

NISARG J. SHAH & CO
CHARTERED ACCOUNTANTS

3SF Ratnam, C.G. Road,
Ahmedabad: 380006

Phone: 07926462476
Email: info@njshah.com

Date: 24th September 2021

To
The Board of Directors,
Sahajanand Medical Technologies Limited ("the Company")
(formerly Sahajanand Medical Technologies Private Limited)
C 215 Kanakia Atrium
Hanuman Nagar, Andheri East,
Mumbai, Maharashtra- 400047

Dear Sirs,

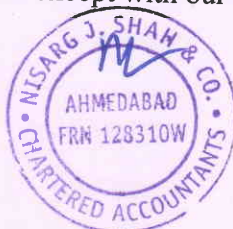
We have verified the translated version of the financial statements of **Vascular Innovations Company Limited** for the period from 23rd May 2020 to 31st March 2021. The financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, The Effect of Changes in Foreign Currency Rates. The work is carried out by us in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A Item no. (11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), we have verified the translated financial information contained in the Annexures attached to this certificate which is proposed to be uploaded on the website of **Sahajanand Medical Technologies Limited** in connection with its proposed initial public offering of equity shares of **Sahajanand Medical Technologies Limited**.

We did not audit or review the financial statements of **Vascular Innovations Company Limited** or stand alone or consolidated financial statements of its immediate and ultimate parent company, **Sahajanand Medical Technologies Ireland Limited** and **Sahajanand Medical Technologies Limited** respectively. These financial statements have been audited by other audit firms and we do not express any assurance on the same.

These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited stand alone financial statements referred to herein.

These translated financials are intended solely for the use of management of the Company for uploading on website of **Sahajanand Medical Technologies Limited** in connection with the Initial Public Offering of equity shares of the Company. The certificate should not be used, referred to or distributed for any other purpose except with our prior consent in writing.



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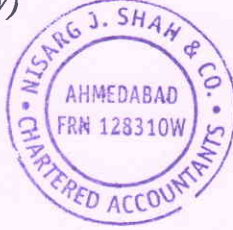
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Disclaimer:-

1. The above certificate is based on the information and explanations provided by the management of **Sahajanand Medical Technologies Limited** and its subsidiary **Vascular Innovations Company Limited**.

For Nisarg J. Shah &
Co. Chartered Accountants
(ICAI Firm Reg. No. 128310W)

N. J. Shah
Partner
Membership No. 126381



Place: Ahmedabad
Date: 24th September 2021
UDIN : 21126381AAAABA9813

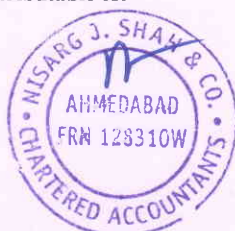
Name of the Company: Vascular Innovations Company Limited
Balance Sheet as at 31 March, 2021

		(INR)
Particulars	Note No.	As at 31 March, 2021
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	3(A)	3,38,66,149
(b) Capital work-in-progress		-
(c) Right of Use Assets	3(B)	56,22,177
(d) Goodwill	3(C)	-
(e) Other Intangible assets	3(C)	39,26,881
(f) Financial Assets		
(i) Investments	4	-
(ii) Loans	6(A)	-
(iii) Other Financial assets	5(A)	5,17,667
(g) Other non-current assets	8(A)	-
(h) Deferred tax Assets (net)	7	29,41,239
(i) Income tax Assets		-
Total Non Current Assets		4,68,74,112
2 Current Assets		
(a) Inventories	9	16,11,90,390
(b) Financial assets		
(i) Trade Receivables	10	21,21,87,847
(ii) Loans	6(B)	25,750
(iii) Cash and cash equivalents	11	12,14,11,194
(iv) Other Bank Balances	12	2,41,73,303
(v) Investments	7	-
(vi) Other Financial Assets	5(B)	14,34,035
(c) Other current assets	8(B)	74,29,282
Total Current Assets		52,78,51,801
Total Assets		57,47,25,913
EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	13	1,16,55,630
(b) Other equity	14	50,17,76,275
Equity attributable to shareholders of the Company		51,34,31,905
(c) Non-controlling interests		-
Total Equity		51,34,31,905
Liabilities		
2 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	15(A)	-
(ii) Lease Liabilities	17(A)	21,10,723
(iii) Other Financial Liabilities	17(C)	29,77,607
(b) Provisions	18(A)	34,91,438
Total Non Current Liabilities		85,79,768
3 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	15(B)	-
(ii) Trade Payables	16	-
total outstanding dues of micro enterprises and small enterprises		-
total outstanding dues of creditors other than micro enterprises and small enterprises		2,84,66,269
(iii) Lease Liabilities	17(B)	38,62,485
(iv) Other Financial Liabilities	17(D)	21,19,044
(b) Provisions	18(B)	-
(d) Other Current Liabilities	19	1,82,66,441
Total Current Liabilities		5,27,14,240
Total Liabilities		6,12,94,008
Total Equity and Liabilities		57,47,25,913



Name of the Company: Vascular Innovations Company Limited
Statement of Profit and Loss for the period from 23 May 2020 to 31 March 2021

		(INR)
Particulars	Note No.	For the period from 23 May 2020 to 31 March 2021
I Income :		
Revenue from operations	20	32,07,83,578
Other income	21	34,22,645
Total Income (I)		32,42,06,223
II Expenses:		
Cost of materials consumed	22	7,24,25,618
Purchase of Stock-in-trade	23	1,70,33,167
Changes in inventories of finished goods and work-in-progress	24	1,56,57,678
Employee benefits expense	25	4,41,44,563
Finance costs	26	16,85,186
Depreciation and amortisation expense	3	1,32,23,357
Research and development expenses	27	2,04,87,605
Other expenses	28	7,21,84,922
Total expenses (II)		25,68,42,097
Profit before tax and exceptional items (I - II)		6,73,64,126
Exceptional items		-
III Profit before tax (I - II)		6,73,64,126
Non-controlling interests		-
IV Tax expense:		
Current tax		1,71,93,999
Deferred tax expense / (credit)		-18,17,588
Total tax expense (IV)		1,53,76,411
V Profit after tax (III - IV)		5,19,87,715
VI Other comprehensive (income)/loss		
Items that will not be reclassified subsequently to profit or loss		
(a) Re-measurement of the defined benefit obligation		-37,79,126
(b) Income tax effect on above	7	7,55,825
Items that will be reclassified subsequently to profit or loss		
Exchange loss on translating the financial statements of foreign operations		-83,78,452
Total Other comprehensive (income)/loss (VI)		-1,14,01,753
VII Total Comprehensive Income for the year (V - VI)		6,33,89,468
VIII Profit for the year attributable to:		
Non-controlling interests		-
Owners of the Company		5,19,87,715
IX Total comprehensive income for the year attributable to:		
Non-controlling interests		-
Owners of the Company		6,33,89,468
Earnings per share:		
(Value per Share)		
Basic (₹)	31	5,199
Diluted (₹)		5,199
See accompanying notes forming part of the financial statements	1-38	



Name of the Company: Vascular Innovations Company Limited
Statement of Cash flows For the period from 23 May 2020 to 31 March 2021

Particulars	(INR) For the period from 23 May 2020 to 31 March 2021
A Cash flow from Operating Activities	
Profit before tax	6,73,64,126
Adjustment for:	
Depreciation and amortisation expense	1,32,23,357
Finance costs	16,85,186
Interest income	-3,51,661
Unrealised exchange (gain)/loss	-
Minority Interest	-
Dividend from mutual funds	-
Other Comprehensive Income	-
Provision for tax	-
Loss on sale of property, plant and equipment (net)	1,08,637
Bad debts	-
Allowances for doubtful debts	95,63,534
Provision no longer required written back	-
Provision for Employee Benefits	-
Exchange Difference on translation of assets and liabilities	-
Operating profit before working capital changes	9,15,93,179
Movements in working capital	
Adjustment for (increase) / decrease in operating assets:	
Inventories	5,42,17,147
Trade Receivables and other assets	-7,60,84,296
Adjustment for (increase) / decrease in operating liabilities:	
Trade Payables and other liabilities	-5,26,16,745
Adjustment for Business Combination:	
Cash generated/(used in) operating activities	1,71,09,284
Net income tax (paid) / refund	-1,18,16,212
Net Cash generated/(used in) operating activities (A)	52,93,072
B Cash flow from investing activities	
Capital expenditure on property, plant and equipment, including capital advance and payables for capital expenditure	-4,84,179
Interest received	3,51,661
Net Cash generated/(used in) investing activities (B)	-1,32,518
C Cash flows from financing activities	
Payment of Lease Liabilities (Principal)	-28,27,361
Payment of Lease Liabilities (Interest)	-4,24,465
Finances costs	-12,60,720
Net cash generated from financing activities (C)	-45,12,547
Net increase in cash and cash equivalents (A+B+C)	6,48,007
Cash and cash equivalents on 23 May 2020	12,27,24,724
Cash and cash equivalents acquired consequent to business combination	
Less: Unrealised exchange gain/(loss) on cash and cash equivalents	-19,61,537
Cash and cash equivalents at the end of the year (refer note 11)	12,14,11,194
Reconciliation of cash and cash equivalents	
Closing balance of cash and cash equivalent as per balance sheet	12,14,11,194
Cash and cash equivalents at the end of the year (refer note 11)	12,14,11,194
Notes	
1 Cash and Cash Equivalent in the Statement of Cash Flow comprises of the following	
(a) Cash and Cash Equivalent disclosed under current assets	12,14,11,194
(b) Other bank balances disclosed under current assets	2,41,73,303
(c) Other bank balances disclosed under non-current assets	-
Total Cash and Cash Equivalent as per Balance Sheet	14,55,84,497
Less: Other bank balances disclosed under current assets (presented under investing activities)	2,41,73,303
Less: Other bank balances disclosed under non-current assets (presented under investing activities)	-
Total cash and cash equivalent presented as part of Statement of cash flows	12,14,11,194

See accompanying notes forming part of the financial statements (Note 1-38)



Name of the Company: Vascular Innovations Company Limited
Statement of Changes in Equity for the period from 23 May 2020 to 31 March 2021

A. Equity Share Capital

Particulars	Equity share capital (No of shares)	Total equity
Balance as at 23 May, 2020	49,00,000	1,16,55,630
Addition		
Balance as at 31 March, 2021	49,00,000	1,16,55,630

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total Other Equity attributable to shareholders of the Company	Non-controlling interests	Total other equity
	Securities Premium	Capital Reserve on Business Combination	General Reserve	Retained Earnings	Foreign Currency translation reserve			
Balance as at 23 May, 2020	-	-	-	45,51,43,711	-	45,51,43,711	-	45,51,43,711
Transition impact of IFRS 16	-	-	-	-	-	-	-	-
Impact on account of business combination	-	-	-	-	-	-	-	-
Profit for the year ended 31 March, 2021	-	-	-	5,19,87,715	-	5,19,87,715	-	5,19,87,715
Remeasurement of defined benefit obligations for the year ended March 31, 2021	-	-	-	30,23,301	-	30,23,301	-	30,23,301
Foreign currency translation changes	-	-	-	-	-83,78,452	-83,78,452	-	-83,78,452
Balance as at 31 March, 2021	-	-	-	51,01,54,727	-83,78,452	50,17,76,275	-	50,17,76,275

See accompanying notes forming part of the financial statements (Note 1-38)



INR

1 General Information

Vascular Thailand was originally incorporated as 'as a simplified joint-stock company on May 28, 2004 with the Registrar of Thailand.

On 23 May, 2020, SMT Company has acquired 100% voting interests in Vascular Innovations Company Limited through its wholly owned subsidiary Sahajanand Medical Technologies Ireland Limited.

Vascular Thailand is currently engaged in the business of sale of medical implants

2.1 Summary of significant accounting policies

a) Basis of preparation and presentation of financial information

The Financial Statement have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

(a) In accordance with Schedule VI Part A Item no. (11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

(b) Converting the financial statements from the reporting currency i.e EUR to INR translated financial statements including the notes thereto in accordance with Ind AS 21

b) Basis of Accounting

The standalone financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Use of Estimates

The preparation of standalone financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d) Inventories

Inventories including Work- in- Progress are valued at cost or net realisable value, whichever is lower, cost being worked out on weighted average basis. Cost includes all charges for bringing the goods to their present location and condition.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is net off trade discounts; rebates and other similar allowances. Revenue excludes indirect taxes which are collected on behalf of Government.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer. Indicators that control has been transferred include, the establishment of the Company's present right to receive payment for the goods sold, transfer of legal title to the customer, transfer of physical possession to the customer, transfer of significant risks and rewards of ownership in the goods to the customer, and the acceptance of the goods by the customer. The revenue on consignment sales is recognised on satisfaction of the above conditions.

Other Income

Dividend & Interest Income:

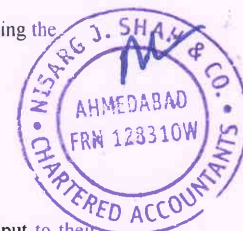
Dividend income is accounted for when declared and the right to receive the same is established. Interest income is recognised using the effective interest method.

f) Property, Plant and Equipment

Assets are carried at acquisition cost, less accumulated depreciation and accumulated impairment losses, if any.

Costs comprise of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to their intended use.

When significant components of plant and equipment are replaced separately, the Company depreciates them based on the useful lives of the components. Leasehold land is depreciated on a straight line basis over the period of the lease. All other assets are depreciated to their residual values on written-down value basis over their estimated useful lives. Estimated useful lives of the assets are as follows:



Description of the asset	Estimated Useful Life (Years)
Building	60
Leasehold Building	*
Electrical Installation	10
Plant and Machinery	15
Furniture and Fixtures	10
Office Equipment	5
Computers (End user device)	3
Computers (Servers and networks)	6
Vehicles (Other than Motor cycles, scooters and other mopeds)	8
Vehicles (Motor cycles, scooters and other mopeds)	10

*Leasehold Improvements are amortised over the period of lease.

g) Other Intangible Assets

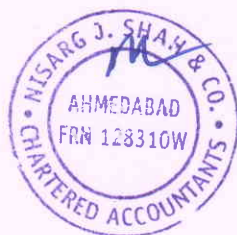
Intangible assets purchased including acquired in business combination are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful lives of intangible assets are as mentioned below:

Description of the asset	Estimated Useful Life (Years)
Computer Software	3
Patents and Trademarks	3
Customer Relationship	7
Non Compete Fees	4

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during the development.

During the period of development, the asset is tested for impairment annually. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the development is complete and the asset is available for use. It is amortised over the period of expected future sales or use.



h) Financial Instrument

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized by the Company when it becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument are adjusted to fair value, except where the financial instrument is measured at Fair Value through profit or loss, in which case the transaction costs are immediately recognized in profit or loss.

Financial assets

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities and equity instruments

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.)

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

Other financial liabilities

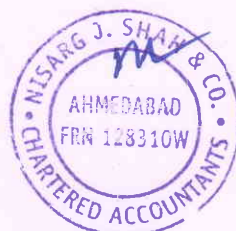
Other financial liabilities (including borrowings, financial guarantee contracts and trade and other payables) are subsequent to initial recognition, measured at amortised cost using the effective interest (EIR) method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



Fair value measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

i) Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are translated at the end of accounting year. Exchange differences on translation of all other monetary items are recognised in the Statement of Profit and Loss.

j) Employee Benefits

Employee benefits include provident fund, gratuity fund, compensated absences.

Defined Contribution Plans: Contribution towards provident fund and employees' state Insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company's liability towards gratuity is determined based on the present value of the defined benefit obligation and fair value of plan assets and the net liability or asset is recognized in the balance sheet. The net liability or asset represents the deficit or surplus in the plan (the surplus is limited to the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions). The present value of the defined benefit obligation is determined using the projected unit credit method, with actuarial valuations being carried out at each year end. Defined benefit costs are composed of:

- i. service cost – recognized in profit or loss;
- ii. net interest on the net liability or asset - recognized in profit or loss;
- iii. remeasurement of the net liability or asset - recognized in other comprehensive income

Other long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.



k) Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under IFRS 16. The Company as a lessee whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. 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 assets.

The Company applies IAS 36 to determine whether a Right-of-Use asset is impaired and accounts for any identified impairment loss in the Statement of Profit and Loss as described in the Note 2(n) below.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss. For short-term, and low value leases, the Company recognizes the lease payments for such items as an operating expense on a straight-line basis over the lease term and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Lease payments (other than short term and low value leases) have been classified as cash used in Financing activities in the Statement of Cash Flows.

Lease payments for short-term, and low value leases, have been classified as cash used in Operating activities in the Statement of Cash Flows.

The Company has no assets given on lease to others.

l) Current and Deferred Tax

Income tax expense comprises current tax expense and the net change during the year, in the deferred tax asset or liability. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or in equity, in which case the related current and deferred tax are also recognised in other comprehensive income or in equity, respectively.

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

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts.

i. Current income tax

Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

ii. Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.



m) Impairment of Assets

Property, plant and equipment and intangible assets with finite lives are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined for the individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and an impairment loss is recognised in profit or loss.

n) Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

o) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of performance assessment and resource allocation to the segments.

Segment accounting policies are in line with accounting policies of the Company. Further Company has not identified any segment other than geographical segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocated corporate expenses/income"

p) Exceptional Items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are material and non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements.

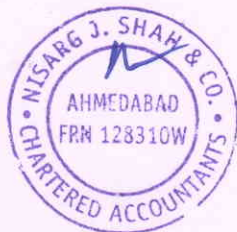
q) Key Sources of Estimation

The preparation of the standalone financial statements in conformity with IFRS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. The lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.



Employee benefit plan

The present value of defined benefit obligations is determined on an actuarial basis using a number of underlying assumptions, including the discount rate and expected increase in salary costs. Any changes in these assumptions will impact the carrying amount of obligations.

Impairment of financial assets

The impairment provision for financial assets (other than trade receivables) are based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

Income Taxes

Provision of current and deferred tax liabilities is dependent on Management estimate of the allowability or otherwise of expenses incurred and other debits to profit or loss. Deferred tax assets (including MAT recoverable) are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impact of COVID-19

The management has assessed the potential impact of the COVID-19 on the standalone financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Based on the assessment performed by the Company, and based on current estimates, the Company expects the carrying amount of these assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

Note 3A: Property, Plant and Equipment (Owned, unless otherwise stated)

Particulars	Building	Leasehold Improvements	Leasehold building	Leasehold land	Plant and Machinery	Office Equipment	Computers	Furniture and Fixtures	Vehicles	Electrical Installations	Total
Deemed Cost											
Balance as at 23 May, 2020	-	3,08,90,613	-	-	7,15,76,700	-	18,53,254	72,84,319	1,98,44,872	-	13,14,49,758
Additions	-	-	-	-	2,22,764	-	33,377	2,28,038	-	-	4,84,179
Additions through Business Combinations	-	-	-	-	-	-	-	-	89,34,575	-	89,34,575
Reclassified to asset held for sales	-	-	-	-	21,70,449	-	2,26,338	-	-	-	23,96,786
Disposals	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-4,90,884	-	-	-11,03,420	-	-26,081	-1,19,737	-1,73,376	-	-19,13,497
Balance as at 31 March, 2021	-	3,03,99,730	-	-	6,85,25,595	-	16,34,213	73,92,620	1,07,36,921	-	11,86,89,078
Accumulated Depreciation											
Balance as at 23 May, 2020	-	1,48,27,161	-	-	5,47,67,495	-	15,11,373	57,56,524	54,76,895	-	8,23,39,448
Charge for the year	-	10,78,037	-	-	53,99,155	-	1,30,855	5,67,723	24,85,062	-	96,60,832
Additions through Business Combinations	-	-	-	-	-	-	-	-	-	-	-
Reclassified on account of adoption of IFRS 16	-	-	-	-	20,61,935	-	2,26,335	-	35,13,235	-	58,01,506
Disposals	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-2,54,442	-	-	-9,28,582	-	-22,350	-1,01,390	-69,081	-	-13,75,845
Balance as at 31 March, 2021	-	1,56,50,756	-	-	5,71,76,133	-	13,93,543	62,22,857	43,79,641	-	8,48,22,929
As at 31 March, 2021	-	1,47,48,974	-	-	1,13,49,462	-	2,40,670	11,69,763	63,57,280	-	3,38,66,149



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

Note 3B : Right-of-Use assets	INR		
Particulars	Office Space	Leasehold land	Total
Balance as at 23 May, 2020	-	-	-
Additions	-	89,06,719	89,06,719
Additions through Business Combinations	-	-	-
Exchange differences on translation of foreign operations	-	(1,55,517)	(1,55,517)
Disposals	-	-	-
Balance as at 31 March, 2021	-	87,51,202	87,51,202
Accumulated Depreciation	-	-	-
Balance as at 23 May, 2020	-	-	-
Charge for the year	-	31,84,630	31,84,631
Exchange differences on translation of foreign operations	-	(55,606)	(55,606)
Disposals	-	-	-
Balance as at 31 March, 2021	-	31,29,025	31,29,025
As at 31 March, 2021	-	56,22,177	56,22,177

Note 3C : Intangible assets	INR				
Particulars	Computer Software	Development cost	Patents and trademark	Non Compete	Customer Relationship
Balance as at 23 May, 2020	9,37,684	72,46,041	-	-	-
Additions	-	-	-	-	-
Additions through Business Combinations	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March, 2021	9,37,684	72,46,041	-	-	-
Amortisation	-	-	-	-	-
Balance as at 23 May, 2020	9,19,044	20,15,429	-	-	-
Charge for the year	18,665	12,42,308	-	-	-
Additions through Business Combinations	-	-	-	-	-
Exchange differences on translation of foreign operations	-30	61,428	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March, 2021	9,37,679	33,19,165	-	-	-
As at 31 March, 2021	5	39,26,876	-	-	-



	INR
Note 4 : Non current investments	As at 31 March, 2021
Other investments	-

Note 5: Other Financial Assets

(A) Non Current Financial Assets	5,17,667
Security Deposits	5,17,667

(B) Current Financial Assets

Security Deposits	14,34,035
Considered good	-
Considered doubtful	-
Less : Allowance for doubtful deposits	14,34,035

Note 6 : Loans

(A) : Loans- Non Current

Unsecured Considered Good	-
Loans to parties	-
Loans to subsidiaries	-

(B) : Loans- Current

Unsecured Considered Good	-
Loans to parties	25,750
Loans to employees	-
Loans to Group Companies	25,750

Note 7: Deferred Tax Assets (net)

(a) Analysis of deferred tax assets / (liabilities) presented in the balance sheet:

Deferred tax assets	29,41,239
	29,41,239

(b) The balance comprises temporary differences attributable to: (INR)

Particulars	As at 23 May, 2020	(Charged) / credited to statement of Profit and Loss	(Charged) / credited to other comprehensive income	Addition on business combination	As at 31 March, 2021
Difference between Book based and Tax based in	-				-
Allowances for Doubtful debts and security deposits	-	19,09,656			19,09,656
Allowances from claims from customers	-				-
Employee Benefits	14,64,183		-7,55,825		7,08,358
Research and Development	-				-
Un-utilised tax losses	-				-
Transition impact of IFRS 16	-				-
Intangible Assets on acquisition	-				-
Deferred tax on lease liabilities	-				-
Others	4,15,293	-92,068			3,23,225
Deferred Tax Assets	18,79,476	18,17,588	-7,55,825	-	29,41,239
Property, plant and equipment and intangible assets	-	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-
Net Deferred Tax Assets	18,79,476	18,17,588	-7,55,825	-	29,41,239

(c) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

Sr. No.	Particulars	For the year ended 31 March, 2021
(A)	Profit Before Tax	6,73,64,126
(B)	Statutory Corporate Tax Rate	20.00%
(C)	Tax on accounting profit	1,34,72,825
(D)	The effect from various items	7,98,987
(E)	Total effect of Tax Adjustments ((I) to (V))	7,98,987
	Tax Expense recognised during the year	1,42,71,812
	Effective Tax Rate	21.19%



(d) Reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

	As at 31 March, 2021
Profit / (loss) from continuing operations before income tax expense	6,73,64,126
Enacted income tax rate in India	20.00%
Expected Income-tax expense	1,34,72,825.25
(d) Break up of Tax expenses	1,71,93,999
Current Tax	(18,17,588)
Deferred Tax	-
Tax effect on Other Comprehensive Income	1,53,76,411
Income Tax expense in the Statement of Profit and Loss	
Deferred Tax credit recorded in Equity (due to transition to IFRS 16)	

Note 8: Other assets

	As at 31 March, 2021
(A) Other assets - Non-current	-
Capital advances	-
Indirect taxes recoverable	-
(B) Other assets - Current	
Unsecured Considered good	46,61,034
Indirect taxes recoverable	27,68,248
Prepaid expenses	74,29,282

Note 9: Inventories (At lower of cost and net realisable value)

	As at 31 March, 2021
Inventory-Finished Goods	5,67,35,075.98
Inventory-Raw material	10,36,11,778.35
Inventory-Work-in-progress	26,61,745.28
Less : Allowance for devaluation in value of inventories	(18,18,209.83)
	16,11,90,389.78

Note 10: Trade Receivables

	As at 31 March, 2021
Unsecured	21,21,87,847
Considered good	95,63,534
Considered doubtful	22,17,51,381
Less : Allowance for doubtful debts	(95,63,533.66)
	21,21,87,846.95

Note:

- (i) The average credit period on sales of goods is 180 days. No interest is charged on trade receivables. Before accepting any new customer, the Company performs detailed background check to assess the potential customer's credit quality. The credit quality of customer are reviewed on regular basis.

(ii) Allowance for doubtful debts

	As at 31 March, 2021
Opening Balance	(95,63,534)
Add : Allowance during the year	(95,63,534)
Closing Balance	

Note 11: Cash and cash equivalents

	As at 31 March, 2021
Cash on hand	8,89,231
Current account	12,05,21,964
Cash and cash equivalents	12,14,11,194

Note 12: Other bank balance

	As at 31 March, 2021
Other deposit accounts	2,41,73,303
original maturity of more than 3 months but less than 12 months	2,41,73,303



Note 13: Equity share capital

	INR
	As at 31 March, 2021
Authorised	
10,000 ordinary shares of baht 490 each	1,16,55,630
Issued, subscribed and fully paid-up share capital	
10,000 ordinary shares of baht 490 each	1,16,55,630
	<u>1,16,55,630</u>

13(a): Details of rights, preferences and restrictions attached to the equity shareholders:

The Company has one class of equity shares having a face value of baht 490 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the

13(b) Reconciliation of equity shares at the beginning and at the end of the reporting period:

Particulars	Equity Shares for the Period From 23 May to 31 March, 2021	
	No.	INR
Equity shares outstanding on 23 May 2020	10,000	1,16,55,630
Add : Fully-Paid Shares issued during the Period	-	-
Add : Partly-Paid Shares issued during the Period	-	-
Add : Issue of additional shares	-	-
Equity shares outstanding at the ending of the Period	<u>10,000</u>	<u>1,16,55,630</u>

13(c): Details of shareholders holding more than 5% shares in the Company

Sr. No.	Name of Shareholder	Equity Shares as at 31 March, 2021	
		No. of Shares held	% of Holding
1	Sahajanand Medical Technologies Ireland Ltd	9,998	99.98%

Note 14: Other Equity

	As at 31 March, 2021
Securities premium	51,01,54,727
Retained earnings	-83,78,452
Foreign Currency Translation Reserve	
	<u>50,17,76,275</u>

Particulars of Other Equity

Reserves and Surplus

(a) Securities premium

Opening Balance as on 23 May 2020
Add: Premium on shares issued during the year
Less: Share issue expenses
Closing Balance

(b) Capital Reserve on Business Combination

Opening Balance as on 23 May 2020
Add: Gain on acquisition of a foreign subsidiary
Closing Balance

(c) General Reserve

Opening and Closing Balance

(d) Retained earnings

Opening Balance as on 23 May 2020
Transition impact of IFRS 16 (net of taxes)
Profit for the period
Remeasurement of defined benefit obligations for the period (net of taxes)
Closing Balance

Items of Other Comprehensive Income

(a) Foreign Exchange Translation Reserve

Opening Balance as on 23 May 2020
Exchange loss for the Period
Closing Balance



For the Period on 23 May to
March 31, 2021

-

-

-

-

45,51,43,711

5,19,87,715

30,23,301

51,01,54,727

-

51,01,54,727

Nature and purpose of reserves:

- (a) Securities premium is used to record the premium on issue of shares.
(b) Capital Reserve represents the additional net assets received on purchase of stake in a subsidiary during the period ended March 31, 2021.
(c) The General reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created
(d) Retained earnings represent the amount of accumulated earnings of the Company.
(e) Foreign currency translation reserve is the exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve

Note 15: Borrowings

As at 31 March, 2021

(A) Borrowings - Non Current (Secured)

Term Loans

(i) From Banks

Rupee Loan

Foreign Currency Loan

Payable in Foreign Currency (31 March, 2021-USD - Nil ; 31 March,2020 - USD Nil)

From Financial Institutions

Vehicle loans

From Banks

Total Borrowings

Less: Current maturities of long term borrowing

Total non current borrowing

Nature of Security and terms of repayment for secured borrowings:

	Nature of Security	Terms of Repayment			Terms of Interest
(i)	Term Loan				
Sr. No.	Name of Bank	31 March, 2021	31 March, 2020	Interest Rate pa	Terms of Repayment and Security
1		-	-		
2		-	-		
Total		-	-		
Less	Current Maturities of Long-Term Borrowings	-	-		
	Long-Term Borrowing as disclosed	-	-		

(ii) Term Loan - Financial Institution

Sr. No.	Name of Financial Institution	31 March, 2021	31 March, 2020	Interest Rate	Terms of Repayment and Security
1		-	-		
Total		-	-		
Less	Current Maturities of Long-Term Borrowings	-	-		
	Long-Term Borrowing as disclosed	-	-		

(iii) Cash Credit/Overdraft facility

Sr. No.	Name of Bank	31 March, 2021	31 March, 2020	Interest Rate	Terms of Repayment and Security
1		-	-		
2		-	-		
Total		-	-		

(B) Borrowings - Current (Unsecured)

As at 31 March, 2021

Working capital loans

(a) Cash credits facility repayable on demand

(b) Working capital loans repayable based on respective tenure

Loans from Group Companies

Note 16: Trade Payables

As at 31 March, 2021

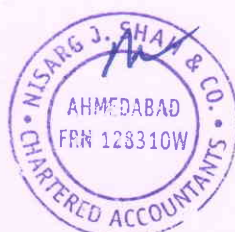
Due on account of goods purchased and services received

total outstanding dues of micro enterprises and small enterprises (Refer Note 30)

total outstanding dues of creditors others than micro enterprises and small enterprise

2,84,66,269

2,84,66,269



INR

Note 17: Other financial liabilities

(A) Lease Liability- Non-Current
Lease Liability

As at 31 March, 2021

21,10,723

21,10,723

(B) Lease Liability- Current
Lease Liability

38,62,485

38,62,485

(C) Other financial liabilities - Non-current

Minority Interest
Deposits from others- Secured
Leave Encashment Payable
Other Payable

29,77,607

29,77,607

(D) Other financial liabilities- Current

Capital Creditors
Current maturities of long term borrowings
Employee related liabilities
Interest accrued but not due on borrowings
Leave Encashment Payable - Current
Other Payable (payable to Parent company)
Security Deposit given to Vendors

21,19,044

21,19,044

As at 31 March, 2021

Note 18: Provision

(A) Provision - Non-Current
Employee related liabilities

34,91,438.30

34,91,438.30

(B) Provision - Current

Provision for claims from customers*
Provision for leave encashment

Amount

***Movement:**

Balance at the beginning of the year
Add: Provision made during the year
Less: Provision utilised during the year
Less: Provision reversed during the year
Balance at the end of the year

Nature of Provision:

The provision is for anticipated claims for product assurance given to the customer which is made on the basis of management expectation taking into account historical experience. The expected timing of any resulting outflow of economic benefits ranges for a period of twelve months.

Note 19: Other current liabilities

Advance received from customers
Income Tax Liabilities (Net)
Statutory dues

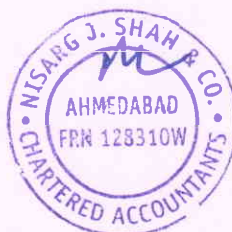
As at 31 March, 2021

64,149

1,70,13,873

11,88,419

1,82,66,441



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

Note 20: Revenue From Operations

Sale of Products
Finished Goods

Other operating Income

INR

**For the period from 23 May
2020 to 31 March 2021**

32,07,83,578

32,07,83,578

Note 21: Other Income

Interest Income on:

Bank deposits
Loans to Parties
Others

3,51,661

Rent Income

Provision no longer required written back

Net exchange gain

Miscellaneous income

30,70,984

34,22,645

Note 22: Cost of materials consumed

Inventory at the beginning of the year
Add: Purchases

Less: Foreign Currency Translation Reserve

Less : Inventory at the end of the year

Less : Regrouped under R&D expenses (Refer Note No.27)

**For the period from 23 May
2020 to 31 March 2021**

14,29,59,003

5,41,03,145

19,70,62,148

15,98,493

10,28,01,041

9,26,62,614

-2,02,36,996

7,24,25,618

Note 23: Purchase of Stock-in-trade

Purchase of Stock in trade

**For the period from 23 May
2020 to 31 March 2021**

1,70,33,167

1,70,33,167



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

INR

Note 24: Increase / (Decrease) in inventories of finished goods, work-in-progress and stock-in-trade

**For the period from 23 May
2020 to 31 March 2021**

Inventories at the end of the year:	
Finished goods	5,57,27,603
Work-in-progress	26,61,745
Stock-in-trade	-
(A)	<u>5,83,89,348</u>
Inventories at the beginning of the year:	
Finished goods	6,63,21,847
Work-in-progress	2,05,59,257
Stock-in-trade	-
(B)	<u>8,68,81,103</u>
(C)	<u>1,28,34,077</u>
Less: Foreign Currency Translation Reserve	<u>(A) + (B)-(C)</u>
	<u>1,56,57,678</u>

Note 25: Employee Benefit Expenses

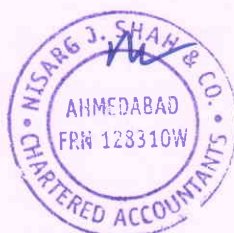
**For the period from 23 May
2020 to 31 March 2021**

Salaries, wages and bonus	4,03,75,171
Contribution provident and other funds	13,20,892
Gratuity expense	21,62,361
Staff welfare expenses	2,86,138
	<u>4,41,44,563</u>
	<u>4,41,44,563</u>

Note 26: Finance Costs

**For the period from 23 May
2020 to 31 March 2021**

Interest expense	2,85,846
Interest on Lease Liability	4,23,788
Interest on shortfall of advance tax	-
Other borrowing costs	9,75,551
	<u>16,85,186</u>
	<u>16,85,186</u>



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

INR

Note 27: Research and development expenses

**For the period from 23 May
2020 to 31 March 2021**

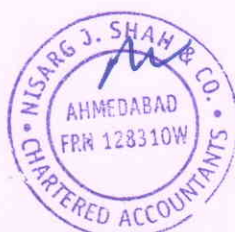
Material consumed	-
Testing expenses	2,04,87,605
Clinical Trial expenses	-
Technical Advisory fees	-
Repairs and maintenance	-
Travelling expenses	-
Salaries, wages and bonus	-
Miscellaneous expenses	-
	2,04,87,605

Note 28: Other expenses

**For the period from 23 May
2020 to 31 March 2021**

Other expenses

Power and fuel	4,95,978
Freight and Forwarding Expenses	36,28,973
Travelling expenses	34,17,250
Other marketing expense	54,83,397
Rates & taxes	28,36,510
Insurance	26,69,411
Repairs and maintenance	
Buildings	417
Plant and Machinery	-
Others	11,84,949
Expenditure towards Corporate Social Responsibility (CSR) activities	
Legal & professional fees	2,58,02,011
Payment to auditors	
for statutory audit	-
for tax matters	-
for certification	-
for other services	-
Printing and stationary	5,28,696
Loss on sale on property, plant and equipment	1,08,637
Donation	-
Bad Debts	-
Allowance for doubtful debts	95,63,534
Provision for Security Deposits	-
Royalty	-
Net Exchange Loss	-
Miscellaneous expenses	1,64,65,161
Total 28	7,21,84,922



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

Note 29: Contingent Liabilities and Commitments

Contingent Liabilities

Claims against the Company not acknowledged as debt

- Income Tax Matters
- Commercial Matters
- Bank Guarantee

(INR)

As at 31 March, 2021

38,28,340

38,28,340

Commitments

(a) Capital commitments (Total value)

Less: Capital advance

Total

As at 31 March, 2021

-

(b)(i) Other commitments

The Company has entered into several lease agreements in respect of office rental and services.

-

-

Note 30: Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006

Not Applicable

(INR)

As at 31 March, 2021

Note 31: Earnings per share

Earning per share has been computed as under:

Profit for the year

5,19,87,715

Weighted average number of equity shares outstanding during the year

10,000

Earnings per share (Rs.) - Basic

5,198.77

Earning per share has been computed as under:

Profit for the year

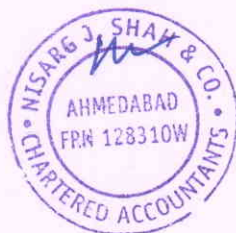
5,19,87,715

Weighted average number of equity shares outstanding during the year

10,000

Earnings per share (Rs.) - Diluted

5,198.77



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

Note 32 - Related party transactions

(a) Names of related parties and nature of relationship:

(I) Persons having direct or indirect control over the Company:

Mr. Kashi Mayuram Jayaraman (Managing Director)
 Mr. Ganesh Prasat Sabat (Director)

(II) Enterprise having substantial interest over the Company:

Sahajanand Medical Technologies Ireland Limited, Ireland
 SMT Germany GmbH
 Vascular Concepts Limited - India

(III) Key Management Personnel and their relatives (with whom the Company has transactions):

Mr. Kashi Mayuram Jayaraman (Managing Director)
 Mr. Ganesh Prasat Sabat (Director)

(b) Transactions with related parties:

	Amount in THB	Amount in Rs.
	For the period from 23 May 2020 to 31 March 2021	For the period from 23 May 2020 to 31 March 2021
Purchase of goods		
Vascular Concepts Limited - India	24,90,501	59,33,619
Sale of goods		
SMT Germany GmbH	60,71,558	1,44,65,486
Sahajanand Medical Technologies Ireland Limited	3,36,73,253	8,02,26,524
Vascular Concepts Limited - India	48,29,059	1,15,05,233
Sale of others		
Vascular Concepts Limited - India	22,94,494	54,66,631

(c) Closing Balances :

	Amount in TBH	Amount in Rs.
	As at 31 March, 2021	As at 31 March, 2021
Trade Receivable		
Sahajanand Medical Technologies Ireland Limited	3,39,16,532	7,93,95,211
Vascular Concepts Limited - India	81,47,974	1,90,73,591
Trade Payable		
Vascular Concepts Limited - India	20,71,415	48,48,974
Other Receivable		
Vascular Concepts Limited - India	25,86,777	60,55,386



Note 35: Financial Risk Management
Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategy. The Company's financial risk management
Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a adverse change in the price of a financial instrument.

The Company manages the risk through the Finance department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Finance department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Finance department provides funding for the Company's operations. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of activity.

(A) MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance for major part of the period ended 31st March, 2020. This was the result of existing business model of the Company and funding arrangement from the investing partners.

The Company's board of directors regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in liquid mutual funds/fixed deposits while ensuring sufficient liquidity to meet its liabilities.

Exposure to liquidity risk

Maturity patterns of other financial liabilities

As at 31 March, 2021	0-12 months	Beyond 12 months	Total
Trade Payable	1,44,45,280	-	1,44,45,280
Payable related to Capital goods	1,40,20,989	-	1,40,20,989
Other Financial Liability (Current and Non Current)	21,19,044	29,77,607	50,96,651
Short-Term Borrowings	-	-	-
Long-Term Borrowings	-	-	-
Lease Liabilities	38,62,485	21,10,723	59,73,208
Total	3,44,47,797	50,88,330	3,95,36,127

(B) MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Loans, Security deposits and other financial assets. The Company has concentrated its main activities with a limited number of counter-parties (bank) which have secure credit ratings, to reduce this risk. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Finance department.



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

(C) MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Foreign currency risk;
- price risk; and

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

(I) Foreign Currency Risk:

The Company is exposed to foreign exchange risk arising from various currency exposures on account of sale and procurement of goods and services, primarily with respect to US Dollar and EURO.

The Company's management regular review the currency risk. However at this stage the Company has not entered into any forward exchange contracts or other arrangements to cover this risk as the risk is not material.

Unhedged foreign currency exposure:

Particulars of unhedged foreign currency exposures as at the reporting date:

As at 31 March, 2021	Amount in USD	Amount in Rupees	Amount in EUR	Amount in Rupees
Trade Payables	87,398	63,96,670	71,109	61,01,863
Capital Creditors				
Trade Receivables	10,24,772	7,50,03,063	9,36,344	8,03,47,679

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on loss before tax:

	31 March, 2021	
	1% Increase	1% Decrease
United States Dollar	9,58,886	-9,58,886
Euro	8,77,288	-8,77,288
Increase / (decrease) in Loss	18,36,174	-18,36,174

(II) Pricing Risk:

Pricing Risk Sensitivity

There is no material impact of pricing risk on the financial statements and the operations of the company.

Financial Instrument by category

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash, loans, other financial assets, trade payables and other financial liabilities, approximate their carrying amounts largely due to short term maturities of these instruments.

The fair values of security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

Categorization of financial assets and liabilities

Particulars	As at 31 March, 2021		
	Non Current	Current	Total
Financial Assets measured at amortised cost			
Investment	-	-	-
Trade receivables	-	21,21,87,847	21,21,87,847
Cash and cash equivalents	-	12,14,11,194	12,14,11,194
Loans	-	25,750	25,750
Security Deposits	-	-	-
Others financial asset	5,17,667	14,34,035	19,51,702
Other Bank Balances	-	2,41,73,303	2,41,73,303
	5,17,667	35,92,32,129	35,97,49,796
Financial Liabilities at amortised cost			
Trade payables	-	2,84,66,269	2,84,66,269
Borrowings	-	-	-
Lease liabilities	21,10,723	38,62,485	59,73,208
Other financial liabilities	29,77,607	21,19,044	50,96,651
	50,88,330	3,44,47,798	3,95,36,128

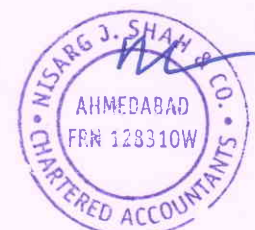
Note:

(a) Financial assets measured at amortised cost :

The carrying amount of Trade Receivables, Loans, Cash and Cash Equivalents, Security deposits, Other Financial assets and Other Bank Balances are

(a) Financial assets measured at amortised cost :

The carrying amount of Trade Payables, Borrowings and other financial liabilities are considered to be the same as their fair values due to their short term



Note 36: Employee benefits

In accordance with IAS- 19 Employee Benefits, the following disclosures are made:

36.1 The Company recognised Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

36.2 Defined benefit plans:

The Company has an unfunded gratuity plan for qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act. The Actuarial gains and losses in respect of defined benefit plans are recognised in the financial statements through other comprehensive income.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and

Salary risk

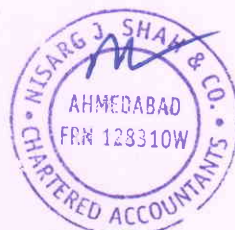
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the The following table set out the unfunded status of the defined benefit schemes and the amount recognised in financial statements.

Particulars	Period ended 31 March, 2021
Opening of defined benefit obligation on 23 May 2020	72,70,565
Current service cost	
Past service cost	
Interest on net defined benefit liability / (asset)	
(Gains)/losses on settlement	
Employer contributions	
Interest on plan assets	
Total expense recognised in the Statement of Profit and Loss	-
Amount recognized in OCI outside profit and loss account - Re-measurements during the period due to	
Actuarial loss/(Gain) arising from change in financial assumptions	-37,79,126
Actuarial loss/(Gain) arising from change in demographic assumptions	
Actual return on plan assets less interest on plan assets	
Actuarial loss/(Gain) arising on account of experience adjustment	
Total amount recognized in other comprehensive income	-37,79,126
Benefits Paid	-
Closing of defined benefit obligation Net asset / (liability) recognised in the Balance Sheet	34,91,438

Particulars	Period ended 31 March, 2021
Opening net defined benefit liability / (asset) on 23 May 2020	72,70,565
Expense charged to profit & loss account	
Amount recognized outside profit & loss account	37,79,126
Benefits Paid	
Closing net defined benefit liability / (asset)	34,91,438
The principal assumptions used for the purposes of the actuarial valuations are as follows.	
Discount rate	1.62%
Salary escalation	5.00%
Attrition rate	10.25%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant

Particulars	Period ended 31 March, 2021
Present value of funded defined benefit obligation	34,91,438
Fair value of plan assets	
Net liability arising from defined benefit obligation	34,91,438



Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

(INR)

Sensitivity Analysis

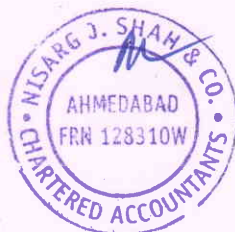
Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key

Particulars	Period ended 31 March, 2021	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-17,457	17,457
Impact of decrease in 50 bps on DBO	17,457	-17,457

Expected maturity analysis of the defined benefit plans in future years	
Particulars	Year ended 31 March, 2021
For 1st year (next annual reporting period)	1,42,399
Between 2 to 5 years	5,69,594
Between 6 to 9 years	5,69,594
For 10th year and beyond	22,09,852
Total expected payments	34,91,438

Weighted average duration of the defined benefit plan:	Year ended 31 March, 2021
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Weighted average duration of the defined benefit plan (in years)	24.52
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Name of the Company: Vascular Innovations Company Limited
Notes to the Financial Statements for the period from 23 May 2020 to 31 March 2021

Note 37 : COVID-19 Impact

The spread of COVID-19 has affected the business from mid-March 2020, which had no major impact of the Company's operation, post the national lock down. The operations of the Company were not impacted significantly considering the operations of the Company were considered as an essential service by the respective government authorities. The Company had carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

Note 38 :

Unless otherwise stated, figures in brackets relate to the previous year. Previous period's figures have been regrouped / rearranged, to the extent necessary, to conform to current period's classifications.

