts for more than 10% of the Company's total revenue for the period ended March 31, 2022.



ZUVENTUS HEALTHCARE LIMITED  
Notes to the financial statements (continued)  
For the year ended March 31, 2022

Note 46 : Related Party disclosure  
i) Related parties and the nature of relationship

Holding Company

Emcure Pharmaceuticals Limited

Fellow Subsidiary

Genova Biopharmaceuticals Limited

Key Management Personnel

Mr. Satish Mehta - (Chairman)  
Mr. Prakash Guha - (Managing Director)  
Mr. Sanjay Mehta - (Director)  
Mrs. Namita Thapar - (Director)  
Mr. S K Bapat - (Independent Director)  
Mr. Hitesh Jain - (Independent Director)  
Mr. Shallesh Ayyangar - (Independent Director) (w.e.f. July 26, 2021)

Enterprise over which Key Management Personnel have significant Influence:

H.M. Sales Corporation  
Parinam Law Associates

Relative of Key Management Personnel

Sohan Kundanmal Jain

ii) Transactions with related parties:

Rs. in Millions

| Sr. No. | Description of the nature of the Transaction   | Volume of transactions during   |                                 | Amount outstanding as at         |                                 |                                  |                                 |
|---------|--|---------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
|         |  | Year ended                      | Year ended                      | March 31, 2022                   |                                 | March 31, 2021                   |                                 |
|         |  | March 31, 2022                  | March 31, 2021                  | Receivable / Advance to supplier | Payable / Advance from customer | Receivable / Advance to supplier | Payable / Advance from customer |
| 1)      | Purchase of goods and services (Net of returns)<br>Emcure Pharmaceuticals Limited<br>Genova Biopharmaceuticals Limited<br>Parinam Law Associates<br>Sohan Kundanmal Jain | 685.30<br>22.64<br>0.09<br>-    | 429.89<br>26.76<br>0.84<br>0.15 | -<br>-<br>-<br>-                 | 2.47<br>-<br>-<br>-             | -<br>-<br>-<br>-                 | 6.56<br>-<br>-<br>-             |
| 2)      | Purchase of assets<br>Emcure Pharmaceuticals Limited   | 2.64                            | 13.59                           | -                                | -                               | -                                | -                               |
| 3)      | Sale of goods and services<br>Emcure Pharmaceuticals Limited<br>H.M. Sales Corporation   | 87.97<br>0.01                   | 89.62<br>0.05                   | -<br>-                           | -<br>-                          | 1.15<br>-                        | -<br>-                          |
| 4)      | Sale of Steam<br>Emcure Pharmaceuticals Limited  | 5.66                            | -                               | -                                | -                               | -                                | -                               |
| 5)      | Lab Service Charges<br>Emcure Pharmaceuticals Ltd.   | 0.83                            | -                               | -                                | -                               | -                                | -                               |
| 6)      | Deposits paid<br>Emcure Pharmaceuticals Limited  | 0.02                            | -                               | 1.02                             | -                               | 1.00                             | -                               |
| 8)      | Redemption of OCRPS<br>Genova Biopharmaceuticals Ltd.  | 300.00                          | 150.00                          | -                                | -                               | -                                | -                               |
| 9)      | Commission paid<br>H.M. Sales Corporation  | 15.97                           | 11.20                           | -                                | 2.03                            | -                                | 3.10                            |
| 10)     | Reimbursement of expenses made<br>Emcure Pharmaceuticals Limited<br>H.M. Sales Corporation   | 4.71<br>0.73                    | -<br>0.72                       | -<br>-                           | -<br>0.07                       | -<br>-                           | -<br>0.23                       |
| 11)     | Expenses Received<br>Emcure Pharmaceuticals Ltd.   | 0.02                            | -                               | -                                | -                               | -                                | -                               |
| 12)     | Loss on redemption of preference shares<br>Genova Biopharmaceuticals Limited   | -                               | 32.57                           | -                                | -                               | -                                | -                               |
| 13)     | Fair value changes in investment in preference shares<br>Genova Biopharmaceuticals Limited   | -                               | 65.13                           | -                                | -                               | 300.00                           | -                               |
| 14)     | Remuneration paid<br>Mr. P K Guha  | 57.71                           | 48.79                           | -                                | 14.57                           | -                                | 9.58                            |
| 15)     | Post-employment obligations<br>Mr. P K Guha  | 4.71                            | 1.68                            | -                                | 23.43                           | -                                | 18.72                           |
| 16)     | Compensated absences provisions<br>Mr. P K Guha  | 1.08                            | 0.17                            | -                                | 6.17                            | -                                | 5.14                            |
| 17)     | Dividend paid<br>Emcure Pharmaceuticals Limited<br>Mr. P K Guha<br>Mr. Satish Mehta<br>Mr. Sanjay Mehta  | 319.20<br>50.22<br>1.26<br>0.21 | 159.60<br>25.11<br>0.63<br>0.11 | -<br>-<br>-<br>-                 | -<br>-<br>-<br>-                | -<br>-<br>-<br>-                 | -<br>-<br>-<br>-                |
| 18)     | Commission paid - Non Whole Time Directors<br>Mr. S.K. Bapat<br>Mr. Hitesh Jain<br>Mr. Shallesh Ayyangar   | 3.50<br>1.20<br>4.00            | 3.00<br>1.20<br>-               | -<br>-<br>-                      | 3.50<br>1.20<br>4.00            | -<br>-<br>-                      | 3.00<br>1.20<br>-               |
| 19)     | Sitting fees paid - Non Whole Time Directors<br>Mr. S.K. Bapat<br>Mr. Hitesh Jain<br>Mr. Shallesh Ayyangar   | 0.29<br>0.24<br>0.09            | 0.21<br>0.17<br>-               | -<br>-<br>-                      | -<br>-<br>-                     | -<br>-<br>-                      | -<br>-<br>-                     |
| 20)     | Lease expense including interest as per Ind AS 116<br>Emcure Pharmaceuticals Limited   | 10.11                           | 9.35                            | -                                | -                               | -                                | -                               |
| 21)     | Corporate guarantee given on behalf of Holding Company to Financial Institution<br>Emcure Pharmaceuticals Limited  | 561.12                          | 1,076.12                        | -                                | -                               | -                                | -                               |
| 22)     | Security given on behalf of Holding Company to Financial Institution<br>Emcure Pharmaceuticals Limited   | 1,418.73                        | 1,884.80                        | -                                | -                               | -                                | -                               |
| 23)     | Income from corporate guarantee and security given on behalf of Holding Company<br>Emcure Pharmaceuticals Limited  | 27.04                           | 4.06                            | -                                | -                               | -                                | -                               |

\* Note : The outstanding balance of corporate guarantee and security given as at 31 March 2022 is Rs. 561.12 million and Rs.1,418.73 million respectively.

All transaction with these related parties are prices on an arm's length basis and resulting outstanding balance to be settled in cash within six month of the reporting date. None of the balance is secured.



**Note 47 : Information regarding Micro, Small and Medium Enterprises**

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars   | Rs. in Millions |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year  | -               | -              |
| a. Principal outstanding and not overdue as per MSME act  | 80.47           | -              |
| b. Principal outstanding and overdue as per MSME act and interest due thereon   | -               | -              |
| ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.   | 2.83            | -              |
| iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.   | -               | -              |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.   | 0.03            | -              |
| v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006. | -               | -              |

**Note 48 : GST refund received**

The Company is entitled to subsidy in the form of proportionate refund of GST paid in cash (i.e. other than utilising input credit) by its unit at Jammu and Sikkim for a period not exceeding ten years from the date of start of commercial production. There are no unfulfilled conditions or other contingencies attached to this grant.

**Note 49 : Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below :

| Particulars  | March 31, 2022  | March 31, 2021  |
|--|---|---|
| (a) amount required to be spent by the company for the full year | 21.56   | 13.52   |
| (b) amount of expenditure incurred till date;                    |   |   |
| Paid   |   |   |
| (i) Construction/acquisition of any asset                        |   |   |
| (ii) On purposes other than (i) above                            | 21.80   | 13.61   |
| Yet to be paid   |   |   |
| (i) Construction/acquisition of any asset                        |   |   |
| (ii) On purposes other than (i) above                            |   |   |
| Total (b)  | 21.80   | 13.61   |
| (c) shortfall at the end of the year                             | NA  | NA  |
| (d) reason for shortfall   | NA  | NA  |
| (e) total of previous years shortfall                            | NA  | NA  |
| (f) nature of CSR activities                                     | Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports | Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports |

**Note 50 : Expenditure on research and development during the year**

| Particulars                                       | Rs. in Millions |                |
|---|-----------------|----------------|
|   | March 31, 2022  | March 31, 2021 |
| R&D - Revenue                                     | 83.34           | 68.86          |
| R&D - Capex                                       | 3.66            | 11.68          |
| Total   | 87.00           | 80.54          |
| R&D expenditure as a % of revenue from operations | 0.83%           | 0.99%          |





**ZUVENTUS HEALTHCARE LIMITED**  
**Notes to the financial statements (continued)**  
**For the year ended March 31, 2022**

**Note 51 : Ratios as per the Schedule III requirements**

**(a) Current Ratio = Current Assets divided by Current Liabilities**

| Particulars                 | March 31, 2022 | March 31, 2021 |
|-----------------------------|----------------|----------------|
| Current Assets              | 4,282.30       | 3,304.13       |
| Current Liabilities         | 2,001.28       | 1,610.45       |
| <b>Ratio</b>                | <b>2.14</b>    | <b>2.05</b>    |
| % change from 31 March 2022 | 4%             |                |

**Reason for change more than 25%:**  
Change is not more than 25%.

**(b) Debt Equity ratio/ Gearing ratio = Total debt divided by Total equity**

| Particulars                 | March 31, 2022 | March 31, 2021 |
|-----------------------------|----------------|----------------|
| Total debt                  | -              | 223.39         |
| Total equity                | 5,230.83       | 3,777.59       |
| <b>Ratio</b>                | <b>-</b>       | <b>0.06</b>    |
| % change from 31 March 2022 | -100%          |                |

**Reason for change more than 25%:**  
The ratio has improved on account of increase in revenue and higher collections which led to lower overdrawn amounts during the year.

**(c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest, lease payments and principal repayments**

| Particulars   | March 31, 2022  | March 31, 2021  |
|---|-----------------|-----------------|
| Profit for the year   | 1,877.49        | 1,014.78        |
| Add: Depreciation and amortizations                         | 267.49          | 278.76          |
| Add: Finance cost   | 77.08           | 109.80          |
| Add: (Profit)/Loss on sale of property, plant and equipment | 0.17            | 1.14            |
| <b>Earnings available for debt services</b>                 | <b>2,222.23</b> | <b>1,404.48</b> |
| Finance cost (including interest capitalised)               | 13.91           | 49.39           |
| Lease payments  | 104.86          | 107.93          |
| Principal repayments (including certain prepayments)        | -               | -               |
| <b>Total Interest and Principal repayments</b>              | <b>118.77</b>   | <b>157.32</b>   |
| <b>Ratio</b>  | <b>18.71</b>    | <b>8.93</b>     |
| % change from previous period                               | 110%            |                 |

**Reason for change more than 25%:**  
Ratio has improved on account of higher profits during the year pursuant to increased sales and interest income from fixed deposits during the year. Also, the finance costs have reduced due to lower overdrawn amounts during the year.

**(d) Return on Equity Ratio / Return on Investment Ratio = Profit for the year divided by average equity**

| Particulars                   | March 31, 2022 | March 31, 2021 |
|-------------------------------|----------------|----------------|
| Profit for the year           | 1,877.49       | 1,014.78       |
| Average equity                | 4,504.21       | 3,777.59       |
| <b>Ratio</b>                  | <b>42%</b>     | <b>27%</b>     |
| % change from previous period | 56%            |                |

**Reason for change more than 25%:**  
The ratio has improved on account of increased profits pursuant to increase in sales and interest income from fixed deposits during the year.

**(e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory**

| Particulars                   | March 31, 2022 | March 31, 2021 |
|-------------------------------|----------------|----------------|
| Cost of goods sold            | 3,558.26       | 2,703.27       |
| Average Inventory             | 1,443.10       | 1,050.57       |
| <b>Ratio</b>                  | <b>2.47</b>    | <b>2.57</b>    |
| % change from previous period | -4%            |                |

**Reason for change more than 25%:**  
Change is not more than 25%.



(f) Trade Receivables turnover ratio = Revenue from operations (excluding other operating revenue) divided by average trade receivables

| Particulars                          | March 31, 2022   | March 31, 2021  |
|--------------------------------------|------------------|-----------------|
| Revenue from operations              | 10,514.47        | 8,120.88        |
| Less: other operating revenue        | (8.95)           | (26.00)         |
| <b>Net sales</b>                     | <b>10,505.52</b> | <b>8,094.88</b> |
| Average Trade Receivables            | 843.14           | 961.52          |
| <b>Ratio</b>                         | <b>12.46</b>     | <b>8.42</b>     |
| <b>% change from previous period</b> | <b>48%</b>       |                 |

Reason for change more than 25%:

The ratio has improved on account of better collection efficiency during the year.

(g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

| Particulars                          | March 31, 2022 | March 31, 2021 |
|--------------------------------------|----------------|----------------|
| Credit Purchases                     | 6,107.30       | 4,260.15       |
| Average Trade Payables               | 702.02         | 648.07         |
| <b>Ratio</b>                         | <b>8.70</b>    | <b>6.57</b>    |
| <b>% change from previous period</b> | <b>32%</b>     |                |

Reason for change more than 25%:

This ratio has improved when compared to the increase in credit purchases due to increased operations. The Company does not have significant outstanding payables at the year end due to improved trade payables turnover.

(h) Net capital Turnover Ratio = Net sales divided by Net Working Capital (whereas net working capital = current assets - current liabilities)

| Particulars                          | March 31, 2022 | March 31, 2021 |
|--------------------------------------|----------------|----------------|
| Net Sales                            | 10,505.52      | 8,094.88       |
| Net working capital                  | 2,281.02       | 1,693.68       |
| <b>Ratio</b>                         | <b>4.61</b>    | <b>4.78</b>    |
| <b>% change from previous period</b> | <b>-4%</b>     |                |

Reason for change more than 25%:

Change is not more than 25%.

(i) Net profit ratio = Profit for the year divided by net sales

| Particulars                          | March 31, 2022 | March 31, 2021 |
|--------------------------------------|----------------|----------------|
| Profit for the year                  | 1,877.49       | 1,014.78       |
| Net Sales                            | 10,505.52      | 8,094.88       |
| <b>Ratio</b>                         | <b>18%</b>     | <b>13%</b>     |
| <b>% change from previous period</b> | <b>38%</b>     |                |

Reason for change more than 25%:

The ratio has improved on account of increased profits pursuant to increase in sales and interest income from fixed deposits during the year.

(j) Return on capital employed = Adjusted EBIT divided by Capital Employed (total equity plus debt and deferred tax liability)

| Particulars                                | March 31, 2022  | March 31, 2021  |
|--|-----------------|-----------------|
| Profit for the year                        | 1,877.49        | 1,014.78        |
| Add: Depreciation and amortisation expense | 267.49          | 278.76          |
| Add: Finance costs                         | 77.08           | 109.80          |
| Add: Tax expenses                          | 639.44          | 512.29          |
| <b>EBITDA</b>                              | <b>2,861.50</b> | <b>1,915.63</b> |
| (+) Exceptional items                      | -               | -               |
| <b>Adjusted EBITDA</b>                     | <b>2,861.50</b> | <b>1,915.63</b> |
| <b>Adjusted EBIT</b>                       | <b>2,594.01</b> | <b>1,636.87</b> |
| <b>Total equity</b>                        | <b>4,504.21</b> | <b>3,777.59</b> |
| <b>Deferred tax liability</b>              | <b>56.15</b>    | <b>25.16</b>    |
| Non-current borrowings                     | -               | -               |
| Current borrowings                         | -               | 223.39          |
| <b>Total debt</b>                          | <b>-</b>        | <b>223.39</b>   |
| Adjusted EBIT                              | 2,594.01        | 1,636.87        |
| Capital Employed                           | 4,560.36        | 4,026.14        |
| <b>Ratio</b>                               | <b>57%</b>      | <b>41%</b>      |
| <b>% change from previous period</b>       | <b>39%</b>      |                 |

Reason for change more than 25%:

The ratio has improved on account of increased profits pursuant to increase in sales and interest income from fixed deposits during the year. Also due to improved cash flows the company has lower overdrawn amounts during the year.



**ZUVENTUS HEALTHCARE LIMITED**

**Notes to the financials statements (continued)**

**For the year ended March 31, 2022**

**Note 52 : Impact of COVID-19 pandemic**

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the Statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

**Note 53 : Code of Social Security**

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. 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.

**Note 54 : Events occurring after March 31, 2022**

There are no significant events subsequent to year ended March 31, 2022.

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

**For B S R & Co. LLP**

Firm Registration: 101248W/W-100022

Chartered Accountants



**Abhishek**

Partner

Membership No. 062343

**For and on behalf of the Board of Directors  
of Zuventus Healthcare Ltd**

CIN U85320PN2002PLC018324



**Satish Mehta**

Chairman

DIN - 00118691



**P. K. Guha**

Managing Director

DIN - 00118415



**Chetan Sharma**

Company Secretary

Membership No. F8352



**Ganesh Ramchandran**

Chief Financial Officer

Place: Pune

Date: May 3, 2022

Place: Pune

Date: May 3, 2022

