



*Constantly Evolving, Consistently Excelling*

**Annual Report 2020-2021**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

MR. SURESH G KARE, Chairman  
MS. ADITI PANANDIKAR, Managing Director  
MR. SUNDEEP V BAMBOLKAR, Jt. Managing Director  
MR. DIVAKAR M GAVASKAR, Independent Director  
MR. RAJIV P KAKODKAR, Independent Director  
DR. (MS.) VASUDHA V KAMAT, Independent Director  
MR. ABHIJIT Y GORE, Independent Director  
DR. ANAND M NADKARNI, Non-Executive Director

## REGISTERED OFFICE

Indoco House, 166 CST Road, Kalina, Mumbai 400098.  
Tel. No.: +91 22 62871000 / 68791250  
Website: www.indoco.com

## COMPANY IDENTIFICATION NUMBER

CIN: L85190MH1947PLC005913

## COMPANY SECRETARY & COMPLIANCE OFFICER

MR. JAYSHANKAR MENON

## REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PVT. LTD.  
C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083

## BANKERS

CITIBANK N. A.	KOTAK MAHINDRA BANK LTD.
HDFC BANK LTD.	SARASWAT CO-OP BANK LTD.
IDBI BANK LTD.	STANDARD CHARTERED BANK
DBS BANK	STATE BANK OF INDIA
AXIS BANK	EMIRATES NBD BANK
ICICI BANK	

## AUDITORS

M/S GOKHALE & SATHE - Chartered Accountants  
308/309, Udyog Mandir No. 1, 7-C Bhagoji Keer Marg,  
Mahim, Mumbai 400016

## EXCELLENCE IN RESEARCH & MANUFACTURING



## MESSAGE FROM THE TOP MANAGEMENT



### Dear Stakeholders,

The year witnessed extreme disruption in the global economy on account of the Covid-19 pandemic. Indoco exhibited tremendous resilience and perseverance to succeed in spite of all odds. Facing the catastrophic environment was not an easy task, but Indocoites demonstrated full support, commitment, teamwork and competence, which enabled the Company to achieve very good results. We are extremely proud of Team Indoco and our heartfelt gratitude to all for standing with us during these difficult times.



Overall, the Company grew by 12.8% with revenues at ₹1217 crores, as against ₹1079 crores in the previous year. Domestic Formulation Business de-grew by 9.8% with revenues at ₹619 crores, as against ₹686 crores of previous year. International Formulation Business grew by 66.2% with revenues at ₹492 crores, as against ₹296 crores of previous year. The International Business recorded a healthy growth during the year post the resolution of regulatory issues, however, the India business witnessed de-growth due to environmental challenges.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBIDTA) to net sales is 18.4% at ₹223.6 crores, compared to 11.4% at ₹123.3 crores, last year. Profit After Tax (PAT) is 7.6% at ₹92.4 crores, as against 2.2% at ₹24.2 crores, last year.

In the Domestic market we launched nine new products (SKUs), four in Anti-Diabetic, two in Anti-Infective and one each in Stomatological, Cardiac and Vitamin/Mineral/Nutrient segments. Of the nine new products, two are in the acute, one in sub-chronic and six in the chronic segment. Amongst these are a couple of new products, which were launched for the treatment/prevention of Covid-19.

In US market, the Company launched eleven products, one of them being the first and only generic. We also received six ANDA approvals during the year.

Indoco is committed to building a healthier world by providing quality medicines made available at affordable price. In these challenging times, we have enhanced our supply chain and manufacturing facilities, to ensure continuous supply of medicines to needy patients.

Indoco keeps alive its CSR mission by reaching out to the needy with focus on the welfare of women, the aged and children. We are striving hard to make a positive impact on the society and thereby creating better lives for a brighter future.

We express our gratitude to all our Stakeholders, including, shareholders, customers, bankers and the medical fraternity for their support and trust in us. We thank all Indocoites for their contribution and trust, which we value the most.

Thanking you all,



**Suresh G Kare**  
Chairman



**Aditi Panandikar**  
Managing Director



**Sundeep V Bambolkar**  
Jt. Managing Director

# INDOCO AT A GLANCE

 **INCORPORATED**  
23<sup>rd</sup> August,  
**1947**

 **TURNOVER**  
**166**  
Million

  
**EMPLOYEE STRENGTH**  
Over **6000**

Presence across  
**55**  
countries 

**106**  
**PROCESS PATENTS**  
● 36 for FDFs  
● 70 for APIs

  
Regulatory Approvals

**54**  
ANDAs  
at various stages


  
New Drug Delivery  
Systems (NDDS)


**56**  
Marketing  
Authorisations (MAs)





## ALLIED SERVICES

- Indoco Analytical Solutions, Mumbai
- AnaCipher Clinical Research Organisation, Hyderabad (BA/BE Studies)

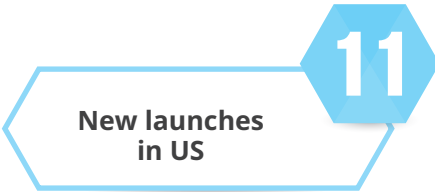
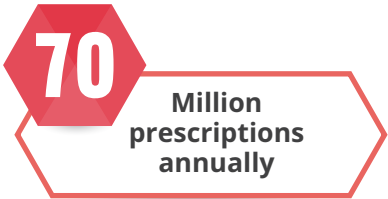
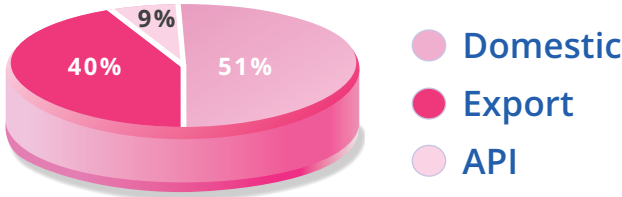
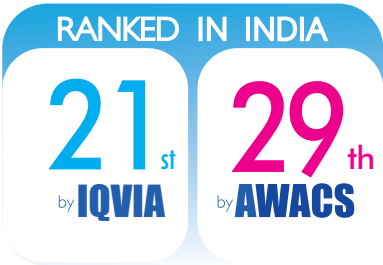
 **PAN INDIA PRESENCE**

**9**  
Marketing  
Divisions 

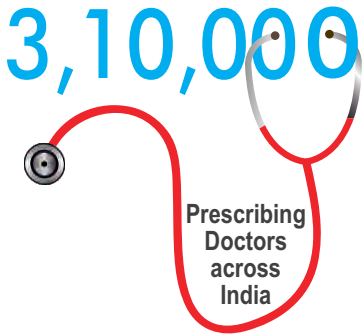
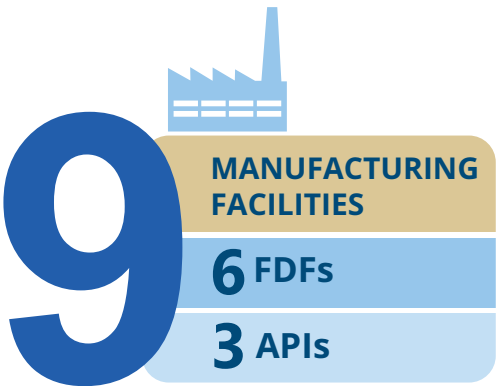
**24**  
Depots and  
Branches 

**2300**  
Field Staff 

# INDOCO AT A GLANCE



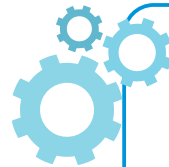
State-of-the-art R&D Centre, backed by CRO



( SMSRC Prescription Audit Data )

# INDOCO AT A GLANCE

**51** BRANDS RANKING  
amongst **the top 5**  
in their  
**RESPECTIVE THERAPEUTIC SEGMENTS**

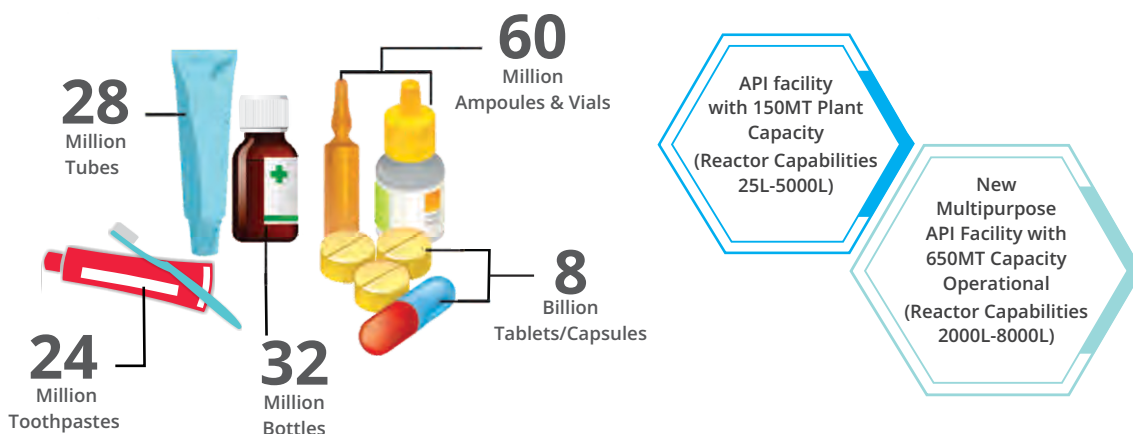


## BUSINESS MODEL

**Manufacturing and distribution** of pharmaceutical products & services in **India and overseas**

**4** BRANDS RANKING  
amongst **the top 500**

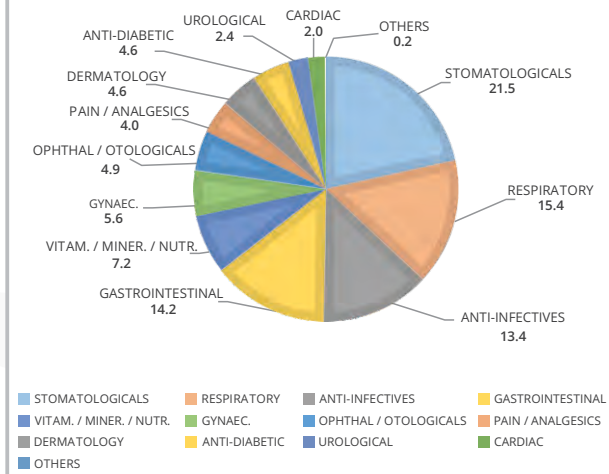
## ANNUAL CAPACITIES



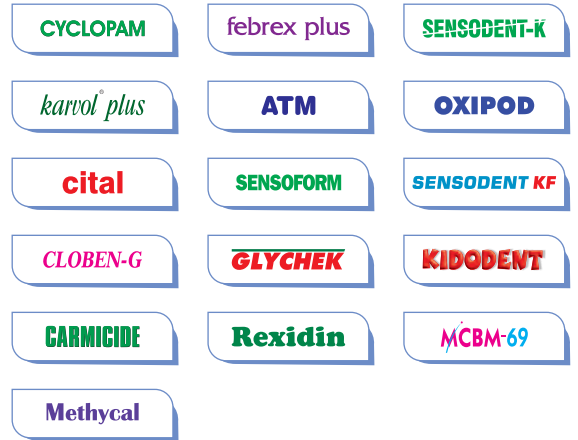
# BUSINESS HIGHLIGHTS

## INDIAN BUSINESS

### THERAPEUTIC SEGMENT CONT % FY 20-21

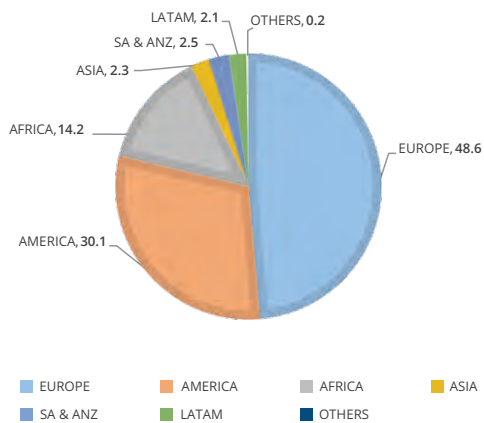


### TOP BRANDS

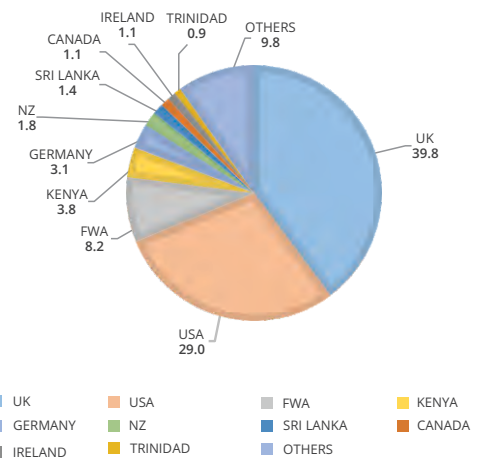


## INTERNATIONAL BUSINESS

### REGION CONT % FY 20-21



### COUNTRIES CONT % FY 20-21





# A NEW BRAND IDENTITY



We are proud to announce the launch of our new corporate brand identity with a redesigned logo. This new identity comes with Indoco entering into its 75<sup>th</sup> year of operations and at a time when the Company is on the verge of an unprecedented zeal for growth in its domestic and global operations.

The new identity captures our core values and the younger, bolder and dynamic nature of Indocoites. Our core values emerge from a story that started in 1945, when Late Mr. Govind Ramnath Kare founded 'Indo-Continental Trading Company'. A story that is closely related to the Independence of India in the year 1947, when just 7 days after independence, we imbibed the Core Indian Values of "Respecting and Accepting Challenges". Our founder respected the Indian Government's decision to manufacture indigenous products and accepted the challenge to manufacture drugs in India, and so INDOCO REMEDIES LTD. was born on 23<sup>rd</sup> August, 1947.

The Core Values followed by our Chairman, Mr. Suresh G. Kare, became the Vision of Indoco that has given direction to Indocoites for over 5 decades. A Vision that has breathed life in our Mission to heal and protect lives of billions of hearts across the globe. Indoco has grown and evolved over seven decades. We felt that the time was right for a change, and to have a brand new logo that narrated our story.

The emphasized IR emblem in the logo represents the Younger, Bolder, Innovative and Dynamic nature of Indocoites. The bowing R of Remedies indicates the respectful bow to the Heart of India, atop the I, to bring out our Core Value, "**Respectfully Indian at Heart, Global in Vision**".

The colour blue in the Logo represents Trustworthiness, Strength and Confidence of Indoco. The central indent of the Indoco font to the IR Emblem represents the fine balance between respecting and accepting challenges, a virtue of Indocoites.

The gently curved lines in the logo font Indoco, represents Indocoites who have unique strengths and bring in different dimensions and variety of intelligence, yet smoothly move together, like the Logo, towards one goal. The goal to provide the best in class quality healthcare to patients in India and across the globe.

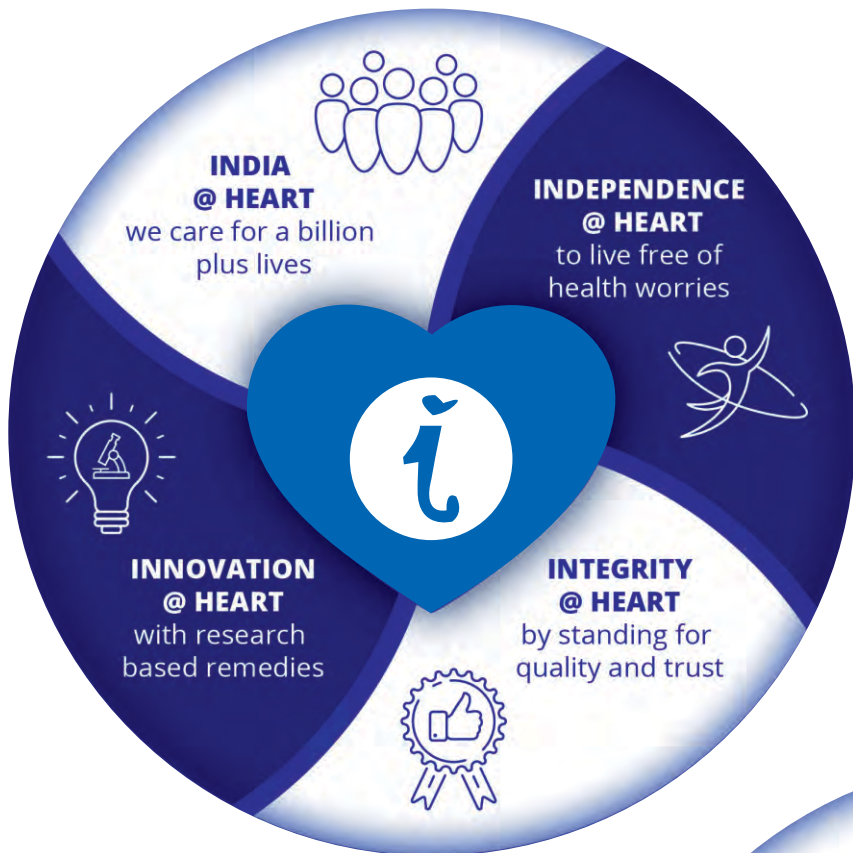


# OUR LOGO STORY

*We are*



# OUR LOGO STORY



*We are*



*Respectfully Indian at Heart, Global in Vision*

# INDOCO'S RESPONSE TO COVID-19

During the pandemic, Indoco responded effectively to the rapid challenges. Indocoites rose to the occasion and ensured continuity in manufacturing and supply chain to make medicines available across geographies. Indoco's manufacturing plants were operational, adhering to the strict guidelines like maintaining safety, hygiene and social distancing.

Indoco used several differential approaches, including the digital mode to create multiple touch points with various stakeholders. Indoco appreciated all the Covid warriors for their extraordinary services. Immediate assistance was provided to doctors by distribution of PPE kits, masks, sanitizers and educating patients about safety precautions. Covid prevention kits were distributed to all Indocoites, chemists and stockists pan India.

A state-wise Covid War Room under the initiative **#IndocoCares** has been set up across India to provide immediate assistance to Indocoites and their families in various forms including identifying hospitals, arranging medicines, etc. Indoco has tied up with the Institute of Psychological Health (IPH), Mumbai for counselling the affected employees and their families. As a small gesture to help the bereaved family of the Covid affected employees, the Company has come forward to lend support to its employees by providing financial compensation to the legal heir of the deceased and education assistance upto graduation for 2 children.



Production in full swing @ our Manufacturing Units



Continuity in Supply Chain



Support from our CFA Teams

**Covid War Room**

To assist Indocoites and their family members affected from Covid-19 in identifying hospitals, arranging medicines and counselling, etc.

Distribution of Covid prevention kits to the Chemists under the initiative **#IndocoCares**

## INDOCO BRANDS IN PREVENTION AND TREATMENT OF COVID-19

### PREVENTION

- Nasal Cavity
- Oral Cavity
- Throat
- Systemic Immunity
- Sore Throat

### TREATMENT

- Systemic Infection
-

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## INDOCO REMEDIES LIMITED

[CIN: L85190MH1947PLC005913]

Registered Office: Indoco House, 166 CST Road, Kalina, Santacruz (E), Mumbai 400 098

Tel: 022-68321400 / email: compliance.officer@indoco.com / Website: www.indoco.com.

### NOTICE

Notice is hereby given that the **Seventy Fourth** Annual General Meeting of the members of **INDOCO REMEDIES LIMITED** will be held on **Thursday, September 23, 2021, at 10.30 a.m.** IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt;
  - (a) The audited financial statement of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon;
  - (b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2021.
3. To appoint a director in place of Mr. Sundeep V Bambolkar (DIN- 00176613), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** Mr. Abhijit Y Gore (DIN: 00301688), who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 03, 2020, under Section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment (s) thereof for the time being in force), who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Mr. Abhijit Y Gore (DIN:00301688) for the office of Director be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mr. Abhijit Y Gore (DIN: 00301688), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five years with effect from October 3, 2020."



5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, be paid the remuneration of ₹ 1,80,000 per annum plus out of pocket expenses plus applicable taxes that may be incurred during the course of audit”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorises to do all such steps as may be necessary proper or expedient to give effect to this resolution.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Joshi Apte & Associates, Cost Auditors appointed by the Board of Directors of the Company at its meeting held on June 11, 2021, to fill in casual vacancy caused by resignation of M/s. Sevekari, Khare & Associates w.e.f. May 27, 2021, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2021, be paid remuneration of ₹ 1,80,000 per annum plus applicable taxes and out of pocket expenses that may be incurred during the course of audit.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such steps as may be necessary proper or expedient to give effect to this resolution.

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*  
Membership # A11067

Place : Mumbai.  
Date : June 11, 2021

**Notes:**

1. Due to the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021, read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as “SEBI Circulars”), permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.



2. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-2021 will also be available on the Company's website [www.indoco.com](http://www.indoco.com) websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. The AGM shall be deemed to be conducted at the Registered office of the Company situated at Indoco House, 166 CST Road, Kalina, Santacruz East, Mumbai 400 098.
6. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization should be uploaded on <https://instavote.linkintime.co.in>.
8. The Statement setting out the material facts relating to Special Business at the meeting pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
9. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a brief profile of Director seeking re-appointment at ensuing Annual General Meeting is given.
10. At the Seventieth AGM held on August 9, 2017 the Members approved appointment of M/S Gokhale & Sathe (Firm Registration No. 103264W), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Seventy Fifth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Seventy Fourth AGM.
11. The Register of Members and Share Transfer Books of the Company shall remain closed from September 21, 2021 to September 23, 2021 (both days inclusive) for the purpose of determining the names of members eligible for final dividend on Equity Shares if declared, at the meeting.
12. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with Finance Act 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

The shareholders are requested to update their PAN with the Company/LinkIntime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to address [indocotaxexemption@linkintime.co.in](mailto:indocotaxexemption@linkintime.co.in) by 11:59 p.m. IST on September 22, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

13. The dividend for the year ended March 31, 2021 as recommended by the Board and if sanctioned at the Annual General Meeting, will be paid subject to deduction of Tax at Source to those members whose names appear on the Company's Register of Members on September 22, 2021. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid on and from September 28, 2021.

14. Pursuant to Section 124 of the Companies Act, 2013, the Company has transferred on due dates the unpaid or unclaimed dividends for the financial Year 2012-2013 (Final dividend) to Investor Education and Protection Fund (the IEPF) established by the Central Government.

Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on **March 31, 2020** on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

Dividend for the financial year **2013-2014** and thereafter which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not yet encashed their dividend warrants for financial year **2013-2014** onwards and seek revalidation of their warrants are requested to write to Company / Company's Registrars without any delay.

15. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) vide its Notification dated 05.09.2016 and as amended on 28.02.2017, (The Rules) the Company has transferred 56,018 shares in the name of Investor Education and Protection Fund (IEPS) Suspense Account in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more. The Company has uploaded the details of shares so transferred on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

16. Members holding shares in demat (electronic) account are requested to notify changes, if any, in their address, e-mail address, bank mandate, etc., to their respective Depository Participants (DPs). Members holding shares in physical form are requested to intimate the changes to the Company / Company's Registrars.

- (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate to the Company / Company's Registrars the following information to be incorporated on the dividend warrants duly signed by the sole or first joint holder:

- (i) Name of the Sole/First joint holder and the Folio Number
  - (ii) Particulars of Bank Account, viz:
    - Name of the Bank
    - Name of the Branch
    - Complete address of the Bank with Pin Code number
    - Account type whether Saving or Current
    - Bank Account Number
    - MICR Code:
    - IFSC Code:
  - (b) Members holding shares in demat form may please note that their Bank account details, as furnished by their Depositories to the Company, shall be printed on their Dividend Warrants as per the applicable regulation of the Depositories and the Company shall not entertain any direct request from the members for deletion of or change in Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in demat form. Members who wish to change their bank details or particulars are requested to contact their Depository Participants.
  - (c) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided facility to the members for remittance through NEFT/RTGS. Members holding shares in physical form and desirous of availing the facility are requested to contact the Company / Company's Registrars.
17. Facility of nomination is now available and members are requested to make use of the same by contacting the Company / Company's Registrars in case of physical holding and DPs in case of demat holdings.
  18. For any assistance or information about shares, dividend etc., members may contact the Company / Company's Registrars.
  19. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondence with the Company or its Registrars.
  20. Members who hold shares in multiple folios and in identical names are requested to contact the Company / Company's Registrars for consolidating their holdings into a single folio.
  21. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
  22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company / Registrar.
  23. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of the AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com).

24. Details of Directors seeking appointment / reappointment in the Annual General Meeting scheduled on Thursday, September 23, 2021 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

<b>Name of Director</b>	<b>Mr. Sundeep V Bambolkar</b>	<b>Mr. Abhijit Gore</b>
Date of Birth	October 23, 1960	August 04, 1965
Date of Appointment	February 15, 2017	October 3, 2020
Brief Resume	Over 35 years' experience in Indoco in <ul style="list-style-type: none"> <li>- International Business</li> <li>- Corporate Management,</li> <li>- Finance and Operations</li> </ul>	Managing Partner since the last 34 years of M/s D. G. GORE, a Leading Manufacturers of Fragrances since the last 34 years. He has knowledge, experience and advisory skills in the Aroma-Chemicals, Natural Essential Oils Industry, Media & Entertainment and Real Estate industry.
Qualification	B.Sc., PGDRM, MAM, Management Program from the Indian School of Business, Hyderabad and Kellogg School of Business, Chicago, USA	BSc Undergraduate and is Trained as a Perfumer in a Perfumery School in Grasse France
Terms and conditions of appointment	Director retiring by rotation-being eligible for Re-appointment	Approval of shareholders for appointment as Independent Director for a period of 5 years
Details of last drawn remuneration	₹ 278.07 lakhs	₹ 2.20 lakhs
Chairman / Member of the Committee of the Board of Directors of the Company as on March 31, 2021	Audit Committee – Member CSR Committee – Member Stakeholder Relationship committee – Member Risk Management Committee - Member	Audit Committee - Member
Names of listed entities in which the person holds the Directorship and the Membership of Committees of the board;	Nil	Nil
Number of Shares held on March 31, 2021	4,65,000	5,000
Number of Meetings of the Board attended during the year	5	3 (Appointed wef October 03, 2020)

<b>Name of Director</b>	<b>Mr. Sundeep V Bambolkar</b>	<b>Mr. Abhijit Gore</b>
Disclosure of relationship between director inter-se/KMP/Managers	NA	NA
Justification for choosing the appointee for appointment as Independent Directors	Mr. Sundeep V Bambolkar retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.	Mr. Abhijit Y Gore contributes his expertise, knowledge, experience and advisory skills in the Aroma-Chemicals, Natural Essential Oils Industry. The Board considers that the appointment of Mr. Abhijit Y Gore will be of immense benefit to the Company.

25. **E-Voting:**

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rule, 2014 the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through **Link Intime India Private Limited (LI IPL)** as an alternative, for all Members of the Company to enable them to cast their votes electronically, on all the resolutions mentioned in the Notice of the **74<sup>th</sup> Annual General Meeting of the Company, dated June 11, 2021** (the AGM Notice).

The facility for voting through electronic mode shall also be made available during the 74<sup>th</sup> Annual General Meeting. The members attending the meeting through electronic mode, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the e-meeting, but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Ajit Sathe proprietor of M/s A.Y. Sathe & Co., Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly authorized, on September 23, 2021 and will also be displayed on the website of the Company ([www.indoco.com](http://www.indoco.com)), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent

E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed September 15, 2021 as the 'Cut-off Date'. The remote e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. September 15, 2021.

The remote e-voting period begins on Saturday, the September 18, 2021 at 10.00 a.m. (IST) and ends on Wednesday, the September 22, 2021 at 5.00 p. m (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 15, 2021 may cast their votes electronically.

The remote e-voting module shall be disabled by LIPL for voting after 5.00 p.m. (IST) on Wednesday, September 22, 2021.

**Remote e-Voting instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode post June 9, 2021, can vote only through their demat account maintained with Depositories and Depository Participants .

Shareholders are advised to update their mobile number and email id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

<b><u>Type of shareholders</u></b>	<b><u>Login Method</u></b>
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>



<u>Type of shareholders</u>	<u>Login Method</u>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>• Existing user of who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will also be able to see the E Voting Menu. The Menu will have links of e-Voting service provider, i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; evoting service provider is LINK INTIME.</b>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>➤ Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -               <ol style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> </ol> </li> </ul> </li> </ol>



<u>Type of shareholders</u>	<u>Login Method</u>
	<p><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <ul style="list-style-type: none"> <li>• Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> <ul style="list-style-type: none"> <li>➤ Set the password of your choice (The password should contain minimum 8 characters, at least one special character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>➤ Click "confirm" (Your password is now generated).</li> </ul> <ol style="list-style-type: none"> <li>2. Click on 'Login' under '<b>SHARE HOLDER</b>' tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '<b>Submit</b>'.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour / Against</b>' (If you wish to view the entire Resolution details, click on the '<b>View Resolution</b>' file link).</li> <li>7. After selecting the desired option, i.e. Favour / Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINK INTIME, have forgotten the password:**

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
  - In case shareholders/ members are having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc., as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINK INTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions (‘FAQs’)** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.

**26. Registration of email ID and Bank Account details:**

In case the shareholder’s email ID is already registered with the Company/its Registrar & Share Transfer Agent “RTA”/Depositories, login details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly login to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. **OR**

**(ii) In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

**27. Instructions for Members for Attending the AGM through VC / OVAM are as Under:**

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- A.** Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., may be allowed to the meeting without restrictions of first-come-first serve basis.

Members can login and join 15 (Fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10-digit Permanent Account Number (PAN)
  - c. Mobile No.
  - d. Email ID
2. Click “Go to Meeting”

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175)

**B. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) from Monday, September 20, 2021, 10.00 a.m. to Wednesday, September 22, 2021, 10.30 a.m.

The first 25 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**C. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/registeredemailId)receivedduringregistrationforInstaMeetandclickon'**Submit**'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend / participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : (022-49186175)

Place : Mumbai.  
Date : June 11, 2021

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*  
Membership # A11067



## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### **Item No. 4**

#### **Appointment of Mr. Abhijit Yashwant Gore (DIN: 00301688) as an Independent Director of the Company**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company by way of Circular Resolution dated October 03, 2020 appointed pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company, Mr. Abhijit Yashwant Gore (DIN: 00301688) as an Additional Director (in the category of Professional and Independent) for a term of five consecutive years w.e.f. October 03, 2020. The appointment is subject to confirmation/ approval of members at the Annual General Meeting of the Company.

Being an Additional Director, Mr. Abhijit Yashwant Gore holds office till the date of Annual General Meeting of the Company and is eligible for appointment as an Independent Director of the Company. A Notice has been received along with deposit of requisite amount from a member proposing Mr. Abhijit Yashwant Gore (DIN: 00301688) as a candidate for the office of Director of the Company.

The Company has also received a declaration from Mr. Abhijit Yashwant Gore (DIN: 00301688) confirming that he meets the criteria of independence as prescribed under in sub-section (6) of Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Abhijit Yashwant Gore (DIN: 00301688) is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Abhijit Yashwant Gore (DIN: 00301688) fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Mr. Abhijit Yashwant Gore (DIN: 00301688), aged 55 years, is a BSc Undergraduate and is trained as a Perfumer in a Perfumery School in Grasse France. Mr. Abhijit Gore is Managing Partner M/s D. G. GORE, a Leading Manufacturers of Fragrances since more than 50 Years. He has been a part of the business since the last 34 years. With many customers spread across the world and a strong dealer network all over India, his company has been manufacturing self-developed blends for the FMCG industry for several years now. Additionally, he also contributes his expertise, knowledge, experience and advisory skills in the Aroma-Chemicals, Natural Essential Oils Industry. He has investments in media & entertainment and real estate industry. He is on Board of JMP Advisors Private Limited, Veena Patil Hospitality Private Limited, Vinhav Relators Private Limited.

A copy of the draft letter of appointment setting out the terms and conditions will be available for inspection of the Shareholders through electronic mode. Shareholders may write to the Company at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) in this regard.

Copy of the draft letter for appointment of Mr. Abhijit Yashwant Gore (DIN: 00301688), as an Independent Director setting out the terms and conditions is available for inspection by Members through electronic mode. Members may write to the Company at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) in this regard.

Additional information in respect of Mr. Abhijit Yashwant Gore (DIN: 00301688), pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Point No. 24 to this Notice.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr Abhijit Yashwant Gore (DIN: 00301688), to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution Item No. 4.

The Board of Directors recommends the resolution in relation to the appointment of Mr Abhijit Yashwant Gore (DIN: 00301688) as an Independent Director of the Company as set out in Item No. 4 for approval of the Members by way of a Special Resolution.

#### **Item No. 5**

The Board on the recommendation of the Audit Committee has approved the appointment and payment of remuneration of ₹ 1,80,000/- plus Taxes at actuals to M/s. Joshi Apte & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholder of the Company.

Accordingly consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the shareholders.

#### **Item No. 6**

The Board of Directors of the Company at its meeting held on May 25, 2021 appointed M/s. Joshi Apte & Associates, Cost auditors to do the audit of the cost records for the FY ended March 31, 2022. However, before the completion of the audit of cost records of the company for the FY ended March 31, 2021, M/s. Sevekari, Khare & Associates resigned as Cost Auditors of company with effect from May 27, 2021.

In view of their resignation, based on the recommendation of the Audit Committee, the Board at its meeting held on June 11, 2021, approved the appointment of M/s Joshi Apte & Associates Cost Auditors to fill the casual vacancy caused by resignation of M/s. Sevekari, Khare & Associates and to do the audit of the cost records for the financial year ended March 31, 2021.

The Board has approved payment of remuneration of ₹ 1,80,000/- plus Taxes at actuals to M/s. Joshi Apte & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021. Members at the 73rd Annual General Meeting had approved a similar amount as remuneration payable to M/s. Sevekari, Khare & Associates.



In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholder of the Company.

Accordingly consent of the members is again sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for approval of the remuneration payable to the newly appointed Cost viz. M/s. Joshi Apte & Associates for the financial year ending March 31, 2021.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the shareholders.

Place : Mumbai.  
Date : June 11, 2021

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*  
Membership # A11067



## Directors' Report

Dear Members,

Your Directors are pleased to present the **Seventy Fourth** Annual Report on the business operations together with the Audited Financial Statements for the Financial Year ended March 31, 2021 and on the state of affairs of the Company

### Financial Performance

The highlights of the performance of the Company for the year ended March 31, 2021 is summarized below:

(₹ crores)

<i>Particulars</i>	<i>Financial Year ended March 31, 2021</i>	<i>Financial Year ended March 31, 2020</i>
Revenue from Operations (Gross)	<b>1,240.30</b>	1,106.00
Add: Other Income	<b>3.12</b>	2.43
<b>Total Income</b>	<b>1,243.42</b>	1,108.43
Profit Before Finance Cost, Depreciation, Amortization, Impairment & Tax	<b>226.69</b>	125.77
Less: Finance Cost	<b>22.22</b>	26.25
Less: Depreciation, Amortization & Impairment Expenses	<b>73.12</b>	70.81
<b>Profit Before Tax</b>	<b>131.35</b>	28.71
Less: Provision for Taxation		
- Current	<b>38.47</b>	3.86
- Deferred	<b>0.49</b>	4.46
- Mat Credit Adjustments	<b>-</b>	(3.86)
<b>Net Profit After Tax</b>	<b>92.39</b>	24.25
Add: Other Comprehensive Income	<b>(0.86)</b>	(1.84)
Total Comprehensive Income	<b>91.53</b>	22.41
Earning per Equity Share	<b>10.03</b>	2.63

### Results from Operations

During the year, your company achieved a Total Income of ₹ 1,243.42 crores as compared to ₹ 1,108.43 crores in the previous year, registering a growth of 12.18%. Whereas, International Business bounced back with a healthy performance, the Domestic Business growth remained muted due to limitations on account of Pandemic. The Profit before tax (PBT) was ₹ 131.35 crores as against ₹ 28.71 crores in the previous year. The Net Profit after provision for Tax (PAT) was ₹ 92.39 crores as against ₹ 24.25 crores in the previous year.

During the Year, your Company achieved the following in the US business:

- In May, 2020, received approval of its ANDA for Succinylcholine Chloride Injection USP 200mg/10ml (20mg/ml) multi-dose vial, used as an adjunct to general anesthesia to facilitate tracheal intubation and to provide skeletal muscle relaxation during surgery or mechanical ventilation.

- In August, 2020, received approval for its ANDA for Olanzapine Tablets USP 2.5 mg, 5 mg, 7.5 mg, 10 mg, 15 mg and 20 mg. Olanzapine is indicated for the treatment of schizophrenia and bipolar disorder.
- In September, 2020, received tentative approval for its ANDA for an anticoagulant, or blood thinner- Apixaban Tablets 2.5 mg & 5 mg.
- In March, 2021, announced the launch of Brinzolamide Ophthalmic Suspension 1% in the United States, the first generic version of AZOPT® by Teva Pharmaceuticals.

In December, 2020, your Company won major tenders in Germany including the AOK for Allopurinol Tablets. This is Indoco's first own label product in Europe. The supplies to Germany commenced from January 2021 and will continue till the end of 2022. The revenue expected from this business is approximately ₹ 70 crores per year.

Your Company sees a lot of potential in the export market as there is a surge in demand for Indian made pharmaceutical medicines.

On the Domestic front, your Company's Field Staff as well as the entire supply chain continues to ensure that the Company's products are made available to the Stockists and Medical Stores and the Board sincerely appreciates their efforts.

The second wave of the Covid pandemic is spreading rapidly and severely affecting lives and the economy. Your Company continues to adopt measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. A Covid War Room under the initiative **#IndocoCares** has been set up across India to provide assistance to Indocoites in various forms including identifying hospitals, making medicines available etc. For counselling the affected employees and their families, your Company has tied up with the Institute of Psychological Health (IPH) with a team of dedicated Indocoites. Your Company has been ensuring uninterrupted production and supply of medicines to serve the society, while following the guidelines laid down by Government of India.

Your Company expects the impact of the Covid-19 pandemic to be near term in nature and does not see any medium to long term risks in its ability to continue as a going concern and meeting its liabilities as and when they fall due.

A detailed discussion on the business performance and future outlook is included in Management Discussion & Analysis which forms part of the Directors' Report.

### **Dividend**

The Board has recommended a Dividend of 75% (₹ 1.50/- per share) i.e. an outflow of ₹ 13.82 crores for the year 2020-2021. Dividend for the FY 2019-2020 was 15% (₹ 0.30/- per share) i.e. an outflow of ₹ 2.76 crores.

The Company has made no transfer to reserves during FY 2020-2021.

### **Energy Conservation / Technology Absorption and Foreign Exchange Earnings and Outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **-'Annexure A'**.

## Share Capital

The paid-up Equity Share Capital as on March 31, 2021 is ₹ 18,43,00,710. During the year under review, the Company has not issued shares on rights basis or Equity Shares with differential voting rights or granted stock options or sweat equity or bonus shares.

As on March 31, 2021, the following Directors held shares of the Company:

Mr. Suresh G Kare – Chairman

Ms. Aditi Panandikar – Managing Director

Mr. Sundeep V Bambolkar – Jt. Managing Director

Mr. Abhijit Y Gore – Independent Director

## Material changes and commitment – if any, affecting financial position of the Company from the end of the financial year till the date of this Report:

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

## Finance

Cash and cash equivalent as on March 31, 2021 was ₹ 9.13 crores. The Company continues to focus on judicious management of its Working Capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring.

## Deposits

The Company has not accepted any Deposit covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

## Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## Credit Rating

The Company's working capital facilities are rated as [ICRA] 'A1' and long term borrowings are rated as [ICRA] 'A+'. Short term [ICRA] 'A1' rating Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Long term [ICRA] 'A+' rating instruments are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

## Corporate Social Responsibility (CSR)

In accordance with the provisions of Section 135 of the Act and Rules framed there under, the Company has a Corporate Social Responsibility ("CSR") Committee of Directors comprising of Ms. Aditi Panandikar (Chairperson), Dr. (Ms.) Vasudha V Kamat and Mr. Sundeep V Bambolkar.

As required under Section 135 of the Companies Act, 2013, the Company during the year under consideration spent an amount of ₹ 62.70 Lakhs as against an amount of ₹ 45 Lakhs required to be spent. A detailed list of the CSR expenditure made is annexed herewith as '**Annexure B**'.

In addition to fulfilling its CSR obligations, the Company during the year made substantial donations of free medicines to charitable bodies for distribution among the needy.

### **Internal Control Systems and their Adequacy**

The Company has an Internal Control System, commensurate with the size of its operations. The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report, significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company's Internal Auditor also monitors and evaluates the internal control system and submits Quarterly Reports which are placed before the Audit Committee of the Board.

### **Risk Management**

The Board has set up Risk Management Committee (RMC), which reviews key risk elements of the Company's business, finance, operations & compliance. The Risk Management Committee identifies and evaluates the business risks, in addition to overseeing the Risk Management Policy of the Company, from time to time. The details of the Risk Management Committee are included in the Corporate Governance Report.

The Risk Management Policy of the Company is available on the Company Website at:

<https://www.indoco.com/inv-corp-policies.asp>

### **Vigil Mechanism / Whistle Blower Policy**

The Company has a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company <https://www.indoco.com/hr-policies.asp>.

### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2020-2021, the Company received **NIL** complaints on sexual harassment.

### **Subsidiaries**

As on March 31, 2021, the Company had two subsidiaries:

- Xtend Industrial Designers and Engineers Pvt. Ltd.
- Indoco Remedies Czech sro

A statement containing salient features of the financial statements of subsidiaries in prescribed Form AOC-1 as required under Section 129(3) of the Companies Act, 2013 ("Act"), is furnished in '**Annexure C**' to this report.

Further, pursuant to Section 136 of the Act, the financial statements of the Company's consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company – [www.indoco.com](http://www.indoco.com). Any person desirous of obtaining the said Financial Statements may write to [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com). There have been no material changes in the nature of the business of the subsidiaries during the financial year 2020-2021.

The Company did not have any joint venture or associate companies during the year.

### **Consolidated Financial Statements**

The Consolidated Financial Statements of the Company prepared in accordance with Indian AS notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 forms part of this Annual Report.

### **Directors**

During the year, Dr. Anil M Naik ceased to be Director of the Company due to his unfortunate demise on July 29, 2020. Mr. Sharad Upasani retired from the Board wef September 30, 2020. The Board places on record its appreciation for the valuable contribution made by them as Independent Directors during their tenure.

The Company by way of a Circular Resolution appointed wef October 3, 2020, Mr. Abhijit Y Gore (DIN 00301688) as an Additional Independent Director of the Company for a term of five consecutive years w.e.f. October 03, 2020. The appointment is subject to confirmation/approval of members at the Annual General Meeting of the Company.

Mr. Abhijit Y Gore (DIN: 00301688), aged 55 years, is a BSc Undergraduate and is trained as a Perfumer in a Perfumery School in Grasse France. Mr. Abhijit Y Gore is the Managing Partner of M/s D. G. GORE, a leading manufacturers of fragrances since more than 50 Years. He has been a part of the business since the last 34 years. Additionally, he also contributes his expertise, knowledge, experience and advisory skills in the aroma-chemicals and natural essential oils Industry.

The Board considers that the appointment of Mr. Abhijit Y Gore will be of immense benefit to the Company.

The Company has received requisite notice in writing from a member proposing Mr. Abhijit Y Gore for appointment as an Independent Director to hold office for a term upto Five consecutive years from October 03, 2020.

In terms of provisions of the Section 152(6) of the Companies Act, 2013, Mr. Sundeep V Bambolkar retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment. The profile of Directors seeking appointment and reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India, is included in the Annual Report.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### **Board and Committee Meetings**

During the financial year 2020-2021, Five (5) Board Meetings were held and the gap between two Board Meetings did not exceed 120 days. The details of the attendance of Directors at the Board Meetings and Committee Meetings are mentioned in the report on Corporate Governance annexed hereto.

## Annual evaluation of Board, its Committees and individual Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, CSR Committee, Nomination & Remuneration Committee, Risk Management Committee and Stakeholder Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel (KMP) and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

1. The Board affirms that the remuneration paid is as per the Remuneration Policy of the Company.
2. The percentage increase in the median remuneration of employees in the financial year: **8%**.
3. Average percentage increase in salaries of non-managerial employees was **7.20%** as compared to average percentage increase in managerial remuneration which was **8.43%**.
4. Number of Permanent employees on the rolls of the company as on March 31, 2020: **6081 Nos.**
5. The Ratio of the remuneration paid to each Director to the median remuneration of the employees of the Company during the year under consideration:

Name of Director	Remuneration Paid (₹)	Median Remuneration (₹)	Ratio
Mr. Suresh G Kare (Chairman)	3,48,40,000	2,96,304	1:118
Ms. Aditi Panandikar (Managing Director)	3,00,03,680	2,96,304	1:101
Mr. Sundeep V Bambolkar (Jt. Managing Director)	2,78,07,380	2,96,304	1:94
Mr. Rajiv P Kakodkar (Independent Director)	6,00,000	2,96,304	1:2.02
Mr. Divakar M Gavaskar (Independent Director)	5,20,000	2,96,304	1:1.75
Dr. (Ms.) Vasudha V Kamat (Independent Director)	3,80,000	2,96,304	1:1.28
Dr. Anand M Nadkarni (Non-Executive Director)	2,40,000	2,96,304	1:0.81
Mr. Abhijit Y Gore (Independent Director)	2,20,000	2,96,304	1:0.74
Mr. Sharad P Upasani@ (Independent Director)	1,80,000	2,96,304	1:0.61
Dr. Anil M Naik@@ (Independent Director)	1,00,000	2,96,304	1:0.34

@ Retired on September 30, 2020

@@ Expired on July 29, 2020

### Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013.



- i. that in the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. that they have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis;
- v. that the company has laid down internal financial controls and such internal financial controls are adequate and operating effectively;
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively;

#### **Particulars of contracts or arrangements with Related Party Transactions**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior approval of the Audit Committee is obtained on a yearly basis specifying the upper ceiling as to amount for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the prior approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The particulars as required under the Companies Act, 2013 is furnished in “**Annexure D**” to this report.

#### **Significant and Material Orders passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **Compliance with Secretarial Standards**

During FY 2020-2021, the Company has complied with applicable standards issued by the Institute of the Company Secretaries of India.

#### **Statutory Auditors**

In terms of provisions of Section 139(1) of the Companies Act, 2013, M/s. Gokhale & Sathe, a Firm of Chartered Accountants, bearing Firm Registration No. 103264W have been appointed as the Statutory Auditors of the Company at the 70<sup>th</sup> Annual General Meeting of the members of the company held on 09.08.2017 to hold office for a period of 5 years till the conclusion of the 75<sup>th</sup> AGM of the Company.

In terms of the Companies (Amendment) Act, 2017 and vide notification no S.O. 1833(E) dt. 7.5.2018, the Ministry of Corporate Affairs have done away with the requirement of ratification of the appointment of auditors, at each subsequent Annual General meeting, by deleting the 1<sup>st</sup> Proviso to the sub-section (1) of Section 139 of the Companies act, 2013. Accordingly, the same is not required to be put up to the members for ratification.

M/S Gokhale & Sathe have confirmed that they continue to be eligible under Section 141 of the Companies Act, 2013 and the rules framed thereunder for continuing as Auditors of the Company.

The Auditors' Report issued by M/s. Gokhale & Sathe, the Statutory Auditory, for the FY 2020-2021 does not contain any qualification, reservation, adverse remark or disclaimer.

### **Details in respect of frauds reported by auditors pursuant to section 143(12) of the Companies Act, 2013**

There have been no instances of fraud reported by above mentioned Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government during FY 2020-2021.

### **Cost records and cost audit**

As per requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained in respect of the applicable products for the year ended 31.03.2021.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/S Joshi Apte & Associates, Cost Auditors for FY 2021-2022 is included at Item No. 5 of the Notice convening the Annual General Meeting.

### **Secretarial Audit**

The Secretarial Audit was carried out by M/s A Y Sathe & Co., Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) for the financial year 2020-2021. The Report given by the Secretarial Auditors is annexed as '**Annexure E**' and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

In terms of Section 204 of the Companies Act, 2013, the Board of Directors has appointed CS Ajit Sathe-Proprietor of M/s A Y Sathe & Co. Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) to undertake the Secretarial Audit of the Company for the Year 2021-2022.

### **Corporate Governance**

We comply with the guidelines of the Securities and Exchange Board of India (SEBI)' on Corporate Governance. We have documented our internal policies on corporate governance. Several aspects of the Act, such as the Whistleblower Policy and Code of Conduct and Ethics, have been incorporated into our Company's policies. The Corporate governance report for fiscal 2020-2021 forms part of this Annual Report. The Report is duly certified by the Statutory Auditors of the Company whose certificate is also annexed.

### Extract of the Annual Return

Pursuant to section 92(3) read with Section 134(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return is available on our website

<https://www.indoco.com/inv-extract-of-annual-return.asp>

### Particulars of Employees

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided in the Corporate Governance Report.

### Employees Relations

The employees' relation at all levels and at all units continued to be cordial during the year.

### Business Responsibility Report

As mandated by the Securities and Exchange Board of India (SEBI), the Business Responsibility Report of the Company for the year ended March 31, 2021 is annexed as '**Annexure F**' and forms an integral part of this Report.

### Acknowledgement

Your Company has been able to operate efficiently through continuous improvement in all functions and areas by efficiently utilizing the Company's resources. The Directors wish to place on record their appreciation of the services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. The Directors also wish to place on record their sincere appreciation to the bankers & financial institutions, the investors, the vendors, the customers, the medical profession and all other business associates for their continued support. Your Directors look forward to the long term future with confidence.

### Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

DIN: 00179220

Place : Mumbai  
Date : May 25, 2021



## **Annexure-A** **to the Directors' Report**

### **A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with the Rules 8(3) of the Companies (Account) Rules, 2014.

- (a) Steps taken or impact of conservation of energy during 2020-2021.
  - 1) Installation of SCADA for temperature and humidity control in all warehouse, which controls the consumption of utility.
  - 2) Automated high speed machines with electrical efficient motors installed in plant to save electricity and enhance the output.
  - 3) Replacement of reciprocating and vapour absorption chiller to screw chiller to save electricity and maintenance cost.
  - 4) Installation of 5-star rating motors to major plant machineries and AHU motors to save electricity.
- (b) Steps taken by the Company for utilizing alternative sources of energy:
  - 1) Installation of solar system to generate electricity for plant operation & lightening purpose.
  - 2) Rain harvesting to save rain water.
  - 3) Usage of Energy Efficient Cooling Tower.
- (c) The Capital investment on energy conservation equipment (approx.): ₹ 3.00 Crores
- (d) Total energy consumption and energy consumption per unit of production:

## FORM A

### 1. Power and Fuel Consumption

<i>Particulars</i>	<i>2020-2021</i>	<i>2019-2020</i>
1) Electricity		
a) Purchased Units (in lakhs)	<b>421.08</b>	400.14
Total Amount (₹ lakhs)	<b>2,880.12</b>	2,818.66
Rate/Unit (₹)	<b>6.84</b>	7.04
b) Own generation		
i) Through diesel generator		
Units (KWH'000)	<b>1,863.46</b>	2,468.45
Units per litre of diesel oil (KWH)	<b>3.01</b>	3.12
Rate/Unit (₹)	<b>23.49</b>	20.75
ii) Through steam turbine/generator		
Units	<b>77.24</b>	70.55
Units per litre of fuel oil/gas	<b>40.52</b>	35.47
Cost/Unit (₹)	<b>52.46</b>	50.28
2) Coal		
Qty	<b>Nil</b>	Nil
Total cost		
Average rate (₹)		
3) Furnace Oil		
Qty (Kilo litres)	<b>1,017.07</b>	905.50
Total Amount (₹lakhs)	<b>358.59</b>	317.22
Average rate (₹)	<b>35.26</b>	35.03
4) Others/internal generation (briquettes, cashew seeds etc.)		
Quantity	<b>Nil</b>	Nil
Total Cost (₹ lakhs)	<b>336.15</b>	336.31
Rate/Unit	<b>Nil</b>	Nil

### 2. Consumption per unit of production

On account of the manufacture of products with varied pack size/units of measures, it is not practicable to express the consumption of power per unit of production.

## B) TECHNOLOGY ABSORPTION

Efforts made in Technology absorption:

### FORM B

#### Research and Development (R&D)

1. Specific areas in which Research and Development are carried out by the Company are:

The Company's R&D team is currently working on the development of various dosage forms like Immediate Release tablets, capsules, Multi-Unit Pellet Systems (MUPS), Pulsatile drug delivery systems, Sterile Ophthalmic Ointments, Ophthalmic Gels, Suspensions and Solutions, Extended release tablets with matrix technology, Complex ophthalmic products like emulsions and Nano suspensions as well as a range of injectable solutions, suspensions and depot based long acting injectable.

The Covid-19 crisis has created vast disruption to life in India and all over the globe. As part of pharma industry, Indoco has been contributing in the prevention and treatment of Covid-19 with the launch of FEVINDO (Favipiravir Tablets), Povidone Iodine Gargle and Immunity booster chewable tablets with Zinc, Vitamin C and Vitamin D.

2. Benefits derived as a result of above efforts are

- Creation of the Company's own intellectual property by filing patent applications.
- R&D efforts gives an edge over the competitors in the market place.
- The ability to develop difficult-to-make, complex APIs by using the latest technologies is the key differentiating factor of our research.
- The Company's patent portfolio consists of

	<i>Granted Patents</i>	<i>Patent Application</i>
Formulation	17	36
API	25	70
Total	42	106

3. Future plan of action

Development of API for vertically integrated projects, development of generic injectable and ophthalmics for the globe. Commercialization of several generic products for the US and EU market. Developing an expertise in the analytical methods development for offering value added services for Isolation and Characterization of Impurities, extractable, leachable, polymorphism and lyophilisation study.

4. Expenditure on R & D:

<i>Sr. No.</i>	<i>Particulars</i>	<i>2020-2021 (₹ Crores)</i>	<i>2019-2020 (₹ Crores)</i>
1.	Capital	5.95	3.48
2.	Recurring	59.70	49.70
3.	Total	65.65	53.18
4.	Total R&D expenditure as a % of total Gross Sales (Net of Returns)	5.4%	4.90%

### Technology absorption, adaptation and innovation:

1. During the year, Process Development for the following API's were successfully implemented:
  - a. **Cetirizine dihydrochloride:** Process development and bench scale validation is completed. Technology transfer and manufacturing of 3-validation batches was completed successfully at the Patalganga facility.
  - b. **Rivaroxaban:** Process development and bench scale validation is completed. Technology is ready for transfer. The R&D team is ready for transfer of technology and scale up at Indoco's API manufacturing facility.
2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
  - a) Technology Imported None
  - b) Year of import N.A.
  - c) Has technology been fully absorbed N.A.
  - d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action N.A.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

Due to the Pandemic, this year the Company could not participate in International Conferences and exhibitions. Such participation used to help the Company in expanding its network of customers. During the year, however the Company continued with its efforts of filing own Dossiers in Europe through DCP (Decentralization Procedure) route and filing own ANDA's with USFDA. The product basket has been expanded and scope of services offered is also extended to analytical and synthesis of impurities, reference standards and building blocks of NCEs for MNCs. The Company plans to move up in the value chain by offering new products/ services and expanding into newer territories is well on track.

- (b) Total foreign exchange earnings and outgo:

Sr. No.	Particulars	2020-2021 (₹ crores)	2019-2020 (₹ crores)
1.	Total foreign exchange earned	542.64	354.32
2.	Total foreign exchange outgo	126.96	118.66

For and on behalf of the Board of Directors

**SURESH G KARE**  
Chairman

Place : Mumbai  
Date : May 25, 2021

DIN: 00179220





## Annexure-B to the Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

#### A brief outline on Indoco's CSR Policy:

It is the Company's intent to make a positive difference to the underprivileged members of the society. Corporate Social Responsibility (CSR) is the responsibility of the corporate entity towards the society in consideration of the support given and sacrifices made by the society by sharing part of Company's profits.

We at Indoco Remedies Limited (IRL), believe that reaching out to the underserved communities is part of Indoco's commitment to the society. The Company believes in transcending business interests and grappling with the "quality of life" challenges that the underserved communities face and are working towards making a meaningful difference to them.

The Company's mission is to improve the quality of human life by enabling people to do more, feel better and live longer. The Company intends to provide resources in terms of financial aid, medicines, time and equipment to non-profit organizations to focus on programs that are 'innovative, sustainable and bring real benefits to those most in need'. The Company's philosophy is to target support to selected programs that are innovative, sustainable and that produce tangible results.

The Company intends to lend a helping hand to the underprivileged in the society through the support of women, children and the aged in the areas of health, education, public sanitation etc. Implementing this philosophy in spirit, the Company shall make a positive contribution to the communities in which it operates, and invest in health and education programs and partnerships that aim to bring sustainable improvements to these people.

#### Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Year	Number of meetings of CSR Committee attended during the year
1	Ms. Aditi Panandikar	Managing Director	2	2
2	Dr. Anil Naik (upto July 29, 2020)	Independent Director	2	1
3	Dr. (Ms.) Vasudha V Kamat (wef Nov 6, 2020)	Independent Director	2	1
4	Mr. Sundeep V Bambolkar	Jt. Managing Director	2	2

Web-link where the Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company [www.indoco.com](http://www.indoco.com).

Details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 **Not Applicable**.

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, **Not Applicable**.

Average net profit of the company as per section 135(5): ₹ 22.63 crores

(a) Two % of average net profit of the company as per section 135(5) ( ₹ in Lakh)	45.00
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0
(c) Amount required to be set off for the financial year, if any.	0
<b>(d) Total CSR obligation for the financial year (7a + 7b = 7c). ( ₹ in Lakh)</b>	<b>45.00</b>

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

Total Amount Spent for the Financial Year. (in ₹ Lakh)	Amount Unspent (in ₹ Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.
62.71	Nil	NA	NA	NA	NA

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

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area Yes / No	Location of the Project		Project Duration	Amount allocated for the Project ( ₹ in Lakhs)	Amount Spent in the Current Financial Year	Amount Transferred to unspent CSR Account	Mode of Implementation		
				State	District					Direct	Through Implementing Agency	
											Name	CSR Regn #
1	PM Care Fund	Covid Fund	No	Delhi	Delhi		40.00	39.36	Nil	Direct	NA	
2	H P CM Relief Fund	Covid Fund	Yes	Himachal Pradesh	Baddi		5.00	5.00	Nil	Direct	NA	
3	Supremo Foundation	Preventive Healthcare	Yes	Maharashtra	Mumbai		1.00	0.95	Nil	Direct	NA	
4	Ramakrishna Mission Ashrama	Contribution towards free medicines	No	Assam	Assam		6.70	6.70	Nil	Direct	NA	
5	Sevalaya	Contribution towards free medicines	No	Tamil Nadu	Chennai		4.88	4.88	Nil	Direct	NA	
6	Vivekananda Kendra Arun Jyoti	Contribution towards free medicines	No	Assam	Assam		3.82	3.82	Nil	Direct	NA	
7	Sarvodaya Hospital Samarpan Blood Bank	Preventive Healthcare	Yes	Maharashtra	Mumbai		2.00	2.00	Nil	Direct	NA	
	<b>Total</b>						<b>63.40</b>	<b>62.71</b>				

(d) Amount spent in Administrative Overheads **Nil**

(e) Amount spent on Impact Assessment, if applicable **NA**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 62.71 Lakhs

(g) Excess amount for set off, if any:

<i>Sl. No</i>	<i>Particular</i>	<i>Amount (in ₹ Lakh)</i>
(i)	Two percent of average net profit of the company as Section 135(5)	45.00
(ii)	Total amount spent for the Financial Year	62.71
(iii)	Excess amount spent for the financial year [(ii)-(i)]	17.71
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0
(v)	Amount available for set off in succeeding financial years	<b>17.71</b>

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NA**  
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NA**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NA**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

**Suresh G Kare**  
*Chairman*

**Aditi Panandikar**  
*Managing Director  
& Chairperson of  
CSR Committee*

**Mandar Borkar**  
*CFO*

Place : Mumbai  
Date : May 25, 2021

## Annexure C to the Directors' Report

Form No. AOC-1

**(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of the Companies  
(Accounts) Rules, 2014**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

CIN / Registration #	U93000MH1995PTC086174	4472152
Name of the Subsidiary	Xtend Industrial Designers and Engineers Private Limited	Indoco Remedies Czech sro
Reporting period for the subsidiary	April 01, 2020 to March 31, 2021	April 01, 2020 to March 31, 2021
Reporting Currency	<b>INR (₹)</b>	<b>Czech Crown</b>
Equity Share Capital	2,02,70,250	5
Reserves and Surplus	46,55,646	(28,913)
Total Assets	2,76,84,149	50,369
Total Other Liabilities	27,58,253	79,277
Investments	Nil	Nil
Turnover	1,22,62,199	5,812
Profit / (Loss) before Taxation	64,89,299	(6,590)
Less: Provision for Taxation	(68,566)	0
Profit/(Loss) after Taxation	65,57,865	(6,590)
Proposed Dividend	0	0
% of shareholding	100%	100%

1. Reporting period of the subsidiary is the same as that of the Company.
2. Names of subsidiaries which are yet to commence operations: **NIL**
3. Names of subsidiaries which have been liquidated or sold during the year: **NA**
4. **Part B of the Annexure** is not applicable as there are no Associate Companies/Joint Ventures of the Company as on March 31, 2021.

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

DIN: 00179220

Place : Mumbai  
Date : May 25, 2021



**Annexure-D**  
**to the Directors' Report**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

**The Company has not entered into any transaction which is not on arms length basis.**

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of the party with which contract is entered into	Principal terms and conditions			Date of Approval	Amount paid as Advance
			(₹)		
Suresh G Kare (HUF)	Godown Rent	Yearly	3,00,000	24-06-2020	NIL
A K Services	Commission & Brokerage	Yearly	76,48,907	24-06-2020	NIL
A K Services	Export Godown Operating Expenses	Yearly	25,48,800	24-06-2020	NIL
A K Services	Interest on Security Deposit	Yearly	65,000	24-06-2020	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Consultancy Charges	Yearly	2,33,67,319	24-06-2020	NIL

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

DIN: 00179220

Place : Mumbai  
Date : May 25, 2021



**Annexure-E**  
**to the Directors' Report**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]*

To,

**The Members,**

**Indoco Remedies Limited**

Indoco House, 166, CST Road,

Vidyanagari Marg, Kalina,

Santacruz (East), Mumbai – 400 098,

Maharashtra, India.

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practising Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indoco Remedies Limited (CIN-L85190MH1947PLC005913)** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

The Secretarial Audit was conducted on the basis of documents/ information/ declarations given in e-mail as physical verification was not possible due to situation arising out of COVID 19 pandemic.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):**
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further capital under the regulations during the financial year under review];**
  - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review];** and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review];**

I have relied on information / records produced by the Company during the course of my audit and the reporting is limited to that extent.

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I have also examined, on test-check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company: as identified and confirmed by the Management of the Company;

- a) Drugs and Cosmetics Act, 1940.
- b) Narcotic Drugs and Psychotropic Substances Act, 1985.
- c) Petroleum Act, 1934.
- d) The Indian Boilers Act, 1923.

Based on such examination and having regard to the compliance system prevailing in the Company, the Company has complied with the provisions of the above laws during the audit period.



**I further report that -**

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** based on the review of the compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary/ functional head and taken on record by the Board of Directors at their meeting(s), there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,**

During the audit period, there were no instances like:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

This report is to be read with the letter of even date which is annexed as Annexure A and forms an integral part of this report.

**For A. Y. Sathe & Co.**

*Company Secretaries*

**CS Ajit Sathe**

*(Proprietor)*

FCS No.2899

COP No. 738

PR 470/2016

UDIN: F002899C000359376

Date : May 25, 2021

Place : Mumbai



## **Annexure to the Secretarial Audit Report**

**To,  
The Members,  
Indoco Remedies Limited,**

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

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

**For A. Y. Sathe & Co.**  
*Company Secretaries*

**CS Ajit Sathe**  
*(Proprietor)*  
FCS No.2899  
COP No. 738  
PR 470/2016  
UDIN: F002899C000359376

Date : May 25, 2021  
Place : Mumbai



## Annexure-F to the Directors' Report

### Business Responsibility Report

#### Section A : General Information about the Company

1	Corporate Identity Number (CIN)	L85190MH1985PLC005913
2	Name of the Company	Indoco Remedies Limited
3	Registered Address	Indoco House, 166 CST Road, Kalina, Santacruz (East) Mumbai 400098
4	Website	<a href="http://www.indoco.com">www.indoco.com</a>
5	Email id	<a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a>
6	Financial Year Reported	April 1, 2020 to March 31, 2021
7	Sector(s) that the Company is engaged in	<b>Industrial Group:</b> 210 <b>Description:</b> Manufacture of Pharmaceuticals (As per National Industrial Classification 2008 (NIC) by the Ministry of Statistics and Programme Implementation)
8	List three key products that the Company manufactures	1. Febrex Plus 2. Cyclopan 3. Sensodent-K
9	Total number of National locations where business activity is undertaken by the Company	10
	Number of International Locations	The Company has presence in over 55 countries across the world
10	Markets served by the Company (Local/ State/National/International)	In addition to serving the Indian Market, the Company exports to over 55 countries worldwide

#### Section B : Financial Details of the Company

1	Paid up capital (₹)	₹ 18.43 crores
2	Total Income (₹)	₹ 1,243.42 crores
3	Total Profit /(Loss) After Tax (₹)	₹ 92.39 crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Indoco spent an amount of ₹ 62.71 Lakhs for the year ended March 31, 2021 which is 0.68% of profit after tax
5	List of activities in which expenditure in 4 above has been included	Refer to Principle 8 under Section E below

#### Section C: Other Details

1	Does your Company have subsidiary Companies	Yes
2	Does The subsidiary companies participate in BR Initiatives of the parent company	No
3	Does any other entity that the Company does business with participate in the BR initiatives of the Company	No

**Section D: BR Information**

1	Details of Director responsible for BR									
	a) Details of Director responsible for BR									
	DIN	00176613								
	Name	Mr. Sundeep V Bambolkar								
	Designation	Jt. Managing Director								
	b) Details of BR Head									
	DIN	00176613								
	Name	Mr. Sundeep V Bambolkar								
	Designation	Jt. Managing Director								
	Telephone Number	022 -68321400								
	e-mail id	<a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a>								
2	Principle-wise BR Policy									
No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the Policy been formulated in consultation with the relevant Stakeholders	All Policies have been approved by the Board and have formulated in consultation with the management of the Company and is approved by the Board								
3	Does the Policy conform to National/International Standards	The policies are broadly based on the National Voluntary Guidelines on social responsibilities and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the Policy been approved by the Board	All Policies are approved by the Board and have been signed by the Managing Director								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the Policy	The Board has appointed Mr. Sundeep V Bambolkar-Jt. Managing Director to oversee policy implementation								
6	Indicate the link for the policy to be viewed online	<a href="http://www.indoco.com">www.indoco.com</a>								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders	YES								
8	Does the Company have an in-house structure to implement the policy	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to the policy	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal/external agency	Y	Y	Y	Y	Y	Y	-	Y	Y

2a If answer to Sl. No. 1 against any principle is "No", please explain why										
No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done in the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done in the next 1 year	-	-	-	-	-	-	-	-	-
6	Any Other Reason	-	-	-	-	-	-	*	-	-
		*. The Company is a member of various trade bodies, chambers and associations through which it has been advocating from time to time in a responsible manner about measures to be taken by the government to address issues related to pharmaceutical industry. Hence no need has been felt to formulate a specific policy for the same								
3	Governance Related to BR									
	Indicate the frequency with which the Board of Directors assess the BR performance of the Company- within 3 months, 3-6 months, Annually, More than a Year	Annually								
	Does the Company publish a BR or Sustainability Report? What is the hyper link for viewing this report? How frequently is it published	The Company does not publish a BR or Sustainability Report. Details pertaining to Corporate Social Responsibility (CSR) activities have been given in the CSR Report given in Annexure 'B' to the Directors Report								

### Section E: Principle-wise performance

#### Principle 1

- 1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

**Yes. The Company firmly believes in transparent, fair and ethical business practice. The Company has a Code of Conduct for Directors and Senior Management as well as a Code for Independent Directors. The Company also has following Policies in place: (a)Whistleblower Policy (b) Prevention of Sexual Harassment. These Policies lay down the rules and procedures which the employees can report any suspected wrongdoing or fraudulent business practices without fear of reprisals, thereby helping Indoco uphold its high standards.**

- 2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

**During the year the Company did not receive any stakeholder complaints.**

### Principle 2

- 1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

a. **Povidone Iodine Gargle for Covid Care:** Povidone - Iodine is a well-established molecule and its effectiveness has been underlined during the pandemic. Indoco has introduced this product in the market under the brand name 'Poviclean Gargle'. The glycerine present in the product is an important ingredient, which helps in maintaining humectancy in oral cavity. The product also contains alcohol, which has mild antiseptic properties and acts in synergy with Povidone Iodine. For better product acceptance, it is flavoured with Honey and Ginger combination. Thus, Humectancy Balanced Contact in oral cavity helps in better contact of Povidone Iodine, coupled with honey and ginger flavour is the unique aspect of this product.

b. **Alogliptin and Metformin Tablets in diabetes care:** In continuation to Indoco's endeavour to provide quality medicines at affordable price, Alogliptin and Alogliptin + Metformin tablets were developed and introduced in India Market, combination of Alogliptin and Metformin was developed by Indoco. This product has been developed by Indoco based on an extensive research and the product is "first of its kind in India". The product is Bioequivalent to the international brand "Kazano Tablets of Takeda Pharma, Japan". Indoco received approval from the Drugs Controller's Office in May 2020, as a "New Drug formulation" for marketing in India.

**Cetirizine dihydrochloride is a highly selective antagonist of the histamine receptor, approved by US-FDA in 2004 and also approved by DCGI in 1993. Indoco has developed, Cetirizine dihydrochloride the active ingredient after extensive research to make it available at affordable prices to a large population in the society.**

- 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

**The Company manufactures and distributes a wide range of formulations, generics and active pharmaceutical ingredients. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.**

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

**The Company's products do not have any broad based impact on energy and water consumption. However, the Company takes several measures to reduce the consumption of energy and water.**

- 3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

**The Company chooses its suppliers through strictly laid down procedures. Material is procured from approved vendors. The Company conducts surprise audits of the vendors to ensure quality. The Company has also entered into long term contracts with transporters for the movement of goods.**

- 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

**Yes. The Company procures goods and services from local vendors in and around the factory locations. The Company also provides technical support cum operational knowledge for improvement in the vendor value chain and safety standards.**

- 5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**Yes. >10%. All Process water is sent to Effluent Treatment Plant for treatment. After Treatment is it used for Gardening Toilet Flushing, Cooling Towers**

### **Principle 3**

- 1 Please indicate the Total number of employees.

**6081 permanent employees as on March 31, 2021.**

- 2 Please indicate the Total number of employees hired on temporary / contractual / casual basis.

**1189 employees hired on temporary/contractual/casual basis as on March 31, 2021.**

- 3 Please indicate the Number of permanent women employees.

**474 Permanent employees as on March 31,2021.**

- 4 Please indicate the Number of permanent employees with disabilities

**To avoid discrimination, Indoco does not record any information regarding employee disabilities.**

- 5 Do you have an employee association that is recognized by management

**Yes, Indoco has Employee association at Goa, Waluj and Rabale for permanent workmen.**

- 6 What percentage of your permanent employees is members of this recognized employee association?

**About 1.20% of the permanent employees are members of the recognised employee association.**

- 7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

**NIL**

- 8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

**Permanent Employees : More than 70% of employees have been trained in safety.**

**Permanent Women Employees: 100% of permanent employees are trained in safety. The Company makes no discrimination while imparting training to women employees vis-a-vis their male employees.**

**Casual/Temporary/Contractual Employees: 100% in operating functions have been trained.**



Employees with Disabilities : **Indoco makes no discrimination while imparting training employees with disabilities.**

#### **Principle 4**

- 1 Has the company mapped its internal and external stakeholders? Yes/No

**Yes.**

- 2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

**Yes.**

- 3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

**Indoco has identified some groups in this category. They include those who cannot afford quality health and education, communities from the lower social economic strata etc. The Company through the Suresh Kare Indoco Foundation identifies their needs and addresses them to the extent possible.**

#### **Principle 5**

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures / Suppliers / Contractors / NGOs / Others?

**The policy covers the Company, its subsidiaries and all suppliers and contractors. The Company's Code of Conduct and Human Resource practices cover most of these aspects. The Company does not hire child labour or forced labour and never discriminates between its employees.**

- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**No Stakeholder complaints were received during the year under consideration.**

#### **Principle 6**

- 1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs /others?

**The policy covers the Company, its subsidiaries and all contractors working within the Company premises.**

- 2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

**Yes. Efforts are directed towards energy conservation by reducing and eliminating waste.**

- 3 Does the company identify and assess potential environmental risks? Y/N

**Yes. Risk mitigation strategies and contingency measures are reviewed every year.**

- 4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**At present the Company does not have any Project related to Clean Development Mechanism.**

- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. **Yes**
1. **Implemented Rain Harvesting Project.**
  2. **Replacement of High wattage conventional lights with latest low wattage LEDs for energy saving.**
  3. **To save fuel in Boiler, utilized Chiller Condenser outlet water of approx. 35 degrees in Heating, Ventilation and air conditioning (HVAC) system to feed Hot water in Air Handling Units (AHUs) during Low Environmental Relative humidity (Rh) season.**
  4. **Installation of Variable Frequency Drive (VFDs) on Chillers Water Pump in utility to reduce power consumption.**
- 6 Are there Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
**Yes.**
- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
**NIL.**

**Principle 7**

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  
**Bombay Chamber of Commerce**  
**Indian Drug Manufacturers Association**  
**Indo German Chamber of Commerce**  
**Pharmexcil**
- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
**Yes. The Company has advocated measures to be taken in order to address basic issues related to improvement of public health. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.**

**Principle 8**

- 1 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
**Indoco focuses on responsible business practices. The main areas are skill development, employability training, education and healthcare.**
- 2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?  
**Indoco conducts assessment through employee volunteerism of its CSR initiatives through feedback from the beneficiaries of projects undertaken.**

3 Have you done any impact assessment of your initiative?

**Yes.**

4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

**These are detailed in Annexure B of the Board Report.**

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**Yes. Most of the Company's programmes are participatory in nature and focus on institutional development and capacity building.**

#### **Principle 9**

1 What percentage of customer complaints/consumer cases are pending as on the end of financial year?

**NIL.**

2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

**The Company follows all laws with respect to product labelling and display of product information.**

3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of the financial year? If so, provide details thereof, in about 50 words or so

**No.**

4 Did your company carry out any consumer survey/ consumer satisfaction trends?

**Consumer surveys are regularly carried out by the Company at the Doctor level.**



## Annexure to the Directors' Report Report on Corporate Governance for the year ended March 31, 2021

### Indoco's Philosophy on Code of Governance:

Indoco fully subscribes to the principles and spirit of Corporate Governance. The Company has adopted transparency, disclosure, accountability and ethics as its business practices. The management believes that these principles will enable it to achieve the long-term objectives and goals. As part of its Corporate Governance philosophy, Indoco focuses its energies in safeguarding the interests of its stakeholders by utilizing its resources for maximum benefits.

The Company constantly reviews its Corporate Governance policy to not only comply with the business, legal and social framework in which it operates but also to implement the best international practices in that regard.

### BOARD OF DIRECTORS

#### Composition and Size:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate Board's functions of governance from management. As at March 31, 2021 in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company's Board of Directors headed by its Chairman – Mr. Suresh G Kare, comprises of Seven Other Directors, out of which Four Directors are Independent Non-Executive Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

The day-to-day management of the Company is conducted by the Chairman, Managing Director and Joint Managing Director subject to the supervision, direction and control of the Board of Directors.

The Directors are not related to each other in terms of the definition of "relative" under the Companies Act, 2013, except Ms. Aditi Panandikar, Managing Director who is the daughter of Mr. Suresh G. Kare, Chairman.

#### The Composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2021 is as under:

Name of Director	Category of Directorship	Number of other Directorship		Number of Chairmanship/ Member ship in committees of other companies **	
		Of Indian Public Limited Companies	Of other Companies*	Chairman	Member
Mr. Suresh G Kare	Promoter & Chairman	1	2	Nil	Nil
Ms. Aditi Panandikar	Promoter & Managing Director	Nil	2	Nil	Nil
Mr. Sundeep V Bambolkar	Joint Managing Director	Nil	2	Nil	Nil
Mr. Divakar M Gavaskar	Independent Non-Executive	Nil	1	Nil	Nil
Mr. Rajiv P Kakodkar	Independent Non-Executive	1	Nil	Nil	Nil
Dr. (Ms.) Vasudha V Kamat	Independent Non-Executive	Nil	Nil	Nil	Nil
Mr. Abhijit Y Gore #	Independent Non-Executive	Nil	Nil	Nil	Nil
Mr. Sharad P Upasani \$	Independent Non-Executive	1	2	3	2
Dr. Anil M Naik @	Independent Non-Executive	2	1	Nil	Nil
Dr. Anand M Nadkarni	Non-Executive	Nil	Nil	Nil	Nil

\* Include Directorships in Private Limited / Section 8 Companies.

\*\* Represents Membership/Chairmanship of Audit Committee / Stakeholders Relationship Committee/Nomination and Remuneration Committee/ CSR Committee in other Companies.

\$ Mr. Sharad P Upasani retired wef 30.09.2020

@ Dr. Anil M Naik expired on 29.07.2020

# Mr. Abhijit Y Gore appointed wef 03.10.2020

### Names of the Listed entities where the person is a Director and the category of Directorship

Name of Director	Name of Listed entity	Category of Directorship
Mr. Rajiv P Kakodkar	Vasundhara Rasayans Limited (CIN:L24110TG1987PLC007242)	Independent Non- Executive

**Note:**

- None of the Directors of the Company were members of more than 10 committees or acted as Chairperson of more than 5 committees across all Public Limited Companies in which they were Directors in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- None of the Directors held directorship in more than 10 Public Limited Companies.
- None of the Independent Directors of the Board served as Independent Director in more than 7 listed companies.
- None of the Directors held directorship in more than 7 Listed entities.

Brief profiles of all the Directors are available on the website of the Company at

<https://www.indoco.com/aboutus-directors.asp>.

### BOARD MEETINGS:

During the year, the Board met **Five (5)** times on June 24, 2020, August 11, 2020, November 06, 2020, February 09, 2021 & March 26, 2021. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a half-yearly basis. Except Mr. Abhijit Y Gore, none of the other Non-Executive Directors held any equity shares of the Company during the financial year ended March 31, 2021.

### Attendance of each Director at the Board Meetings held in financial year 2020-2021 and at the last Annual General Meeting of the Company:

Name of the Director	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM held on 24.09.2020
Mr. Suresh G Kare	5	5	Present
Ms. Aditi Panandikar	5	5	Present
Mr. Sundeep V Bambolkar	5	5	Present
Mr. Divakar M Gavaskar	5	5	Present
Mr. Rajiv P Kakodkar	5	5	Present
Dr. Anand M Nadkarni	5	5	Present
Dr. (Ms) Vasudha V Kamat	5	5	Present
Mr. Abhijit Y Gore (appointed wef 03.10.2020)	5	3	NA
Mr. Sharad P Upasani (retired wef 30.09.2020)	5	2	Present
Dr. Anil M Naik (expired on 29.07.2020)	5	1	NA

## FAMILIARIZATION PROGRAMME FOR DIRECTORS

At the time of appointment of a Director, a formal letter of appointment is given explaining the role, duties and responsibilities expected of him/her as a Director of the Company. He / She is also explained the Compliances required from him/her under the Companies Act, 2013, Listing Regulations and other various statues and an affirmation is obtained from them. As part of the Agenda of the Board Meeting, presentations are regularly made to the Independent Directors on various matters covering the Company, industry, regulatory updates, strategy, finance and also the role, rights, responsibilities of the Independent Directors.

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values), major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

The Familiarization Programme for Directors is available on the Company Website at:

[https://www.indoco.com/policies/familiarization\\_programme\\_for\\_independent\\_directors.pdf](https://www.indoco.com/policies/familiarization_programme_for_independent_directors.pdf).

## COMMITTEES OF THE BOARD:

Currently, the Board has the following Committees

- Audit Committee
- Stakeholder Relationship Committee
- CSR Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Executive Committee of Directors

The Board decides the terms of reference of these Committees.

a) **AUDIT COMMITTEE:**

**Composition:**

The Audit Committee comprises of following five (5) members. Four (4) are Independent Directors and one Member is the Joint Managing Director:

1. Mr. Divakar M Gavaskar – Chairman (Independent Director)
2. Mr. Rajiv P Kakodkar – Member (Independent Director)
3. Dr. (Ms) Vasudha V Kamat – Member (Independent Director)
4. Mr. Abhijit Y Gore – Member (Independent Director)
5. Mr. Sundeep V Bambolkar - Member (Jt. Managing Director)

**Terms of reference:**

The terms of reference of the Audit Committee are wide covering the matters specified under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the provisions contained in Section 177 of the Companies Act, 2013 and they can be broadly stated as follows:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
- b) Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
- c) Reviewing with the management the quarterly financial statements before submission to the board for approval.
- d) Reviewing the adequacy of internal control systems and internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- e) Discussing with internal auditors any significant findings and follow-up thereon.
- f) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal financial control systems of a material nature and reporting the matter to the Board.
- g) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- h) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- i) Scrutiny of corporate loans and investments.
- j) Approval or subsequent modification of transactions with related parties.
- k) Valuation of the undertaking or asset of the company wherever it is necessary.
- l) Monitoring the end use of funds raised through public offers and related matters.
- m) In addition to the above, all items listed in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- n) Review of functioning of whistle blower policy.



### Meetings and Attendance:

During the financial year the Audit Committee met **Five (5)** times: June 24, 2020, August 11, 2020, November 06, 2020, February 09, 2021 and March 26, 2021. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Audit Committee Meetings held during the year</i>	<i>No. of Audit Committee Meetings attended</i>
Mr. Divakar M Gavaskar	5	5
Mr. Rajiv P Kakodkar	5	5
Dr (Ms) Vasudha V Kamat	5	3
Mr. Abhijit Y Gore (wef 06.11.2020)	5	2
Mr. Sundeep V Bambolkar	5	5
Mr. Sharad P Upasani (retired wef 30.09.2020)	5	2
Dr. Anil M Naik (expired on 29.07.2020)	5	1

The maximum gap between any two meetings was less than one hundred and twenty days.

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

The Statutory Auditor of the company was present at Four (4) Audit committee meetings held during the year.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

### b) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee comprises of:

1. Mr. Rajiv P Kakodkar, Chairman (Independent Non-Executive Director)
2. Ms. Aditi Panandikar, Member (Managing Director)
3. Mr. Sundeep V Bambolkar, Member (Jt. Managing Director)

#### **Terms of reference:**

The terms of reference of the Stakeholder Relationship Committee cover the matters specified under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and they can be broadly stated as follows:

- a. Looking into the redressal of shareholder's/investors' complaints related to non-receipt of annual report, non-receipt of declared dividends, issue of share certificates, transfer of shares, etc.
- b. Oversee the performance of the Registrars and Share Transfer Agents of the Company and recommends measures for overall improvement of the quality of service.
- c. Review of measures taken for effective exercise of voting rights by shareholders.
- d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**Meetings and Attendance:**

During the financial year, **Four (4)** Committee Meetings were held: on June 24, 2020, August 11, 2020, November 06, 2020 and February 09, 2021. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Mr. Rajiv P Kakodkar	4	4
Ms. Aditi Panandikar	4	4
Mr. Sundeep V Bambolkar	4	4

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

**Details of Shareholders Complaints:**

<i>Particulars</i>	<i>No. of complaints</i>
Investor complaints pending as at April 1, 2020	Nil
Investor complaints received during the year ended on March 31, 2021	Nil
Investor complaints resolved during the year ended March 31, 2021	Nil
Investor complaints pending as on March 31, 2021	Nil

**c) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

The Committee comprises of:

Ms. Aditi Panandikar, Chairperson (Managing Director)

Mr. Sundeep V Bambolkar, Member (Jt. Managing Director)

Dr. (Ms) Vasudha V Kamat, Member (Independent Director)

**Terms of reference:**

The CSR Committee will provide guidelines and assistance in order to implement the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The guidelines are framed so as to cover the compliances under the Companies (Corporate Social Responsibility Policy) Rules, 2021. The CSR Policy is updated on the Company website and can be accessed at : <https://www.indoco.com/policies/CSR.pdf>.

**Meetings and Attendance:**

During the financial year, **Two (2)** CSR Committee Meetings were held: on June 24, 2020 and March 26, 2021. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Ms. Aditi Panandikar	2	2
Mr. Sundeep V Bambolkar	2	2
Dr. (Ms) Vasudha V Kamat	2	1
Dr. Anil M Naik (expired on 29.07.2020)	2	1

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

**d) NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of:

1. Mr. Divakar M Gavaskar, Chairman (Independent Non-Executive Director)
2. Mr. Rajiv P Kakodkar, Member (Independent Non-Executive Director)
3. Dr. Anand M Nadkarni, Member (Non-Executive Director)

**Terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are wide covering the matters specified under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 178 of the Companies Act, 2013. They can be broadly stated as follows:

- a. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- b. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
- c. To identify persons who may be appointed in senior management in accordance with the criteria laid down.
- d. To carry out evaluation of every Director's performance and recommend to the board his/her appointment and removal based on the performance.
- e. To recommend & review remuneration package of Executive Directors.
- f. To approve & evaluate the performance of Executive Directors & KMP.
- g. To approve formulating the compensation plans, policies and programs of the Company.

**Performance Evaluation Criteria for Directors:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Compliance Committees, based on the evaluation parameters formulated by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors and the Committees was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness. The Directors expressed their satisfaction with respect to the performance.

The table below shows competencies which are taken into Consideration for the effective functioning of the Board. Competencies include experience, expertise, knowledge and skills of Board of Directors.

<i>Skill, Expertise, competence</i>	<i>Description</i>
Business Strategy	Combining experience and knowledge to make sound business decisions.
Vision	Using knowledge, experience to give shape to the Company's future plans.
Strategic Thinking	Identify opportunities, critical evaluation of the same and plan for successful implementation, to achieve desired business goals.
Industry Knowledge	Comprehending intricacies of running an industry and guide the executive management to achieve desired goals.
Sector Knowledge	Understanding of pharma sector with specific emphasis on various factors influencing the business in the sector.
Marketing	Experience in developing strategies to build Brands and improve Sales and Market share.
International Business Knowledge	Ability to understand nuances of international markets in different geographies, identify business opportunities & achieve business goals.
Finance and Accounting	Ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning, oversee budgets & efficient use of resources.
General Management	Ability to propel Company's business goals forward, with analytical and critical thinking and complex problem solving.
Leadership	Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision.
Communication	Ability to convey effectively and efficiently with all stakeholders.
Human Resource Management	Ability to engage, develop, inspire and manage people in the Company, so as to achieve organisational goals and gain a competitive advantage.
Technology	Active participation in evaluation of technological trends, to help in creating dynamic business model.
Technical & Production	Periodical review of manufacturing of Pharmaceutical products. Active involvement in Research and Development activities, knowledge of supply chain activities, etc.

The key skills / expertise / competence stated above are adequate to function efficiently and effectively in managing the affairs of the Company. The Directors appointed to the Indoco Board are drawn from diverse backgrounds and possess the above skills with regard to the industries / fields from where they come.

#### **Meetings and Attendance:**

During the financial year, **Three (3)** meetings were held on September 30, 2020, November 06, 2020 and March 26, 2021.

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Mr. Divakar M Gavaskar	3	3
Mr. Rajiv P Kakodkar	3	3
Dr. Anand M Nadkarni (appointed wef 06.11.2020)	3	2

There were no pecuniary relationships and transactions of the Non - Executive Directors vis-à-vis the Company.

**e) RISK MANAGEMENT COMMITTEE:**

The Committee comprises of:

1. Mr. Divakar M Gavaskar, Chairman (Independent Non-Executive Director)
2. Mr. Rajiv P Kakodkar, Member (Independent Non-Executive Director)
3. Ms. Aditi Panandikar, Member, (Managing Director)
4. Dr. Anand M Nadkarni, Member (Non-Executive Director)
5. Mr. Sundeep V Bambolkar, Member (Jt. Managing Director)

The Committee is constituted in line with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Terms of reference:**

- a) Identifying, Assessing and Monitoring the various risks associated with the Company and its business segments;
- b) Putting in place policies, systems and procedures for the management of risks identified and plan to mitigate them in the event any risks materializes;
- c) Periodic review of the risk management and mitigation plan;
- d) Periodically updating the Board on implementation of risk management plan/policy and matters related thereto;
- e) Reviewing the risks related to cyber security

**Meetings and Attendance:**

During the financial year, One (1) Risk Management Committee Meeting was held on March 26, 2021.

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Mr. Divakar M Gavaskar	1	1
Mr. Rajiv P Kakodkar	1	1
Ms. Aditi Panandikar	1	1
Mr. Sundeep V Bambolkar	1	1
Dr. Anand M Nadkarni	1	1

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

**f) EXECUTIVE COMMITTEE OF DIRECTORS:**

The Committee comprises of:

1. Mr. Suresh G Kare (Chairman)
2. Ms. Aditi Panandikar, Member (Managing Director)
3. Mr. Sundeep V Bambolkar, Member – (Jt. Managing Director)

**Terms of reference:** The Committee looks into the day-to-day operations of the Company.

### Meetings and Attendance:

During the financial year, Four(4) Executive Committee Meetings were held:

April 20, 2020, July 20, 2020, August 25, 2020 and March 02, 2021.

All the directors were present at these Meetings.

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

### INDEPENDENT DIRECTORS MEETING

During the financial year, separate meetings of the Independent Directors were held on August 11, 2020 and March 26, 2021 without the attendance of Non-independent Directors and members of the management.

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Mr. Divakar M Gavaskar	2	2
Mr. Rajiv P Kakodkar	2	2
Dr. (Ms) Vasudha V Kamat	2	2
Mr. Abhijit Y Gore (appointed wef 03.10.2020)	2	1
Mr. Sharad P Upasani (Retired wef 30.09.2020)	2	1

The Independent Directors met interalia to discuss:

- a. Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole.
- b. Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors.
- c. Evaluation of the quality, content and timelines of flow of information between the Management and Board that is necessary for the Board to effectively and reasonably perform its duties.

The evaluation has been started to improve Board effectiveness, maximize strength and tackle weaknesses. The criteria for evaluation included:

- a. Setting up of annual goals.
- b. Periodic review of corporate strategy.
- c. Display of leadership qualities.
- d. Development of Policies and Strategic plans aligned with the Vision and Mission of the company.
- e. Establishment of an effective organization structure to ensure there is management focus on key functions.
- f. Whether information provided to the Board is appropriate, timely and unbiased.
- g. Whether relationships and communications with shareholders are well managed.
- h. Whether Directors effectively probe the information presented by the management.

In opinion of the board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

## REMUNERATION TO DIRECTORS:

### Remuneration Policy:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Risk Management and CSR Committees.

Individual Directors including the Chairman of the Board, were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Chairman and the Executive Directors was carried out by the Independent Directors who also reviewed the performance of the CFO and the Company Secretary.

The Directors expressed their satisfaction with the evaluation process.

The Executive Directors were paid remuneration as approved by the Board and the members in General Meeting. The remuneration comprises of salary, perquisites, allowances and commission/ performance incentive.

The Non-Executive Independent Directors are paid remuneration by way of sitting fees for attending the meetings of the Board or Committee thereof.

### Information as per Rule 5(1) of Chapter XIII the Companies (Appointment and Remuneration) of Management Personnel Rules 2014

#### 1) Executive Directors:

(₹ in Lakhs)

Name of Director	Salary	Perquisites	Others- PF & superannuation	Commission/ Performance Linked Incentives	Stock Options	Total
	₹	₹	₹	₹	₹	₹
Mr. Suresh G Kare	248.40	0	0	100.00	Nil	348.40*
Ms. Aditi Panandikar	212.91	2.90	44.23	40.00	Nil	300.04*
Mr. Sundeep V Bambolkar	195.58	2.90	39.59	40.00	Nil	278.07*

#### 2) Non-Executive Directors:

Name of Director	Sitting fees (₹ in Lakhs)
Mr. Rajiv P Kakodkar	6.00
Mr. Divakar M Gavaskar	5.20
Dr. (Ms) Vasudha V Kamat	3.80
Dr. Anand M Nadkarni	2.60
Mr. Abhijit Y Gore	2.20
Mr. Sharad P Upasani	1.80
Dr. Anil M Naik	1.00

#### Notes:

- \* Members have by way of Postal Ballot, on March 7, 2019, passed a Special Resolution approving the payment of remuneration without restriction in case of no profit or inadequate profit.
- The sitting fees indicated above includes fees paid for attending Meetings of the Board and Committees.
- There is no severance fee payable.



### Subsidiary Companies:

Following Companies are subsidiaries of the Company

Name	Percentage of Holding
Xtend Industrial Designers & Engineers Pvt. Ltd	100%
Indoco Remedies Czech S.R.O	100%

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-2021:

- No of complaints received: Nil
- No of complaints disposed off: Nil
- No of complaints pending: Nil

Total fees for all services paid by the Company on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Payment to Statutory Auditors FY 2020-2021	(₹ in Lakhs)
Audit Fees	9.00
GST Audit Fees	4.25
Other Services	2.63
Reimbursement of expenses	0.04
<b>Total</b>	<b>15.92</b>

### RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business and on an arms length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Ind AS has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website: [http://www.indoco.com/policies/related\\_party\\_transaction\\_policy.pdf](http://www.indoco.com/policies/related_party_transaction_policy.pdf).

### DISCLOSURES:

- 1) There are no materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives, etc., during the year, that may have the potential conflict with the interests of the Company at large.
- 2) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

- 3) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
- 4) All mandatory requirements as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 have been complied with by the Company.
- 5) The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- 6) In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Managing Director and the Joint Managing Director have made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

#### GENERAL BODY MEETINGS:

**Corporate Identity Number (CIN):** **L85190MH1947PLC005913** The Company is registered at Mumbai in the State of Maharashtra, India.

#### Annual General Meeting:

The details of the last three Annual General Meetings held:

<i>Financial Year</i>	<i>AGM</i>	<i>Date</i>	<i>Time</i>	<i>Location of the AGM</i>
2019-2020**	73 <sup>rd</sup>	September 24, 2020	10.30 am	Through VC/OAVM
2018-2019	72 <sup>nd</sup>	August 28, 2019	10.30 a.m.	MIG Cricket Club. MIG Colony, Bandra East, Mumbai 400051
2017-2018*	71 <sup>st</sup>	September 11, 2018	10.30 a.m.	

\* One Special Resolution was passed at the AGM- Re-appointment of Mr. Suresh Kare, Chairman for a further period of five years w.e.f. 01.07.2018

\*\* One Special Resolution was passed at the AGM - Appointment of Dr. (Ms) Vasudha V Kamat as Independent Director for Five years wef 24.09.2020.

#### MEANS OF COMMUNICATION:

##### Financial Results

The quarterly and annual financial results are generally published in the Business Standard (All India Edition) and Mumbai Lakshdeep. The results are also displayed on Company's website: [www.indoco.com](http://www.indoco.com) . The official news releases are also displayed on the website of the Company.

##### Presentation to Institutional Investors/Analysts

Tele-conferences were held with Institutional Investors/Analysts at the end of every quarter after the declaration of the Quarterly Results. The Company also regularly met Institutional Investors during the year.

**GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting:

Date & Time	Thursday, September 23, 2021 at 10.30 a.m.
Venue	Through Video Conferencing/OVAC
Financial Year	April 1, 2020 to March 31, 2021
Date of Book closure	September 21, 2021 to September 23, 2021 (both days inclusive)
Dividend Payment Date	On or after September 28,2021

**Insider Trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted w.e.f. April 01, 2019 the Revised "Code of Conduct to Prevent Inside Trading.

The code is posted on the Company Website. The Company keeps the Code updated as per the requirements of SEBI from time to time -

[https://www.indoco.com/policies/code\\_of\\_conduct\\_to\\_prevent\\_insider\\_trading.pdf](https://www.indoco.com/policies/code_of_conduct_to_prevent_insider_trading.pdf).

**Code of Conduct:**

The Company has adopted a Code of Conduct for Directors and Senior Management, which is hosted on the website of the Company. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes Whistle Blower provisions, where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

The Company affirms that under the provisions of the Whistle Blower Policy, it does not deny any personnel access to the Audit Committee and that it will provide protection to the whistle blower from adverse personnel action.

The Managing Director of the Company has given a declaration of due compliance with Code of Conduct by the Directors and Senior Management.

**Listing on Stock Exchanges:**

The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Annual Listing fees have been paid upto March 31, 2022 and there is no outstanding payment towards the Exchanges, as on date.

**Stock Code**

Bombay Stock Exchange	532612
National Stock Exchange of India Limited	INDOCOEQ

## MARKET PRICE DATA

The High and Low prices of the Company's share (of the face value of ₹ 2/- each) from April, 2020 till March, 2021 are as below:

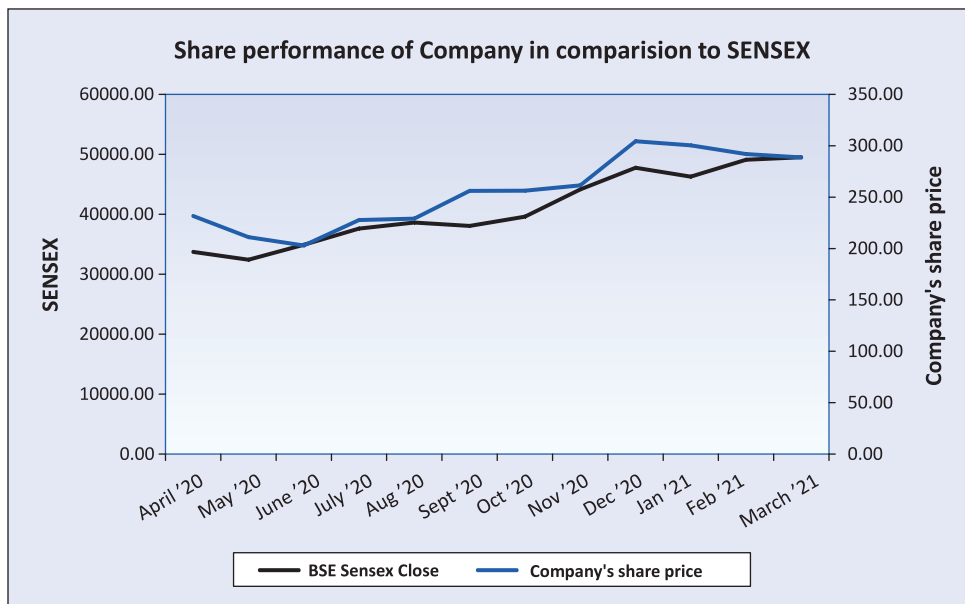
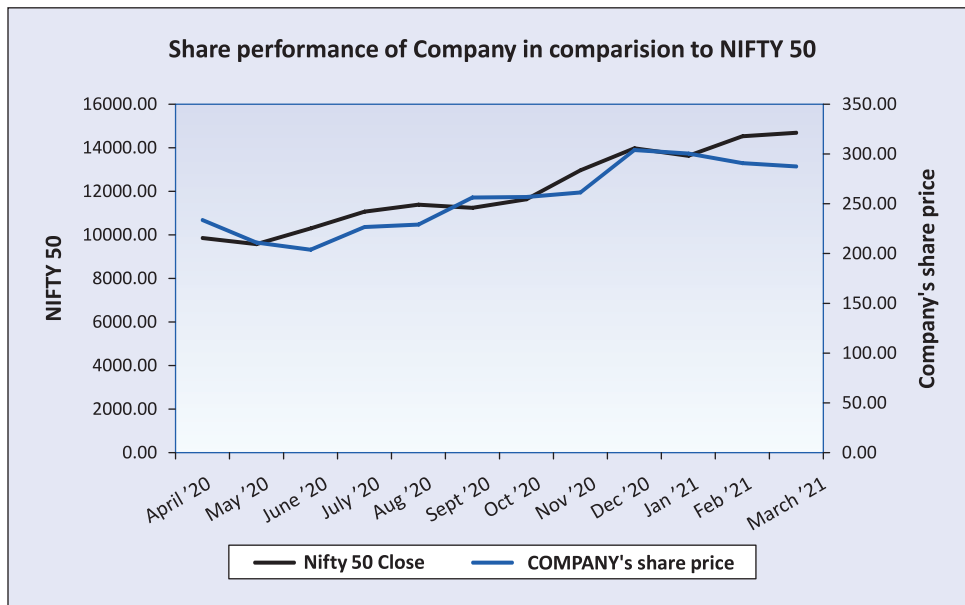
### National Stock Exchange of India Limited (NSE)

Month	Share Price (₹)			No. of Shares	Total Turnover
	High	Low	Close	Traded	(₹ in crs)
April 2020	283.90	197.10	233.70	20,85,503	50.94
May 2020	239.90	200.50	210.95	10,92,252	23.71
June 2020	235.15	198.00	203.80	36,30,360	78.85
July 2020	229.90	197.20	226.55	22,14,982	46.05
August 2020	272.80	223.85	229.05	64,82,092	163.56
September 2020	296.00	213.00	256.25	78,26,264	200.43
October 2020	277.70	245.50	256.85	36,52,995	94.81
November 2020	284.00	251.50	261.35	31,21,257	83.01
December 2020	311.00	252.00	304.05	80,94,592	231.86
January 2021	335.80	294.90	300.55	35,28,441	112.07
February 2021	335.00	283.90	290.85	24,96,501	76.87
March 2021	302.00	274.20	287.55	37,13,175	106.63

### Bombay Stock Exchange Limited (BSE)

Month	Share Price (₹)			No. of Shares	Total Turnover
	High	Low	Close	Traded	(₹ in crs)
April 2020	285.00	193.10	231.65	2,60,549	6.24
May 2020	241.80	190.00	211.05	31,380	0.68
June 2020	235.00	197.95	202.90	2,39,341	5.19
July 2020	230.00	196.25	227.70	1,22,209	2.58
August 2020	273.25	221.00	229.00	5,64,399	14.22
September 2020	295.00	213.60	256.05	5,71,891	14.86
October 2020	277.70	241.20	256.10	6,38,661	16.57
November 2020	283.25	247.80	261.30	2,37,474	6.31
December 2020	311.15	251.90	304.25	4,83,458	13.97
January 2021	335.55	294.65	300.25	2,60,341	8.27
February 2021	333.00	285.25	291.85	1,91,858	5.87
March 2021	301.75	273.90	288.50	1,56,476	4.50

**Performance of Indoco share price to broad based index –Nifty, BSE Sensex:**



## Distribution of Shareholding as on March 31, 2021

<b>Promoter &amp; Promoter Group</b>		
<b>Indian</b>	<b>Number of Shares</b>	<b>%</b>
Individuals	1,98,71,714	21.56
Bodies Corporate	1,57,71,755	17.12
Person Acting in Concert	1,84,37,677	20.01
<b>Total (A)</b>	<b>5,40,81,146</b>	<b>58.69</b>
<b>Public Shareholdings</b>		
<b>Institutions</b>	<b>Number of Shares</b>	<b>%</b>
Mutual Funds/UTI	1,72,73,220	18.74
Alternate Investment Funds	3,51,452	0.38
Foreign Portfolio Investors	24,55,789	2.66
Insurance Companies	1,22,742	0.13
<b>Total (B)</b>	<b>2,02,03,203</b>	<b>21.92</b>
<b>Non Institutions</b>	<b>Number of Shares</b>	<b>%</b>
Other Bodies Corporate	21,38,292	2.32
NRI & Foreign National	5,12,630	0.56
Clearing Members	1,20,732	0.13
Investor Education & Protection Fund	56,018	0.06
Public & Others	1,50,38,334	16.32
<b>Total (C)</b>	<b>1,78,66,006</b>	<b>19.39</b>
<b>Total (A + B+ C)</b>	<b>9,21,50,355</b>	<b>100</b>

### Disclosure of information on pledged shares:

The details of shares pledged by promoter : Nil

### Details showing Shareholding of more than 1% of the Capital as on March 31, 2021:

<i>Sl. No</i>	<i>Name of Shareholder</i>	<i>Number of Shares</i>	<i>% of Capital</i>
1	SPA Holdings Private Limited	1,83,35,000	19.90
2	Shanteri Investment Private Limited	1,57,71,755	17.12
3	Nippon Life India Trustee Ltd- A/C Nippon India Pharma Fund	61,20,964	6.64
4	Ms. Aditi Milind Panandikar	55,59,013	6.03
5	Ms. Madhura Ramani	51,84,079	5.63
6	Ms. Aruna Suresh Kare	47,94,714	5.20
7	Mr. Suresh Govind Kare	40,60,408	4.41
8	ICICI Prudential Pharma Healthcare and Diaganostics (P.H.D.) Fund	37,84,202	4.11
9	Sundaram Mutual Fund A/C Sundaram Small Cap Fund	14,71,918	1.60
10	Mangeshi Investment Pvt. Ltd.	11,67,300	1.27
11	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	10,05,509	1.09
12	DSP Healthcare Fund	9,28,570	1.01

**ADR/GDR:**

The Company has not issued any ADR/GDR.

**Dematerialisation Information:**

The shares of the Company are available in Dematerialised form with National Securities Depository Limited (NSDL) & Central Depository Services (I) Limited (CDSL). The ISIN of the Company is **INE873D01024**.

**Dematerialization of shares:**

As on March 31, 2021, the number of shares of the Company in the demat form is as shown below:

<b>Total No. of Shares of the Company</b>	<b>9,21,50,355</b>
No. of Shares in demat mode	9,10,83,179
% to Total No. of Shares of the Company	98.84%

<b>Total No. of Shareholders of the Company</b>	<b>21,949</b>
No. of Shareholders with dematerialised shares	21,891
% to Total No. of Shareholders	99.74

Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares and avail various benefits of dealing in securities in electronic/dematerialised form. For any clarification, assistance or information, please contact the Registrars and Share Transfer Agents of the Company. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (I) Limited (CDSL).

The break-up of shares in physical and demat form as on March 31, 2021 is given below:

<i>Particulars</i>	<i>No. of Shares</i>	<i>% of Total Shares</i>
No. of shares in physical form	10,67,176	1.16
No. of shares in demat form		
(1) With NSDL	8,33,05,622	90.40
(2) With CDSL	77,77,557	8.44
<b>Total No. of Shares</b>	<b>9,21,50,355</b>	<b>100.00</b>

**Share Transfer System**

The share transfer, transmission, consolidation, sub-division and matters related thereto are delegated to a Stakeholder Relationship committee. The requests are processed within 7 days of lodgement. In case of requests for dematerialisation of shares, if the documents are clear in all respects, the requests are processed and confirmation given by Company's Registrars to the Depository i.e. NSDL or CDSL within 7 days.

**Registrar & Share Transfer Agent:**

Link Intime India Pvt. Ltd

Address: C-101,247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083.

e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Phone No. : 022-49186000



**Address for correspondence:**

Shareholders may address their communication to Company's Registrars and Share Transfer Agent or the Secretarial Department of the Company at the following address:

**(1) Link Intime India Private Limited**

Unit: Indoco Remedies Limited

C-101, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai - 400083

Contact Person: **Mr. Devang Mehta**

Tel. No.: +91 -22-49186000

Email id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**(2) Secretarial Department**

Indoco Remedies Limited

Indoco House, 166 CST Road

Kalina, Santacruz (East)

Mumbai - 400098

Contact Person: **Mr. Jayshankar Menon**

Tel No.: +91- 22-68321400

Email id: [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com)

**Nomination Facility:**

Shareholders holding physical shares may send their nominations in prescribed form 2B to the Company. Those holding shares in dematerialised form may contact their respective Depository Participant (DP) for availing the nomination facility.

**UNPAID/ UNCLAIMED DIVIDENDS**

The Company is required to transfer dividends which have remained unpaid /unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before it is transferred to the Investor Education and Protection Fund.

The due dates for transfer to IEPF of dividends remaining unclaimed / unpaid since 2013-2014 are given below:

<i>Financial year</i>	<i>Unclaimed dividend amount as on 31.03.2021 (in ₹)</i>	<i>Due date for transfer to IEPF</i>
2013-2014 – Final	3,15,246.40	04-Oct-21
2014-2015 – Final	3,86,084.80	04-Oct-22
2015-2016 - Interim	6,98,089.00	15-May-23
2015-2016 - Final	74,254.80	03-Oct-23
2016-2017 - Final	4,52,220.80	14-Oct-24
2017-2018 - Final	3,28,335.00	17-Nov-25
2018-2019 - Final	1,11,334.40	04-Nov-26
2019-2020 – Final	1,15,207.25	30-Nov-27

**Plant Locations:**

- 1) L-14, Verna Industrial Estate  
Verna - Goa - 403 722
- 2) L-32, 33, 34 Verna Industrial Estate  
Verna - Goa - 403722
- 3) R-104 Rabale  
TTC Industrial Area  
MIDC Thane Belapur Road  
Navi Mumbai  
Maharashtra - 400701
- 4) A-26,27,28/1, 28/2  
MIDC Industrial Estate  
Patalganga, Village Kaire  
Dist Raigad  
Maharashtra - 410220
- 5) B- 20 MIDC, Waluj  
Aurangabad  
Maharashtra - 431133
- 6) Village Katha, P.O. Baddi  
Tehsil Nalagarh, Dist.: Solan  
Himachal Pradesh -173205
- 7) Unit No. 3, Village Katha  
Pargana Dharampur, Tehsil Nalagarh  
Dist.: Solan, Himachal Pradesh - 173205

**R & D Center:**

R-92/93, Rabale TTC Industrial Area  
MIDC Thane Belapur Road  
Navi Mumbai - 400 701

**Clinical Research Centre:**

Anacipher Clinical Research  
3<sup>rd</sup> & 4<sup>th</sup> Floor Mirakamshetty Mall  
Ramnathpur, RR District, Hyderabad - 500013

**Registered Office:****Indoco Remedies Limited**

Indoco House, 166 CST Road  
Kalina, Santacruz (East)  
Mumbai - 400 098  
Tel: +91- 22-68321400

Presently the Company complies with the following discretionary requirements of Regulation 27(1), specified in **"Part E"** of Schedule II of the Listing regulations:

- a) Internal Auditor reports to the Audit committee.

The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## Certificate of Compliance with the Corporate Governance

*requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*  
to the Members of Indoco Remedies Limited

### Auditors' Certificate on Corporate Governance

To  
The Members of Indoco Remedies Limited

Dear Members,

#### Background:

We, Gokhale and Sathe, Chartered Accountants, being the Statutory Auditors of Indoco Remedies Limited ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Indoco Remedies Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para-C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021.

#### Management Responsibility:

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility:

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. We have examined (a) the minutes of the meetings of the board of directors of the Company (the "**Board**") and of committees of the Board, the annual general meetings of the shareholders of the Company; (b) declarations made by the Board under relevant statutory / regulatory requirements; (c) relevant statutory registers maintained by the Company; and (d) such other documents and records of the Company as deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**").

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion:**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with all the SEBI Listing Regulations, and the rules made thereunder, each as amended on Corporate Governance.

**Restriction on use:**

This Certificate is issued to the company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**Disclaimer:**

Such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Yours faithfully,

For **Gokhale and Sathe**

*Chartered Accountants*

Firm Registration No: 103264W

**Tejas Parikh**

*Partner*

Membership : 123215

UDIN :21123215AAAADC5184

Place : Mumbai

Date : May 25, 2021



## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Aditi Panandikar, Managing Director and Mandar Borkar, CFO of Indoco Remedies Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls and we have taken steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that there is no
  - a) significant changes in internal control during the year, if any;
  - b) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, if any and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**ADITI PANANDIKAR**  
*Managing Director*  
DIN: 00179113

**MANDAR BORKAR**  
*Chief Financial Officer*

Place : Mumbai  
Date : May 25, 2021



## **Managing Director's Certification Declaration on Code of Conduct** to the Members of Indoco Remedies Limited

This is to inform that the Company has adopted a Code of Conduct for its Board Members and Senior Management. The Code is posted on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2021 received from the senior management team of the Company and the Members of the Board affirmations of compliance with the Code of Conduct as applicable to them.

Place : Mumbai  
Date : May 25, 2021

**Ms. ADITI PANANDIKAR**  
*Managing Director*  
DIN: 00179113



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

**Indoco Remedies Limited**

Indoco House, 166, CST Road  
Vidyanagari Marg, Kalina, Santacruz (East)  
Mumbai – 400 098

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Indoco Remedies Limited** having CIN **L85190MH1947PLC005913** and having registered office at Indoco House, 166, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<i>Sr. No.</i>	<i>Name of Director</i>	<i>DIN</i>
1	Mr. Suresh Govind Kare	00179220
2	Ms. Aditi Milind Panandikar	00179113
3	Mr. Sundeep Vasant Bambolkar	00176613
4	Mr. Divakar Madhusudan Gavaskar	00157378
5	Mr. Rajiv Pritidas Kakodkar	01519590
6	Mr. Anand Madhusudan Nadkarni	06881461
7	Dr.(Ms.) Vasudha Vasant Kamat	07500096
8	Mr. Abhijit Yashwant Gore	00301688

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A. Y. SATHE & CO.**  
*Company Secretaries*

**CS AJIT SATHE**  
*(Proprietor)*

FCS No.2899  
COP No. 738

UDIN: F002899C000359365

Place : Mumbai  
Date : May 25, 2021





## Management Discussion and Analysis

### a) Indian Pharmaceutical Industry

The pharmaceutical industry worldwide, along with all other industry sectors, has been impacted due to outbreak of the Covid-19 pandemic. This has led to material changes around consumer requirements and preferences accompanied by macroeconomic, microeconomic and structural changes. The ensuing global recession may have a long-term ramification on the economy and government policies. Slower or negative growth trends across most parts of the region, elevated political risks due to economic weakness and supply chain disruptions will have a major impact, especially on the developing countries. In the midst of the pandemic and a changed world, the pharmaceutical industry across the world has responded with agility. From the sequencing of the novel corona virus in January'20, to vaccines being administered from December'20, exceeded all expectations of governments and people across the world.

Healthcare is likely to be on top of the strategic agenda across geographies. The pharma industry will be closely monitored by the government in all countries in times to come. It is imperative that India re-evaluates its current role within the global pharmaceutical industry, explores possibilities to consolidate and strengthen its position in light of geopolitical and economic shifts, with innovation as a guiding principle.

India's domestic pharmaceutical market turnover reached ₹ 1.47 lakh crore (US\$ 20.15 billion) in 2021. The Government of India unveiled 'Pharma Vision 2020' to make India a global leader in end-to-end drug manufacturing. The approval time for new facilities has been reduced to boost investment. The government policy on PLI (Production Linked Incentive) scheme will also help the domestic pharma business to grow by reducing import dependence and developing export potential in the days to come, as most of the countries are looking at India for APIs (Active Pharmaceutical Ingredients) and KSMs (Key Starting Materials), in order to reduce dependence on China.

### b) Opportunities & Threats:

Most of the Indian pharma companies are producing finished dosages as well as APIs. However, India does not produce all the APIs and intermediates it needs and whatever it produces is not enough. Therefore, India has to import APIs and intermediates from countries like China. Backward integration into API manufacturing and further increasing the existing capacity would be a major risk-mitigation tool for the Indian pharmaceutical companies and would help them maintain uninterrupted supplies and consistent growth.

Moreover, Indian pharmaceutical companies looking to export drugs and devices will need to both understand what is required for each target market and then follow through with development and manufacturing processes that meet global standards.

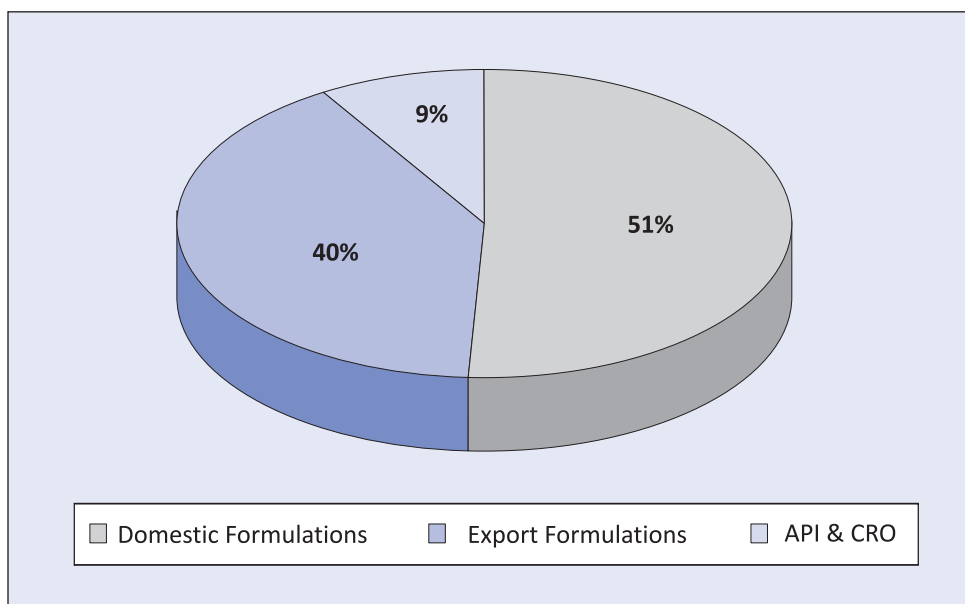
The year 2020-21 not only posed unexpected challenges, but also brought in new solutions and a newer perspective in business operations.

**c) Financial Performance:**

Net revenues for the year are at ₹ 1,217.38 crores, as against ₹ 1,079.39 crores last year. Other operating income in the current year is at ₹ 22.92 crores, as compared to ₹ 26.61 crores in the previous year. Material consumption to sales is 29.08 % at ₹ 354.07 crores, as compared to 30.61 % at ₹ 330.43 crores in the previous year. Staff cost to sales is 22.41 % at ₹ 272.88 crores, as compared to 23.65 % at ₹ 255.32 crores in the previous year. Recurring R&D expenses to net sales are 4.90 % at ₹ 59.70 crores, as compared to 4.60 % at ₹ 49.70 crores in the previous year. Other expenses to sales are at 27.11% at ₹ 330.08 crores, as compared to 32.17% at ₹ 347.21 crores in the previous year. Finance cost to sales is at 1.82 % at ₹ 22.22 crores, as compared to 2.43 % at ₹ 26.25 crores in the previous year. Operating profit is at ₹ 187.93 crores, compared to ₹ 75.98 crores in the previous year. Depreciation is at ₹ 73.12 crores, as against ₹ 70.81 crores in the previous year. Profit / (Loss) Before Tax is at ₹ 131.35 crores, as compared to ₹ 28.71 crores in the previous year. Profit / (Loss) After Tax is ₹ 92.39 crores, as against ₹ 24.25 crores in the previous year.

Basic & Diluted Earnings Per Share (EPS) for the year is ₹ 10.03, as against ₹ 2.63 in the previous year (both after and before the extra-ordinary items). Outstanding long term debt as on March 31, 2021 was ₹ 96.94 crores, as compared to ₹ 96.93 crores in the previous year. Cash outflow on account of Capital Expenditure (CAPEX) during the year was ₹ 76.85 crores, as compared to ₹ 58.46 crores in the previous year. During the year, an amount of ₹ 20.00 crores was contributed to the national exchequer by way of payment of Income Tax and ₹ 41.61 crores by way of Goods & Services Tax (GST). Net worth of the Company as on March 31, 2021 is ₹ 768.93 crores, as against ₹ 680.16 crores in the previous year, on account of retained profits. Debt-equity ratio during the year was 0.18 as compared to 0.23 in the previous year.

**Segment wise revenue contribution is as follows:**



## d) Business Overview

### Domestic Formulation Business:

Indoco's Domestic Formulations Business has pan India presence and the Company ranks amongst the top 30 in the Indian Pharmaceutical Market (as per Sales Audit Report of All India Organization of Chemists and Druggists (AIOCD)). The Company offers high quality medicines in multiple therapeutic categories, which include respiratory, stomatology, women's health, nutritional products, gastroenterology, cardiology, metabolic disorders and primary care medicines. The Company has a predominant presence in South (34%) and West (29%), followed by East (20%) and North (17%). The Company caters to multiple doctor specialties and generates more than 70 million prescriptions annually from over 3,00,000 doctors across India (as per SMSRC Prescription Data).

### Performance of key therapy areas:

(₹ In Lakhs)

Therapy	Cont %	2020-21	2019-20	Gw %
Stomatologicals	21.5	13242	12729	4.0
Respiratory	15.4	9479	11354	-16.5
Gastrointestinal	14.2	8730	9729	-10.3
Anti-Infectives	13.4	8229	10504	-21.7
Vitamins / Minerals / Nutrients	7.2	4457	4887	-8.8
Gynaecology	5.6	3425	3754	-8.8
Ophthal / Otologicals	4.9	3012	3998	-24.7
Dermatology	4.6	2838	2955	-3.9
Anti-Diabetic	4.6	2830	2780	1.8
Pain / Analgesics	4.0	2488	3337	-25.4
Urological	2.4	1479	1575	-6.1
Cardiac	2.0	1259	1299	-3.0

The Company enjoys a good position in the domestic market with 42 products ranking amongst the top 5 positions in their respective sub-segments:

Product	Rank	Broad Therapy	Market Share % (Respective Sub-Segments)
Sensodent-K	1	Stomatologicals	96.9
Karvol Plus	1	Respiratory	61.3
Sensoform Toothpaste	1	Stomatologicals	65.8
Cital UTI	1	Vitamins / Minerals / Nutrients	26.3
Kidodent	1	Stomatologicals	47.6
Cal Aid	1	Vitamins / Minerals / Nutrients	37.4
Rexidin M	1	Stomatologicals	45.2
Lignox A	1	Pain / Analgesics	90.6

<b>Product</b>	<b>Rank</b>	<b>Broad Therapy</b>	<b>Market Share % (Respective Sub-Segments)</b>
Carmicide	1	Urology	67.0
Homide	1	Ophthal / Otologicals	88.8
Rexidin Plus	1	Stomatologicals	55.5
Renolen	1	Ophthal / Otologicals	63.2
Dexoren - S	1	Ophthal / Otologicals	83.7
Snowdent	1	Stomatologicals	39.7
Cyclopam	2	Gastrointestinal	9.8
Sensodent-KF	2	Stomatologicals	27.8
MCBM 69	2	Gynaecological	17.5
Dentogel	2	Stomatologicals	17.0
Sensoform Gum Paint	2	Stomatologicals	31.8
D Chiro	2	Gynaecological	21.7
Zincoren	2	Ophthal / Otologicals	18.6
Febrex Plus	3	Respiratory	13.6
ATM	3	Anti-Infectives	7.6
Cital	3	Urology	26.7
Cloben G	3	Derma	13.1
Methylcal	3	Vitamins / Minerals / Nutrients	5.7
Scabex	3	Derma	15.0
Otorex	3	Ophthal / Otologicals	11.1
Rexidin SRS	3	Stomatologicals	8.5
RR Sensiform Dental	3	Stomatologicals	7.1
Carmicide	3	Gastrointestinal	9.6
Cyclomeff	3	Gastrointestinal	1.8
SM Fibro	4	Vitamins / Minerals / Nutrients	12.8
Hemsyl	4	Blood Related	11.6
Nosic	4	Gastrointestinal	3.3
Spear	4	Others (Anti-Haemorrhoidal)	8.3
Mofloren-D	4	Ophthal / Otologicals	7.0
Mofloren LP	4	Ophthal / Otologicals	6.1
MCBM DHA	5	Vitamins / Minerals / Nutrients	6.1
Apispur	5	Vitamins / Minerals / Nutrients	1.6
T-Lac	5	Pain / Analgesics	0.9
Tuspel	5	Respiratory	2.5

(Source : AWACS)

## **Domestic Marketing Divisions:**

### **Indoco Pharma**

Indoco Pharma division is the major domestic marketing division and enjoys a strong image amongst General Practitioners (GPs), Paediatricians, Gynaecologists and Consulting Physicians (CPs). The division has acquired a prominent position within its covered market with market share of 5.3% as on March'21. Brand management of legacy products like Cyclopam, Cital, Karvol Plus and Cloben G is carried out extensively and is evident in the form of good prescription growth for Jan-Feb'21, over the previous period. Cital-UTI has also consolidated its leadership position in the covered market.

New launches like Poviclean Gargle and Fevindo 400 and 800 mg have helped the division to venture into the treatment of Covid-19 and offer comprehensive Covid care prevention range along with Karvol Plus and OHD3 capsules. The division will continue its emphasis on specialties like Pediatricians, Gynaecologists, CPs, ENTs, Chest Physicians and Urologists, without losing its focus on GPs with the objective to further increase its prescriber base. The division will be adding a new specialty like Chest Physician, while also increasing count of ENTs and Urologists.

### **Indoco Spade**

Indoco Spade division, the second largest marketing division of Indoco, consists mainly of the Respiratory and Anti-infective portfolio. The major brands of the division are Febrex Plus, ATM and Bactogard. The division caters to ENT Surgeons, Paediatricians, GPs and CPs.

ATM, the leading anti-infective brand of the division performed well during the year. The division also introduced an immunity booster, Zmun CD with the concept of 'Zmunity', meaning Zinc based Immunity. The launch of this brand has helped the division to make an entry into the sub-chronic segment. The division aims to create a strong foothold in the paediatric segment and also focus on creating higher market and prescription share for Febrex Plus.

### **Indoco Warren NxGen**

Indoco Warren NxGen division caters to Dentists, ENTs, Pediatricians and GPs with products consisting of Sensodent KF, Rexitin, Kidodent, Lignox, SM Fibro, etc. The year has been very challenging, as the Dentists were at the highest risk of contracting Covid-19. Consequently, the dental treatments were restricted to emergency cases only, resulting in a drastic drop in the number of patients treated by dental professionals.

During the year, brands like Sensodent KF and Kidodent emerged as a silver lining for the division. Many prescription driven brands like SM Fibro, Rexitin SRS, Dentogel and Turbocort started showing progressive trends, as the lockdown was eased in a phased manner. Expanding presence in ENTs and Paediatricians also helped in gaining business. During the crisis, immediate assistance was provided to Dentists by providing PPE kits, sanitizers and educating patients about safety precautions. While many of the conventional ways of promotion got hampered, new ways were identified and executed in the most disciplined manner.

### **Indoco Warren ACE**

Indoco Warren Ace division enjoys number 1 position in the Stomatological market with its legacy brands - Sensodent K and Sensiform toothpastes. These brands enjoy market leadership with 97% and 65% market share in respective segment. The division's brands are available at nearly 250,000 Retailers (Chemists) across India. With pan India presence, the division caters to more than 45,000 dentists.

Apart from Dental sensitivity management, the division focuses on pain management with brands like Acecloren and T-Lac. The division has expanded its product basket by building brands like Sensodent K Plus toothpaste, Rexidin Plus mouthwash, Sensiform gum paint, etc., which have excellent growth opportunities. With growing awareness on oral hygiene and preventive treatment, coupled with opportunities in the OTX segment, the division is ready to explore both Rx and OTX market opportunities with its ideal product mix.

### **Indoco Spera**

Indoco Spera division caters to women's health and covers Gynaecologists. The product mix includes, nutraceutical brands for pregnancy care and lifestyle management products. Scientific activities like, Round Table Meets (RTMs) and Continuing Medical Education (CMEs) have helped to increase the prescriber base of Gynaecologists. Customer centric approach through patient awareness activities and patient camps, viz., Synergy camps and STAR Hb camps has helped the division to garner attention of the Key Opinion Leaders (KOLs). Participation in All India Gynaecology Conference (AICOG) and other state conferences has also strengthened the division's presence in the market.

### **Indoco Excel and Vision**

Indoco Excel and Vision division caters to a niche segment of Ophthalmology with a wider therapeutic range. Due to Covid-19 lockdown amongst all specialties in pharma, ophthalmology has suffered the most because of the nature of treatment. The division's wide range of products extends from tear substitutes, anti-infectives, anti-oxidants, nonsteroidal anti-inflammatory drugs (NSAIDs), anti-glaucoma and anti-allergic.

The division sees an overall improvement in the core brands, like Irivisc, Mofloren and PGVISC. On the prescription front, the division has shown significant revival, as overall Rx response for the division appears to be gaining momentum. It is encouraging to note that, the boost in PGVISC Rxns during Nov-Feb'21 has made the brand attain the no. 1 position in the market. Mofloren eye drop has also shown good revival in prescriptions.

The division took significant efforts in creating a strong foothold in the digital space during year 20-21 by conducting 12 national / regional webinars between Apr-Dec 2020 with renowned KOLs, reaching around 5000 Doctors across India.

### **Indoco Focus**

Indoco Focus division is strengthening its foothold among the Endocrinologist, Diabetologist and CPs. The division offers a wide range to provide 'Care at every stage of Diabetes' with brands like Aloja, Aloja M, Aloja M Forte, Depaja, Glychek, Zilenta, Metchek, Praztac, Trucharge and Durashape to meet the requirement of every Diabetic patient. The division has conducted 14 advisory scientific sessions with the industry KOLs on Alogliptin. The division has also conducted more than 80 plus CME programs pan India to build Doctors' confidence in Aloja (Alogliptin). Indoco Focus further strengthened its relation with 150 Doctors through "For Your FOCUS Cares" campaign. The division is in process of strengthening its portfolio as per the needs of Diabetes practitioners.

### **Indoco CND**

Indoco CND division caters to super-specialists like cardiologists, diabetologists and CPs. The division aims to make strong inroads in the cardiology market. Creation of sizeable prescriber base within cardiologists by the division denotes success in terms of its penetration in the cardiology market. Introduction of newer brands like Rosuchek Gold and Telmichek CT will further help the division to establish itself in the cardiology segment. The division has an encouraging prescription trend for its key cardio-diabetic brands like, Prichek M, J-Ring M and Telmichek. Scientific and clinical customer engagement activities have helped the division to get closer to realization of its set objectives, one being due recognition of the division's product range by cardiologists and other specialities.

### **Institution**

Institution division covers most of the Central, State Government and Public Sector Undertakings, including TNMSC, ESIC, Indian Railways, Armed Forces Medical Depots, Directorate of Health Services, BHEL, BEML, HAL, ONGC and Port Trusts. Indoco is registered with most of these government institutions and participates in annual rate contracts and local tenders for branded and proprietary products. The division aims to get the products registered and adding proprietary products in formularies of prestigious government institutions. The division has a good range of anti-diabetic, analgesics, anti-hypertensive and calcium preparation.

### **New Product Launches:**

Looking into the pandemic situation and the market demands, Indoco launched few products, majority of them pertaining to the Covid portfolio - Fevindo tablets, Poviclean Gargle and Zmun CD tablets.

The introduction of Telmichek CT, Depaja and Aloja M and Aloja M Forte in the chronic segment strengthened the Company's cardio-diabeto portfolio, taking the total new product launches to nine during the year.



### **Fevindo 400/800 mg Tablets**

Fevindo was launched in the peak of the Covid-19 pandemic by Indoco Pharma division to cater to patients with mild to moderate symptoms. Fevindo contains Favipiravir, the most recent anti-viral therapy in the management of mild to moderate Covid-19 patients. Due to oral route, it is patient compliant and is prescribed to patients not requiring hospitalization.

### **Poviclean Gargle**

Poviclean Gargle is another product in the basket of the Covid segment launched by the Pharma division. Poviclean Gargle contains Povidone-iodine, a broad-spectrum antiseptic with no known resistance, that has been listed by the World Health Organization as an essential medicine. Poviclean Gargle plays a significant role in reducing Covid-19 transmission by decreasing viral load during the first phase of infection.

### **Zmun CD Tablets**

Zmun CD is an immunity booster, which was launched during the pandemic by the Indoco Spade division. Zmun CD tablets contain Vitamin C, Vitamin D and Zinc. These are safe, low-cost, and effective nutraceuticals to help the immune system to fight off Covid-19 and other acute respiratory tract diseases.

### **Telmichek –CT Tablets**

Telmichek–CT is a fixed dose combination of Telmisartan and Chlorthalidone, prescribed for the management of hypertension and launched by the Indoco CND division in the chronic segment.

### **Aloja M and Aloja M Forte Tablets**

Aloja M and Aloja M Forte, fixed dose combinations of Alogliptin and Metformin were launched for management of non-insulin-dependent diabetes mellitus (NIDDM). These are DCGI approved products launched by the Company for the first time in India.

### **Depaja 5 mg / 10 mg Tablets**

Depaja 5 mg / 10 mg tablets contain Dapagliflozin, which belongs to the class of SGLT2 inhibitor. This product was launched by Indoco Focus division to strengthen its existing anti diabetic portfolio. The product is indicated for management of non-insulin-dependent diabetes mellitus (NIDDM) and is indicated to reduce hospitalization, risk of heart failure in adults with Type 2 Diabetes Mellitus and multiple cardiovascular (CV) risk factors. It is also used to reduce the risk of sustained worsening of renal function, progression to end-stage kidney disease, and death from renal or cardiovascular causes.

### International Business:

The Indian pharmaceutical exports have registered a record growth of 18 % during the pandemic year FY 20-21, with exports of USD 24.44 billion. In spite of a sluggish growth in the global pharma market, there has been a big surge in demand for India made generics, owing to its quality and affordability. US, South Africa, UK, Russia, Germany, Nigeria, Brazil, Canada, France and the Netherlands have been India’s biggest customers for pharmaceuticals during the year.

United States of America continues to be the largest market with the size of USD 523 billion (IMS MAT Sep’20). This is equivalent to 46 % of the global pharmaceutical market, which stands at USD 1.14 trillion. Out of the 1287 drug manufacturing facilities approved by the USFDA, 327 were from India. Out of the 751 ANDA approvals granted by USFDA in the year 2020, 352 approvals were to Indian firms accounting to 46 % of the total ANDA approvals. The pharmaceutical market size in Canada is USD 23 billion with growth of 5.4%.

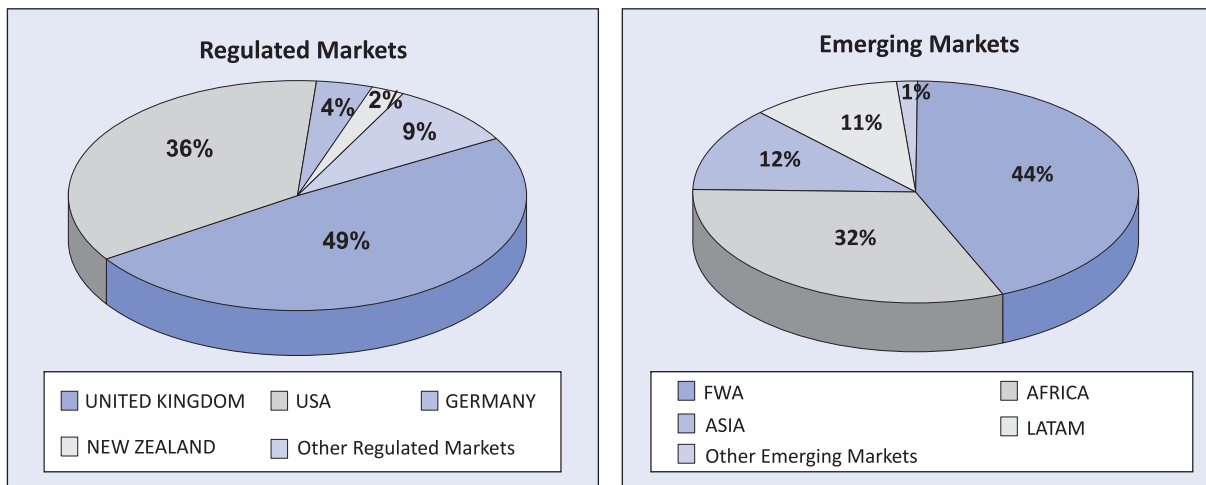
Following trends were observed in the US and Canada Market during the pandemic:

- Expedited review of dossiers and speedy approval.
- Exponential market demand for products used in the treatment of Covid-19.
- Increased demand for pre-filled syringes and unit dose formulations.
- Pharma Digitization: Virtual audits of facilities by regulatory agencies.
- Supply interruptions due to shortages of RM/PM.
- Delays of product approvals for non-Covid related products.
- Logistic challenges and increased freight cost.

### North America Business

Indoco’s North America business has witnessed a robust growth during the year. Indoco was successful in launching 11 products in USA through its partners. Indoco launched an ophthalmic suspension product in the US market, which is the first and only generic. The Company has also received an expedited approval for one injectable product, which is used in the treatment of Covid.

### Country Wise / Region Wise Sales Contribution.



The status of ANDAs as on March 31, 2021 stands as below:

<i>Particulars</i>	<i>Own Filings</i>	<i>Through Partner's</i>	<i>Total</i>
Approvals till date	10	13	23
Filed but, pending approval	13	18	31
<b>Total</b>	<b>23</b>	<b>31</b>	<b>54</b>

### **Europe**

Europe is the second largest market in the world. The total EU market size is USD 268 billion with generics contribution of USD 70 billion. In the European region, Germany is the largest market with market size of Euro 48 billion, followed by France, Italy, United Kingdom and Spain. Germany is 100% tender market, of which 70 % is government and 30 % is private insurance. Major tenders in Germany are AOK, BARMER, TKK and DAK. United Kingdom is 80 % retail market with over 12000 pharmacies.

Europe is now the largest revenue contributor in the Company's overall turnover. UK and Germany remain the top revenue generators from the region, followed by Spain and Eastern Europe. Own product launches in Germany will ensure further growth to the revenues and improved margins. The Company managed to fulfill the requirements of Paracetamol tablets for the UK government during the pandemic by airlifting the shipment through chartered flight from Goa. During the year, multiple new products were launched in the UK. Increase in demand due to the Covid-19 pandemic for analgesics and anti-diabetics drugs has been adding to the revenues of the Company. Focus on niche products, right product mix and direct to market approach will further boost the revenues from EU region.

### **South Africa, Australia and New Zealand**

Indoco progressed well with its remediation process related to GMP issues with SAHPRA and TGA. Indoco received GMP approval from SAHPRA for all three GOA facilities in March 2021. TGA has also accepted Indoco's responses and is expected to inspect Indoco's Goa facilities through virtual inspection. With SAHPRA accreditation to its facilities, Indoco plans to resume commercial supplies to private and tender markets. During the year, Indoco filed a record 22 dossiers under SAHPRA's resubmission programme for product registrations.

In New Zealand, Indoco won the tender for Allopurinol 100 and 300 mg tablets for supplies till June 30, 2023. Indoco has filed 4 dossiers in New Zealand, out of which 3 are in Indoco's ownership. With necessary accreditations in place and strong market potential for Ophthalmics, the Company plans to increase the number of dossier filings and intends to be a strong player in New Zealand.

### **Emerging Markets**

The Company's major business comes from geographies where brands are promoted by the Company's sales teams. Since the working of team members in the field was disrupted during the year, the Company devised various digital means to promote brands to remain on top of the mind of its customers. Indoco's teams in the field made all efforts to brave the challenges all through the year. This collective effort helped to register a double digit growth during the year.

Two of the Company's strong markets, French West Africa and Sri Lanka grew at a rate of 30% and 44% respectively. Other geographies that grew at a double digit rate include, Tanzania, Zambia, Botswana, Swaziland, Mauritius, Zimbabwe, Malaysia and Qatar.

ABZ, Nasic, ATMax, Febrex-TM, Cital and Viscid are the Company's major brands and continue to remain on top promotion. The Company received 16 new product registrations during the year.

#### **API Business:**

Unlike other pharma companies, Indoco entered into API manufacturing, after firmly establishing itself in the domestic formulation business. After foraying into international business, Indoco realized that backward integration is a key to success. Accordingly, a new API facility at Patalganga was acquired to ensure that the majority of the Company's ANDAs / Dossier filings are backed by own APIs. The objective is to make APIs available for own use and offer remaining capacity to meet the market demand. Though API contribution to overall business is not sizable, its importance from the strategic perspective is high. Considering the growing demand, both for captive as well as external sales, the capacity was expanded recently by commissioning of a new state-of-the-art API manufacturing facility at Patalganga. The new facility is equipped with an automated solvent dispensing system, efficient recovery system to control the cost of manufacturing and adequate safety by installing modern equipments. The facility is USFDA approved.

In addition to Patalganga, the Company has two more sites at Rabale, viz., Kilo Lab facility which is USFDA approved and an intermediates manufacturing facility, which supplies intermediates to both the Kilo Lab and Patalganga plants.

With a good product mix of APIs in ophthalmics, anti-diabetic, anti-gout and other therapeutic categories, backed by DMFs and Certificates of Suitability (CEPs), the API division is well positioned to register an impressive growth in the coming years.

#### **Research and Development:**

'Research and Development is an expression of Indoco's commitment towards excellence through innovation'.

R&D is imperative for any pharmaceutical company's future. The Company's focus is to develop differentiated generics & innovative specialty products for strengthening its global specialty product pipeline. Indoco's R&D Centre, located at Rabale, Navi Mumbai has a highly skilled team of around 300 scientists engaged in the research and development of Active Pharmaceutical Ingredients (API), as well as, Finished Dosage Forms (F&D).

The Chemical Research Department (CRD) works on chemical synthesis, process chemistry, designing of non-infringing processes and scale up of APIs. The Finished Dosages (F&D) research develops various dosage forms like, immediate release tablets, capsules, multi unit Pellet Systems (MUPS), Pulsatile drug delivery systems, Sterile Ophthalmic Ointments, Ophthalmic Gels, Suspensions and Solutions, Extended release tablets with matrix technology, complex ophthalmic products like emulsions and nano suspensions as well as a range of injectable solutions, suspensions and depot based long acting injectables.

With a strong technical team in place, Indoco is a partner-of-choice for several large pharmaceutical companies across the globe for in-licensing, co-development and site transfer projects of ophthalmic, injectable, solid and liquid dosages.

### **Regulatory Affairs:**

Indoco's Regulatory team comprises of 40 team members, who are engaged in the submission of Dossiers to Regulatory Authorities in regulated and emerging markets. Over 730 product registrations have been achieved across more than 50 countries. In addition, Indoco regulatory has submitted Drug Master Files for 24 Active Pharmaceuticals (APIs).

The regulatory function is equipped with eCTD software to support submissions in all advanced countries and a software for Structured Product Labelling (SPL) to support US applications. Electronic submissions of DMFs and Dossiers are done through the Electronic Submission Gateway (ESG) to USFDA and through the Common European Submission Platform (CESP) to EDQM and other European National Competent Authorities (NCA) and through specific National Portal of MHRA for submissions to UK.

### **AnaCipher CRO, Hyderabad :**

The AnaCipher CRO offers a complete range of BA/BE services, such as, bio-availability, bio-equivalence, pharmacokinetics, steady state studies, food effect studies, taste evaluation formulation studies, single and multiple dose studies.

The CRO is equipped with 98-beds, monitoring stations, phlebotomy stations, four-bed ICU, state-of-the-art Bio-analytical lab and capabilities of eCTD (Electronic Common Technical Document) submission. It has a database of more than 18,000 healthy human volunteers and has tied up for the implementation of a 'Common Volunteer Database Management System' to track the volunteer's cross participation across all the CROs in Hyderabad.

The state-of-the-art-facility is spread over 30,000 sq. ft. area and is located in Hyderabad, India. Anacipher CRO has been successfully audited by the USFDA with Zero 483s for the last 5 inspections. Anacipher has also undergone desktop assessment by the prequalification team of WHO. Product based approvals have been received from Europe (Germany, Italy, Spain and UK) without carrying out an on-site inspection.

### **Indoco Analytical Solutions (IAS), Rabale**

Indoco houses a separate public testing Lab at its R&D Centre at Rabale. The state-of-the-art infrastructure is equipped with latest and sophisticated analytical instrumentation and software. Several studies on Extractable and Leachable for injectables as well as for ophthalmics are undertaken in this facility. Studies on Elemental impurities, as per ICH Q3D, which is now mandatory for regulatory submissions are also performed using advanced instruments. Identification of unknown impurities and its characterization is also routinely performed in the analytical laboratory.

### **Intellectual Property Rights (IPR):**

The Company has from time to time added to its kitty of Intellectual Property by obtaining patents for its innovative manufacturing processes. The IPR Cell is actively involved in filing and prosecution of Patent applications in different territories. It is well equipped with different patent search tools and has access to various scientific journals. The patent applications are filed in respective countries based on the market potential.

Status of patent applications filed:

<i>Patent Applications</i>	<i>India</i>	<i>PCT</i>	<i>Europe</i>	<i>USA</i>	<i>Japan</i>	<i>Total</i>
APIs	42	18	5	4	1	70
FDFs	29	3	2	2	-	36
<b>Total</b>	<b>71</b>	<b>21</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>106</b>

Out of the 70 API patent applications filed, 25 applications are accepted and patents granted. Out of the 36 patent applications filed, 17 applications are granted patents for Finished Dosage Forms (FDFs).

### **e) Human Resources:**

Human Resource Management functions as a strategic partner in the growth of the business contributing positively to the quality of life of Indocoites. It firmly believes that people are the Company's greatest asset and adopt best practices to ensure healthy employee relations, employee growth and development. During these challenging times, various Training Programs and Employee Welfare initiatives continued online.

Under 'IMPACT' (Indoco's Management Program for Achieving Competitive Talent), various informative sessions were conducted on 'The New Normal' for different departments and locations. These soft skill-training programs helped to create a healthy and stress-free environment during the ongoing pandemic, thereby creating a positivity amongst the work force.

Various online training sessions were conducted under the CLIMB (Cluster of Learning for Mutual Benefit) initiative by renowned professionals. A series of sessions on 'Financial Awareness and Wealth Management' were conducted with special focus on Savings and Investment, Insurance, Loans and Retirement Planning. The series also added a session on New Tax Regime to keep employees updated on the new tax saving options. Session on 'Innovations through Digitization' gave a deep insight on the new techniques and strategies for business development.

HR conducted Me2We online sessions by introduction of concepts like competitions, debates, recipe corner, witty tips for health and exercise and brainy quiz. The initiative was successful in bringing together and strengthening different departments and helped in bonding and team building.

The HR Team continued to conduct Employee Engagement Activities like Dussehra Pooja, Navratri, Diwali Fusion, Indoco's Annual Day (INSPIRA and UDAAN) and Foundation Day through live podcast and webinars.

Various Staff Welfare Programs were conducted during the year. Birthday celebrations and retirement felicitation functions were held online. Employees completing 25 years of service and children of Indocoites with outstanding performance in Std. X examination were felicitated. Children's Day and Women's Day were also celebrated across locations.

Online sessions were held for all Indocoites on interesting topics such as 'Financial Empowerment', 'Management Lessons from Bollywood', series on 'Health & Ayurveda', session on 'Oncology', 'Yoga for Wellness' and 'Mediclinic'.

The Company celebrated the 'Safety Week' and 'Earth Day' to bring in safety and environmental awareness. An information session on POSH (The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was conducted by professionals educating women of their right to protection and equality creating a stress-free working environment.

The entire globe is undergoing medical emergency due to the surge in Covid-19 cases and India is no exception. The Pharmaceutical industry was classified under essential services and allowed to manufacture so that the supply of essential medicines was uninterrupted. As the permission for operating the manufacturing sites was given, Indoco adhered to the strict guidelines to maintain safety, hygiene and social distancing norms while travelling and also within the premises.

HR's contribution has been significant in developing and strengthening the culture of the organization.

**f) Future Outlook:**

The Company's Domestic business continues to focus on brand building, thrust on chronic and sub-chronic segment as well as penetration in the North and East Region. The Company will selectively launch new products in the specialty segment to boost growth. Well-known legacy brands, Doctors loyalty over 7 decades, highly motivated field force, distribution network across India and presence in growing segments, including Stomatologicals and Ophthalmology will help the Domestic business to grow on sustainable basis.

On the International front, the Company's US business is expected to grow as ANDAs are being commercialized at regular intervals and USFDA approvals have started flowing in. Reinstatement of the EU-GMP compliance certificate for Goa Plant-I and the EU-GMP approval of solid dosages manufacturing facility at Baddi (Plant-III) will boost the EU business, with availability of larger manufacturing capacity. Indoco is also consolidating its position in the Emerging Markets through active brand promotion in select markets. Robust pipeline in specialty dosages, viz., Ophthalmics and Injectables, will enable the Company to have an upper edge over its competitors in the International business.

The capacity expansion at the Company's API manufacturing facility at Patalganga will augment the captive requirements and boost external sale of APIs.

Expertise in Research and Development, backward integration with own APIs, a full-fledged CRO set-up, excellence in finished dosages manufacturing and a strong customer base makes the Company, a preferred partner, offering complete solutions to its customers worldwide.





# Independent Auditors' Report to the Members of Indoco Remedies Limited

## Report on the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of **Indoco Remedies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information ('the standalone Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

<i>Sr. No.</i>	<i>Key Audit Matters</i>	<i>Auditor's Response</i>
<b>1</b>	<p><b>Provisions for Sales Returns.</b></p> <p>The Company provides for sales returns on an estimated basis as a percentage of sales. Such an estimate is arrived at on the basis of average of actual sales return over the last 3 financial years. Such estimation is based on managements best judgement of the probability of sales returns. Provision for sales return</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <p>a) Validating the process consistently implemented by the management in arriving at the estimates.</p> <p>b) Correlating the amounts of actual sales returns with the provisions made.</p>

Sr. No.	Key Audit Matters	Auditor's Response
	<p>amounted to ₹ 2,487.75 lakhs as on March 31, 2021 (₹ 2,872.52 lakhs as on March 31, 2020). Refer note no. 27: Current Provisions to the Standalone Financial Statements.</p>	<p>c) Evaluated management assessment for change in estimates for provision for sales return during this year.</p> <p>d) Getting representations from the management wherever necessary.</p>
2	<p><b>Intangible assets under development.</b></p> <p>The Company undertakes several projects for new product development. Once the development is complete as per management assessment, such items are reclassified as Intangible Assets in the books of accounts.</p> <p>The management makes an assessment as to whether all such projects are capable of being completed and capable of getting the requisite regulatory approvals. On the basis of such assessment, the costs incurred on such projects till the time development is complete as per management assessment, are reflected in the financial statements as "Intangible assets under development".</p> <p>The quantum of Intangible Assets Under Development as on March 31, 2021 was ₹ 4,297.96 lakhs (₹ 4,337.90 lakhs as on March 31, 2020).</p> <p>Refer Note no. 5: Intangible Assets to the Standalone Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <p>a) Obtaining detailed listing of all projects under development.</p> <p>b) Evaluating management's judgement of technical and commercial feasibility of such projects and comparing the same with past record of such regulatory approvals.</p> <p>c) Relying on management assessment about completion of development of project.</p> <p>d) Getting representations from the management wherever necessary.</p>
3	<p><b>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</b></p> <p>The Company has reflected ₹ 14,053.59 lakhs as receivables of Sales Tax, Entry Tax, GST Input credit, Income Tax, MAT credit etc. as on March 31, 2021 (₹ 14,698.49 lakhs as on March 31, 2020). Further, the Company is a party to litigations in respect of various statutory dues where the amounts demanded are to the tune of ₹ 3,616.12 lakhs as on March 31, 2021 (₹ 1,766.24 lakhs as on March 31, 2020). Out of this, an amount of ₹ 534.24 lakhs has been deposited under protest as on March 31, 2021 (₹ 528.22 lakhs as on March 31, 2020).</p> <p>Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <p>a) Evaluating the reasonableness of the underlying assumptions.</p> <p>b) Examining the relevant documents on record.</p> <p>c) Relying on relevant external evidence available including applicable judicial pronouncements and industry practices.</p> <p>d) Getting representations from the management wherever necessary.</p>

### **Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

### **Responsibilities of the Management and those charged with governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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 implementation and maintenance of accounting policies; making judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone Ind AS 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) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 standalone Ind AS 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.
- e) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
  - e) on the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 46 to the standalone Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.
3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Membership No. 123215  
UDIN:- 21123215AAAADD1628

Date : May 25, 2021  
Place : Mumbai



## **ANNEXURE A**

### **to the Independent Auditors' Report**

#### **as required by the Companies (Auditor's Report) order, 2016**

*(Referred to in our Report of even date on financial statements of Indoco Remedies Limited as at March 31, 2021)*

As required by the Companies (Auditor's Report) Order 2016 issued by the Central Government in terms of Section 143(11) of the Companies Act 2013, on the basis of the checks as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.  
(b) As explained to us, the company has a regular programme of physical verification of fixed assets by the management so as to cover all the fixed assets over a period of five years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.  
(c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties which have been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
2. In our opinion and according to the information and explanations provided to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable. In our opinion and as explained to us, there were no material discrepancies noticed on physical verification of inventories as compared with the books of account.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made, wherever applicable.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, GST, Custom duty, and any other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us there are no dues of customs duty and service tax that have not been deposited on account of any dispute. However, according to the information and explanation given to us the following dues of income tax, central excise and sales tax have not been deposited by the Company on account of disputes:

<i>Nature of Statute</i>	<i>Nature of Dues</i>	<i>Amount (₹ in Lakhs)</i>	<i>Period to which amount relates</i>	<i>Forum where dispute is pending</i>
Telangana VAT Act, 2005	T Vat	309.59	2009-14	Telangana VAT & Sales Tax Appellate Tribunal, Hyderabad
Telangana VAT Act, 2005	T Vat	114.69	2008-18	Appellate Deputy Commissioner (CT), Hyderabad Rural Division
Telangana VAT Act, 2005 and Central Sales Tax Act, 1956	T Vat	5.99	2013-18	Deputy Commissioner (CT), Saroornagar Division, Hyderabad
Andhra Pradesh VAT Act, 2005	A Vat	94.90	2005-09	High Court, Hyderabad
Andhra Pradesh VAT Act, 2005	A Vat	8.02	2014-16	Andhra Pradesh VAT Appellate Tribunal, Visakhapatnam
Goa VAT Act, 2005	G Vat	20.21	2007-08 & 2009-10	Asst. Commissioner Tax Officer, Margao
Central Excise Act, 1944	Excise Duty	14.12	1997-98, various years	Honourable Supreme Court
Central Excise Act, 1944	Excise Duty	85.88	1995-96, 1997-98 & 2010-14	CESTAT, Mumbai
Central Excise Act, 1944	Excise Duty	5.83	1997-99	Divisional Dy. Commissioner
Finance Act, 1994	Service Tax	586.39	2006-08	CESTAT, Mumbai
Income Tax Act, 1961	Income Tax	1855.19	2017-18	CIT (A)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not taken any loans or borrowings from Government and has not issued debentures during the year.



9. In our opinion and according to the information and explanations given to us, the Company has raised term loans and the term loans so raised have been applied for the purpose for which these were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under audit.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Date : May 25, 2021  
Place : Mumbai

Membership No. 123215  
UDIN:- 21123215AAAADD1628



## **ANNEXURE - B**

### **to the Independent Auditors' Report**

#### **as required by Sec. 143(3) Of Companies Act 2013**

*(Referred to in our Report of even date on standalone Ind AS financial statements of Indoco Remedies Limited as at March 31, 2021)*

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

##### **Opinion**

We have audited the internal financial controls over financial reporting of Indoco Remedies Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

##### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 standalone Ind AS 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 system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 over Financial Reporting**

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

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Membership No. 123215  
UDIN:- 21123215AAAADD1628

Date : May 25, 2021

Place : Mumbai



## Balance Sheet

### As at March 31, 2021

Particulars	Note No.	March 31, 2021	March 31, 2020 (₹ lakhs)
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	52,164.58	53,632.25
(b) Right-of-use assets .....	4	673.72	526.51
(c) Capital Work in Progress .....	3	2,511.94	732.49
(d) Intangible Assets .....	5	4,153.13	4,802.91
(e) Intangible Assets under Development .....	5	4,297.96	4,337.90
(f) Financial Assets			
(i) Investments .....	6a	245.32	245.32
(ii) Loans .....	7	95.52	99.87
(iii) Other Financial Assets .....	8	578.71	587.65
(g) Deferred Tax Assets (Net) .....	9	1,928.07	3,592.69
(h) Income Tax Assets (Net) .....	10	713.96	924.01
(i) Other Non Current Assets .....	11	2,099.03	1,573.02
<b>Total, Non current Assets .....</b>		<b>69,461.94</b>	<b>71,054.62</b>
<b>Current Assets</b>			
(a) Inventories .....	12	23,781.25	20,823.99
(b) Financial Assets			
(i) Investments .....	6b	–	–
(ii) Trade Receivables .....	13	23,357.81	20,917.70
(iii) Cash and Cash Equivalents .....	14	913.00	2,348.08
(iv) Bank Balances other than (iii) above .....	15	492.05	1,416.88
(v) Loans .....	16	39.81	37.71
(vi) Other Financial Assets .....	17	274.58	371.78
(c) Other Current Assets .....	18	13,336.35	10,260.26
<b>Total Current Assets .....</b>		<b>62,194.85</b>	<b>56,176.40</b>
<b>Total, Assets .....</b>		<b>1,31,656.79</b>	<b>1,27,231.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital .....	19	1,843.01	1,843.01
(b) Other Equity .....	20	75,049.87	66,173.10
<b>Total Equity .....</b>		<b>76,892.88</b>	<b>68,016.11</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	21	9,693.92	9,693.00
(ii) Other Financial Liabilities .....	22	1,443.69	1,282.24
(b) Provisions .....	23	2,772.56	2,322.33
<b>Total, Non-Current Liabilities .....</b>		<b>13,910.17</b>	<b>13,297.57</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	24	11,632.38	10,597.86
(ii) Trade Payables	25		
Total Outstanding Dues of Micro Enterprises and Small Enterprises .....		0.59	1.19
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises .....		11,500.98	16,628.10
(iii) Other Financial Liabilities .....	26	12,275.87	12,359.07
(b) Provisions .....	27	4,688.13	5,154.96
(c) Other Current Liabilities .....	28	755.79	1,176.16
<b>Total, Current Liabilities .....</b>		<b>40,853.74</b>	<b>45,917.34</b>
<b>Total, Liabilities .....</b>		<b>54,763.91</b>	<b>59,214.91</b>
<b>Total, Equity and Liabilities .....</b>		<b>1,31,656.79</b>	<b>1,27,231.02</b>

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
Chief Financial Officer

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : May 25, 2021

## Statement of Profit and Loss Account For the year ended March 31, 2021

Particulars	Note No.	₹ lakhs	
		Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
(a) Revenue from Operations .....	29	<b>1,24,030.29</b>	1,10,599.49
(b) Other Income .....	30	<b>311.22</b>	242.98
<b>Total Income (I) .....</b>		<b>1,24,341.51</b>	<b>1,10,842.47</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31a	<b>30,315.93</b>	26,268.22
(d) Purchase of Stock in Trade .....	31b	<b>6,303.72</b>	7,579.66
(e) Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade .....	31c	<b>(1,213.06)</b>	(805.03)
(f) Employee Benefit Expenses .....	32	<b>27,287.84</b>	25,531.57
(g) R&D Expenses .....	33	<b>5,970.36</b>	4,970.21
(h) Other Expenditure .....	35	<b>33,007.99</b>	34,720.66
(i) Finance Costs .....	36	<b>2,221.64</b>	2,625.20
(j) Depreciation, Amortization and Impairment Expense .....	34	<b>7,312.05</b>	7,081.12
<b>Profit / (Loss) before Tax .....</b>		<b>13,135.04</b>	<b>2,870.86</b>
(k) Provision for Tax .....	37		
(a) Current .....		<b>3,847.37</b>	385.81
(b) Deferred .....		<b>48.47</b>	60.23
<b>Total Taxes .....</b>		<b>3,895.84</b>	<b>446.04</b>
<b>Profit / (Loss) for the year .....</b>		<b>9,239.20</b>	<b>2,424.82</b>
<b>(l) Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations .....	38	<b>(132.17)</b>	(282.45)
ii) Income tax relating to this item .....	37	<b>46.19</b>	98.70
<b>Total Other Comprehensive Income .....</b>		<b>(85.98)</b>	<b>(183.75)</b>
<b>Total Comprehensive income for the year .....</b>		<b>9,153.22</b>	<b>2,241.07</b>
<b>(m) Earnings Per Share</b>			
<b>Basic &amp; Diluted (₹)</b>	44	<b>10.03</b>	<b>2.63</b>

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
Chief Financial Officer

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : May 25, 2021

## Cash Flow Statement

### For the year ended March 31, 2021

(₹ lakhs)

S.no	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(A)	<b>Cash Flow from Operating Activities :</b>		
	<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>13,135.04</b>	2,870.86
	Adjustments for :		
	Depreciation, Amortisation and Impairment Expense	7,312.05	7,081.12
	Profit on sale of Fixed Assets	(2.10)	(2.63)
	Loss on sale of Fixed Assets	26.44	25.29
	Sundry Balance written back	(167.53)	(7.77)
	Provision for Doubtful Debts / Bad Debts	1,185.58	583.20
	Interest Income	(78.49)	(123.53)
	Dividend received on Investments	(0.63)	(0.02)
	Unrealised Foreign Exchange (Gain) / Loss	421.21	119.44
	Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	2,274.46	2,276.17
		<b>10,970.99</b>	9,951.27
	<b>Operating Profit before Working Capital Change</b>	<b>24,106.03</b>	<b>12,822.13</b>
	Adjustments for:		
	Decrease / (Increase) in Trade Receivables	(4,099.72)	(1,824.76)
	Decrease / (Increase) in Other Current Financial Assets	95.10	647.27
	Decrease / (Increase) in Other Current Assets	(3,076.09)	931.21
	Decrease / (Increase) in Inventories	(2,957.27)	(2,486.61)
	Decrease / (Increase) in Other Non Current Financial Assets	22.24	(44.51)
	Decrease / (Increase) in Other Non Current Assets	33.03	(42.26)
	Increase / (Decrease) in Trade Payables	(4,960.20)	(433.34)
	Increase / (Decrease) in Non Current Financial Liabilities	240.85	557.80
	Increase / (Decrease) in Non Current Provisions	318.07	448.94
	Increase / (Decrease) in Current Financial Liabilities	1,357.53	945.82
	Increase / (Decrease) in Current Provisions	(466.83)	733.70
	Increase / (Decrease) in Other Current Liabilities	(420.37)	401.86
		<b>(13,913.66)</b>	(164.88)
	<b>Cash generated from Operations</b>	<b>10,192.37</b>	<b>12,657.25</b>
	Income Tax Paid (Net of Refund)	(1,974.97)	(391.71)
	<b>Net Cash generated from Operating Activities (A)</b>	<b>8,217.40</b>	<b>12,265.54</b>
(B)	<b>Cash Flow from Investing Activities</b>		
	Payment towards Capital Expenditure	(7,684.89)	(5,846.44)
	Sale of Fixed Assets	20.20	10.13
	Payment on purchases of Investments	–	(0.90)
	Bank Balance not considered as Cash & Cash Equivalents	924.83	129.45
	Interest Received	69.54	113.08
	Dividend received on Investments	0.63	0.02
	<b>Net Cash used in Investing Activities (B)</b>	<b>(6,669.69)</b>	<b>(5,594.66)</b>

## Cash Flow Statement

### For the year ended March 31, 2021

... Contd. from previous page

(₹ lakhs)

S.no	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(C)	<b>Cash Flow from Financing Activities</b>		
	Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(2,315.74)	(2,232.89)
	Payment of Lease Liability	(79.40)	(7.51)
	Dividend Paid	(278.87)	(336.32)
	Proceeds from Long Term Borrowings	3,650.00	2,300.00
	Repayment of Long Term Borrowings	(5,083.59)	(5,388.16)
	Proceeds / (Repayment) from Short Term Borrowings	1,124.81	(729.82)
	<b>Net Cash inflow / (outflow) from Financing Activities (C)</b>	<b>(2,982.79)</b>	<b>(6,394.70)</b>
	<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>(1,435.08)</b>	<b>276.18</b>
	<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>2,348.08</b>	<b>2,071.90</b>
	<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 14)</b>	<b>913.00</b>	<b>2,348.08</b>

#### Notes:

- The above statement of Cash Flows should be read in conjunction with the accompanying notes.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and reclassified wherever necessary.
- Cash and Cash Equivalents comprise of :

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a. Cash on Hand	5.41	9.61	9.21
b. Balances with Bank	907.59	2,338.47	2,062.69
<b>Total</b>	<b>913.00</b>	<b>2,348.08</b>	<b>2,071.90</b>

- Changes in liability arising from financing activities :

Particulars	Borrowings		
	Non-Current (Note 21)	Current (Note 24)	Total
As at March 31, 2019	18,410.11	11,339.36	29,749.47
Cash Flow	(3,088.16)	(729.82)	(3,817.98)
Foreign exchange movement	360.71	(11.68)	349.03
<b>As at March 31, 2020</b>	<b>15,682.66</b>	<b>10,597.86</b>	<b>26,280.52</b>
Cash Flow	(1,433.59)	1,124.81	(308.78)
Foreign exchange movement	37.49	(90.29)	(52.80)
<b>As at March 31, 2021</b>	<b>14,286.56</b>	<b>11,632.38</b>	<b>25,918.94</b>

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
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**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
Chief Financial Officer

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : May 25, 2021



## Consolidated Statement for Changes in Equity

### For the year ended March 31, 2021

#### a. Equity Share Capital

(₹ lakhs)

Particulars	Note No	Amount
As at April 1, 2019	19	1,843.01
Changes in Equity Share Capital		—
<b>As at March 31, 2020</b>		<b>1,843.01</b>
Changes in Equity Share Capital		—
<b>As at March 31, 2021</b>		<b>1,843.01</b>

#### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Reserves & Surplus				Total Other Equity
		Securities Premium	Capital reserve	General reserve	Retained Earnings	
<b>Balance as at April 1, 2019</b>	20	<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>32,026.72</b>	<b>64,265.31</b>
Changes in equity share capital during the year						
Profit for the year		—	—	—	2,424.82	2,424.82
Other comprehensive income for the year		—	—	—	(183.75)	(183.75)
<b>Total Comprehensive income for the year</b>		—	—	—	2,241.07	2,241.07
Dividends (including dividend distribution tax of ₹ 56.83 lakhs)		—	—	—	(333.28)	(333.28)
Transfer to General Reserve		—	—	—	—	—
<b>Balance as at March 31, 2020</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,934.51</b>	<b>66,173.10</b>
<b>Balance as at April 1, 2020</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,934.51</b>	<b>66,173.10</b>
Changes in equity share capital during the year						
Profit / (Loss) for the year		—	—	—	9,239.20	9,239.20
Other comprehensive Income for the year		—	—	—	(85.98)	(85.98)
<b>Total comprehensive income for the year</b>		—	—	—	9,153.22	9,153.22
Dividends		—	—	—	(276.45)	(276.45)
Transfer to General Reserve		—	—	—	—	—
<b>Balance as at March 31, 2021</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>42,811.28</b>	<b>75,049.87</b>

The above statement of Changes in Equity should be read in conjunction with the accompanying notes. Remeasurement loss (net of tax) on defined benefit plan ₹ 85.98 lakhs (Remeasurement loss (net of tax) Previous year ₹ 183.75 lakhs) is recognised during the year as part of Retained Earnings.

**The description of the nature and purpose of each reserve within equity as follows :**

##### Capital Reserve :

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

##### Securities Premium :

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

##### General Reserve :

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

##### Retained Earnings :

Retained Earnings are the profits that the Group has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders.



## Notes to Financial Statements (Standalone)

### For the year ended March 31, 2021

#### Corporate Information

Indoco Remedies Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, VII of 1913. Its Shares are listed on two stock exchanges in India i.e Bombay Stock Exchange and National Stock Exchange. Indoco Remedies Limited is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). The Company caters to both domestic and International markets, Company has two wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt.Ltd.) and Indoco Remedies Czech sro.

#### 1. Significant Accounting Policies followed by the Company

##### a) Basis of Preparation

###### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the Company's Board of Directors on May 25, 2021.

###### (ii) Historical cost convention

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

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - Plan assets measured at fair value;

###### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

###### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

##### b) Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Management at each reporting date reviews estimates and underlying assumptions. Actual results could differ from these estimates. Any revision of these estimates is recognise prospectively in the current and future periods.

Following are the critical judgements and estimates:

#### Critical judgements:

##### a. Taxes on Income:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] Credit in future.

**b. Employee benefits:**

Significant judgements are involved in making estimates about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of the future liabilities on account of the employee benefits by way of defined benefit plans.

**\*c. Product warranty and expiry claims:**

Significant judgements are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

**d. Impairment of property, plant and equipment**

Significant judgement is involved in determining the estimated future cash flows from Property, Plant and Equipment to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

**e. Contingent liabilities:**

Significant judgement is involved in determining whether there is a possible obligation that may, but probably will not require an outflow of resources.

**Critical estimates:**

**a. Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**b. Sales return**

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates

**c) Segment Reporting**

The Company has only one business segment i.e Pharmaceutical Products.

**d) Foreign Currency Translation**

**i. Functional and presentation currency**

The Financial Statements are presented in Indian rupees (INR) which is the functional and presentation currency.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains / (losses).

**e) Revenue Recognition**

The company derives major portion of its revenue from manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). Other sources of revenue include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

With effect from April 1, 2018, the company has adopted Ind AS 115, Revenue from Contracts with Customers. The company analysed the impact of Ind AS on incomplete contracts, if any and concluded that the effect of adoption of Ind AS 115 was insignificant.

**Recognising revenue from major business activities**

**i. Sale of goods – FDF and API**

Revenue from sale of FDF and API are recognised when the performance obligations are satisfied in accordance with Ind AS 115. Performance obligations are deemed to have been satisfied when substantial risk and rewards of ownership are transferred to the customer and the customer obtains control of the promised goods. In case of domestic sales, performance obligations are satisfied when goods are dispatched, or delivery is handed over to the transporter. In case of export sales, performance obligations are satisfied based on terms defined in the contracts. In case of Ex-works contracts, performance obligation is satisfied when goods are shipped or dispatched from the factory and in other cases when the goods are shipped on board based on Bill of Lading /Airway Bill or any other similar document evidencing delivery thereof.

**ii. Revenue from services**

Services provided include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

The contracts with customers for Dossiers and study reports are fixed-price contracts. Revenue from such contracts, where the performance obligations are satisfied over time and where there is no significant uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method i.e. based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. The effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

**iii. Other operating revenue - Export incentives**

Revenue from Export Incentives under various schemes is recognised when the performance obligations are satisfied i.e. when the related export sales are effected.

**iv. Sales Return**

The Company recognises provision for sales return, on the basis of past experience, measured on net basis of the margin of the sales. Any unutilised provision for sales return is reversed to the Statement of Profit and Loss on completion of 3 years from the date of creation.

**f) Government Grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

**g) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**h) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

**i) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**j) Cash Flow Statements**

Cash flows are prepared using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of 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 flow from operating, investing and financing activities of company are segregated.

**k) Inventories**

Inventories of Raw Materials, work-in-progress, stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulas used are 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**l) Non-Current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

**m) Derivatives and Hedging Activities**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**n) Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

<i>Asset Class</i>	<i>Useful Life</i>
Building and Premises – Office	60 years
Building and Premises – Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years
Trade Mark	15 years
Technical Know How	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

#### o) Intangible Assets

##### i. Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it

- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**ii. ANDA / DMFs / Dossiers**

All revenue expenditure incurred till the development of ANDAs / DMFs/Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under “Intangible Assets” and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

**iii. Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- |                                 |          |
|---------------------------------|----------|
| • Trade Mark/ Technical Knowhow | 15 years |
| • Technical Knowhow             | 10 Years |
| • Computer software             | 3 years  |
| • ANDA / DMF                    | 5 years  |

**p) Research and Development Expenditure**

Research & Development costs of revenue nature are charged to Profit & Loss account when incurred, Expenditure of capital nature is capitalised and depreciation is provided on these assets as per the provisions of the Companies Act,2013

**q) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**r) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**s) Provisions**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.



**t) Financial Instruments:**

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

**A) Financial Assets:**

**a. Initial recognition and measurement:** All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset which are not at Fair Value Through Profit and Loss Account are adjusted to fair value on initial recognition. Purchases or sales of financial assets are recognised on the settlement date i.e. the date that the Company settles to purchase or sell the asset.

**b. Subsequent measurement:** For purposes of subsequent measurement, financial assets are classified in four categories:

**i. Financial Assets measured at amortised cost:**

A 'financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

**ii. Financial Assets at fair value through other comprehensive income [FVTOCI]:**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**iii. Financial Assets at fair value through profit or loss [FVTPL]:**

Financial assets, which are not classified in any of the above categories are measured at FVTPL.

**iv. Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity



instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**v. Investments in subsidiaries and joint ventures:**

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

**c. Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

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

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

**d. Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost
- ii. Trade receivables or any contractual right to receive cash or another financial asset
- iii. Financial assets that are debt instruments and are measured as at FVTOCI. The Company follows 'simplified approach' for recognition of impairment loss allowance on Point b above.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the 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 and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**B) Financial Liabilities:**

**a. Initial recognition and measurement:**

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b. Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

**c. Derecognition:**

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

**d. Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

**C) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**u) Fair Value Measurement**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

**v) Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) **Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) **Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined Contribution Plans**

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

w) **Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i. **Earnings per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**ii. Dividends to shareholders**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

**x) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised

**y) Leases**

The Company has adopted IND AS 116, "Leases", effective April 1, 2019, using modified retrospective approach.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The cost of the right-of-use asset 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 plus any initial direct costs incurred. 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 Company measures the lease liability at the present value of lease payments that are not paid at the commencement date of the lease. The lease payment 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 short term and low value leases, the Company recognises the lease payments as an operating expense on a straight line basis over the lease term.

**NOTE 2: Use of Estimates and Judgements**

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## Notes (Standalone) on financial statements for the year ended March 31, 2021 (All amounts in INR lakhs, unless otherwise stated)

### Note 3 : Property, Plant and Equipment

Particulars	Land (Freehold)	Land (Leasehold)	Building & Premises	Plant & Machinery	Handling Equipments	Pollution Control Equipments	Laboratory Equipments	R&D Equipments	Plant - Utilities	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Networking Instruments	Air conditioning units	Vehicles	Total	Capital Work in Progress	
<b>Year ended March 31, 2020</b>																			
<b>Gross carrying amount</b>	1,804.37	1,839.87	17,688.26	20,379.93	1,317.21	375.28	9,717.81	1,942.64	6,647.40	2,980.72	2,130.85	659.50	1,599.80	43.83	3,528.28	247.67	72,903.42	14,122.90	
Opening gross carrying amount as at April 1, 2019	-	-	150.37	439.35	22.13	36.49	806.79	-	219.66	8.50	59.33	61.72	173.35	-	18.83	6.86	2,003.38	1,346.16	
Additions	-	-	4,827.27	5,625.46	12.28	508.46	40.30	-	2,024.86	1,006.18	162.05	6.68	78.09	-	444.94	-	14,736.57	(14,736.57)	
Assets capitalised during the year from CWIP	-	-	-	(11.68)	-	-	(39.35)	-	(19.02)	-	-	(0.58)	-	-	(34.82)	(7.48)	(112.93)	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Closing gross carrying amount</b>	1,804.37	1,839.87	22,665.90	26,433.06	1,351.62	920.23	10,525.55	1,942.64	8,872.90	3,995.40	2,352.23	727.32	1,851.24	43.83	3,957.23	247.05	89,530.44	732.49	
<b>Accumulated depreciation</b>																			
Opening accumulated depreciation	-	226.94	4,997.27	7,823.35	647.03	301.31	4,676.15	1,787.33	3,286.21	2,122.36	1,469.20	544.82	1,258.79	42.57	1,945.16	116.94	31,245.43	-	
Depreciation charge during the year	-	26.05	703.17	1,642.68	70.04	52.83	872.85	19.44	528.85	229.29	135.99	40.88	148.29	0.06	238.63	23.87	4,732.92	-	
Disposals	-	-	-	(9.47)	-	-	(25.99)	-	(15.76)	-	-	(0.55)	-	-	(22.54)	(5.65)	(80.16)	-	
<b>Closing accumulated depreciation</b>	-	252.99	5,700.44	9,456.56	717.07	354.14	5,523.01	1,806.77	3,799.30	2,351.65	1,605.19	585.15	1,407.08	42.63	2,161.25	134.96	35,898.19	-	
<b>Net carrying value as at March 31, 2020</b>	1,804.37	1,586.88	16,965.46	16,976.50	634.55	566.09	5,002.54	135.87	5,073.60	1,643.75	747.04	142.17	444.16	1.20	1,795.98	112.09	53,632.25	732.49	
<b>Year ended March 31, 2021</b>																			
<b>Gross carrying amount</b>	1,804.37	1,839.87	22,665.90	26,433.06	1,351.62	920.23	10,525.55	1,942.64	8,872.90	3,995.40	2,352.23	727.32	1,851.24	43.83	3,957.23	247.05	89,530.44	732.49	
Opening gross carrying amount as at April 1, 2020	-	-	165.26	568.40	14.84	-	1,144.85	-	457.69	13.14	91.78	30.75	255.57	-	26.20	-	2,768.48	2,504.87	
Additions	-	-	211.93	48.73	35.43	-	27.91	-	202.44	48.55	47.64	9.79	4.13	-	88.87	-	725.42	(725.42)	
Assets capitalised during the year from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	(89.66)	-	(3.79)	(157.84)	(8.90)	(15.45)	(0.42)	(0.33)	(0.18)	-	-	(0.21)	(2.19)	(278.97)	-	
<b>Closing gross carrying amount</b>	1,804.37	1,839.87	23,043.09	26,960.53	1,401.89	916.44	11,540.47	1,933.74	9,517.58	4,056.67	2,491.32	767.68	2,110.94	43.83	4,072.09	244.86	92,745.37	2,511.94	
<b>Accumulated depreciation and impairment</b>																			
Opening accumulated depreciation	-	252.99	5,700.44	9,456.56	717.07	354.14	5,523.01	1,806.77	3,799.30	2,351.65	1,605.19	585.15	1,407.08	42.63	2,161.25	134.96	35,898.19	-	
Depreciation charge during the year	-	25.98	732.06	1,765.46	66.33	62.64	848.32	22.22	543.34	236.44	131.21	36.59	188.14	0.06	234.58	23.66	4,917.03	-	
Disposals	-	-	-	(60.03)	-	(3.73)	(148.79)	(8.46)	(10.34)	(0.41)	(0.26)	(0.17)	-	-	(0.16)	(2.08)	(234.43)	-	
<b>Closing accumulated depreciation</b>	-	278.97	6,432.50	11,161.99	783.40	413.05	6,222.54	1,820.53	4,332.30	2,587.68	1,736.14	621.57	1,595.22	42.69	2,395.67	156.54	40,580.79	-	
<b>Net carrying value as at March 31, 2021</b>	1,804.37	1,560.90	16,610.59	15,798.54	618.49	503.39	5,317.93	113.21	5,185.28	1,468.99	755.18	146.11	515.72	1.14	1,676.42	88.32	52,164.58	2,511.94	

#### (i) Capital Work in Progress

Capital work in progress mainly comprises :

- Regular Capex for new projects
- Colchicine Project-Goa

#### (ii) Property, Plant and Equipment pledged as security

Refer to note 47 for information on Property, Plant and equipment pledged as security by the Company.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Right-of-use assets**

<i>Particulars</i>	<i>Plant &amp; Machinery</i>	<i>Laboratory Equipments</i>	<i>Plant - Utilities</i>	<i>Software</i>	<i>Total</i>
<b>Year ended March 31, 2020</b>					
<b>Gross carrying value</b>					
Opening gross carrying amount	–	–	–	–	–
Additions	242.66	141.68	157.62	0.82	542.78
Disposals	–	–	–	–	–
<b>Closing gross carrying value</b>	<b>242.66</b>	<b>141.68</b>	<b>157.62</b>	<b>0.82</b>	<b>542.78</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	–	–	–	–	–
Depreciation charge during the year	7.47	6.36	2.29	0.15	16.27
Disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>7.47</b>	<b>6.36</b>	<b>2.29</b>	<b>0.15</b>	<b>16.27</b>
<b>Net carrying value as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>
<b>Year ended March 31, 2021</b>					
<b>Gross carrying value</b>					
Opening gross carrying amount	242.66	141.68	157.62	0.82	542.78
Additions	150.11	54.54	–	–	204.65
Disposals	–	–	–	–	–
<b>Closing gross carrying value</b>	<b>392.77</b>	<b>196.22</b>	<b>157.62</b>	<b>0.82</b>	<b>747.43</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	7.47	6.36	2.29	0.15	16.27
Depreciation charge during the year	26.79	19.88	10.50	0.27	57.44
Disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>34.26</b>	<b>26.24</b>	<b>12.79</b>	<b>0.42</b>	<b>73.71</b>
<b>Net carrying value as at March 31, 2021</b>	<b>358.51</b>	<b>169.98</b>	<b>144.83</b>	<b>0.40</b>	<b>673.72</b>

Refer to note 39 for information on Leases.



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 5 : Intangible Assets**

Particulars	Trade Mark	Computer Software *	Technical Knowhow	ANDAs, DMFs, Dossiers	Total	Intangible Assets under development
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2019	1,032.30	1,470.75	1.15	18,042.18	<b>20,546.38</b>	<b>4,420.08</b>
Additions	–	357.70	–	–	<b>357.70</b>	<b>1,600.91</b>
Intangible Assets Capitalised	–	–	–	1,683.09	<b>1,683.09</b>	<b>(1,683.09)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,828.45</b>	<b>1.15</b>	<b>19,725.27</b>	<b>22,587.17</b>	<b>4,337.90</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	945.17	1,177.96	1.09	13,328.11	<b>15,452.33</b>	–
Amortisation for the year	25.97	229.09	0.06	1,789.97	<b>2,045.09</b>	–
Impairment for the year (**)	–	–	–	286.84	<b>286.84</b>	–
<b>Closing accumulated amortisation</b>	<b>971.14</b>	<b>1,407.05</b>	<b>1.15</b>	<b>15,404.92</b>	<b>17,784.26</b>	–
<b>Net Carrying Value as at March 31, 2020</b>	<b>61.16</b>	<b>421.40</b>	–	<b>4,320.35</b>	<b>4,802.91</b>	<b>4,337.90</b>
<b>Year ended March 31, 2021</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2020	<b>1,032.30</b>	<b>1,828.45</b>	<b>1.15</b>	<b>19,725.27</b>	<b>22,587.17</b>	<b>4,337.90</b>
Additions	–	<b>428.94</b>	–	–	<b>428.94</b>	<b>1,609.46</b>
Deletions (***)	–	–	–	–	–	<b>(390.54)</b>
Intangible Assets Capitalised	–	–	–	<b>1,258.86</b>	<b>1,258.86</b>	<b>(1,258.86)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>2,257.39</b>	<b>1.15</b>	<b>20,984.13</b>	<b>24,274.97</b>	<b>4,297.96</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	<b>971.14</b>	<b>1,407.05</b>	<b>1.15</b>	<b>15,404.92</b>	<b>17,784.26</b>	–
Amortisation for the year	<b>4.00</b>	<b>246.69</b>	–	<b>2,086.89</b>	<b>2,337.58</b>	–
Impairment for the year (**)	–	–	–	–	–	–
<b>Closing accumulated amortisation</b>	<b>975.14</b>	<b>1,653.74</b>	<b>1.15</b>	<b>17,491.81</b>	<b>20,121.84</b>	–
<b>Net Carrying Value as at March 31, 2021</b>	<b>57.16</b>	<b>603.65</b>	–	<b>3,492.32</b>	<b>4,153.13</b>	<b>4,297.96</b>

\* Computer software also consists of capitalised development costs being an internally generated intangible asset.

\*\* Based on management assessment of prevailing market conditions and technical aspects, impairment charge in C.Y. is Nil (P.Y. - ₹ 286.84 lakhs) has been included under depreciation, amortisation and impairment expense in the Statement of Profit and Loss Account.

\*\*\* Incomplete projects lying under Intangible Assets under development is written off - C.Y. ₹ 390.54 lakhs (P.Y. - NIL) based on Management assessment.

## Notes (Standalone)

### on financial statements for the year ended March 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

#### Note 6(a) : Non Current Financial Investments

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Unquoted (at Cost) :</b>		
<b>Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>In Subsidiary Companies</b>		
(i) Xtend Industrial Designers & Engineers P. Ltd. (20,27,025 Equity Shares of ₹ 10/- each (Previous Year 20,27,025 Equity Shares of ₹ 10/- each))	<b>242.32</b>	242.32
(ii) Indoco Remedies Czech S R O (5 Shares of USD 1265.30 @ 71.15 each (Previous Year 5 Shares of USD 1265.30 @ 71.15 each))	<b>0.90</b>	0.90
	<b>243.22</b>	243.22
<b>Non-Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
(i) Shivalik Solid Waste Management Ltd. Baddi (20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each))	<b>2.00</b>	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. (1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹10 each))	<b>0.10</b>	0.10
	<b>2.10</b>	2.10
<b>Total, Non Current Financial Investments</b>	<b>245.32</b>	<b>245.32</b>

#### Note 6(b) : Current Financial Investments

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Invested in Unquoted Shares (at cost) :</b>		
National Spot Exchange	<b>466.47</b>	462.90
<b>Total</b>	<b>466.47</b>	<b>462.90</b>
Less : Provision for diminution in value of investment	<b>(466.47)</b>	(462.90)
<b>Total, Current Financial Investments</b>	<b>-</b>	<b>-</b>

#### Note 7 : Non Current Financial Assets - Loans

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Unsecured, Considered Good</b>		
Loan to Employees	<b>95.52</b>	99.87
<b>Total, Non Current Financial Assets - Loans</b>	<b>95.52</b>	<b>99.87</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 8 : Non Current Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Deposit - Others	<b>295.22</b>	325.01
Tender Deposits	<b>74.73</b>	84.73
Deposit With OPC Asset Solutions	<b>36.02</b>	14.12
Margin money	<b>172.74</b>	163.79
<b>Total, Non Current Other Financial Assets</b>	<b>578.71</b>	<b>587.65</b>

**Note 9 : Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Mat Credit Entitlement	<b>4,015.31</b>	5,677.65
<u>Deferred Tax (Net)</u>		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	<b>(4,210.61)</b>	(4,211.20)
	<b>(4,210.61)</b>	(4,211.20)
Deferred Tax Assets		
i) On employee benefit obligations	<b>1,870.63</b>	1,710.18
ii) On provision for doubtful debts	<b>90.98</b>	254.30
iii) On provision for doubtful advances	<b>161.76</b>	161.76
	<b>2,123.37</b>	2,126.24
<b>Total, Deferred Tax Assets (Net)</b>	<b>1,928.07</b>	<b>3,592.69</b>

**Movement in Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>MAT Credit Entitlement</i>	<i>Deferred Tax Assets</i>			<i>Deferred Tax Liabilities</i>		<i>Net Total</i>
		<i>Employee benefit obligation</i>	<i>Provisions</i>	<i>Total</i>	<i>Property, Plant and equipment and investment property</i>	<i>Total</i>	
<b>At April 1, 2019</b>	5,291.84	1,501.22	492.41	1,993.63	3,731.25	3,731.25	3,554.22
(Charged)/credited:							
to profit or loss	385.81	110.26	(76.35)	33.91	479.95	479.95	(60.23)
to other	–	98.70	–	98.70	–	–	98.70
comprehensive income	–	–	–	–	–	–	–
to Deferred tax on basis adjustment	–	–	–	–	–	–	–
<b>At March 31, 2020</b>	<b>5,677.65</b>	<b>1,710.18</b>	<b>416.06</b>	<b>2,126.24</b>	<b>4,211.20</b>	<b>4,211.20</b>	<b>3,592.69</b>
(Charged)/credited:							
to profit or loss	–	<b>114.26</b>	<b>(163.32)</b>	<b>(49.06)</b>	<b>(0.59)</b>	<b>(0.59)</b>	<b>(48.47)</b>
to other	–	<b>46.19</b>	–	<b>46.19</b>	–	–	<b>46.19</b>
comprehensive income	–	–	–	–	–	–	–
to Deferred tax on basis adjustment	<b>(1,662.34)</b>	–	–	–	–	–	<b>(1,662.34)</b>
<b>At March 31, 2021</b>	<b>4,015.31</b>	<b>1,870.63</b>	<b>252.74</b>	<b>2,123.37</b>	<b>4,210.61</b>	<b>4,210.61</b>	<b>1,928.07</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 10 : Income Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening balance	<b>924.02</b>	918.11
Add : Taxes paid (net)	<b>1,974.97</b>	391.71
Less : Current Tax payable for the year	<b>(3,847.37)</b>	(385.81)
Add/Less : Assessment Completed / Adjustments	<b>1,662.34</b>	–
<b>Closing balance</b>	<b>713.96</b>	<b>924.01</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2021 and March 31, 2020

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Income Tax Assets	<b>713.96</b>	924.01
Income Tax Liabilities	–	–
<b>Net current income tax assets / (liability) at the end</b>	<b>713.96</b>	<b>924.01</b>

**Note 11 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Capital Advance	<b>1,329.38</b>	770.34
Pre-Paid Expenses	<b>32.70</b>	4.17
Sales Tax Receivable	<b>734.00</b>	795.56
Advance - Others	<b>2.95</b>	2.95
<b>Total, Other Non Current Assets</b>	<b>2,099.03</b>	<b>1,573.02</b>

**Note 12 : Inventories**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<u>Inventories</u>		
Raw and Packing Materials	<b>13,664.18</b>	11,930.50
Work in Progress	<b>3,905.36</b>	2,636.94
Finished Goods	<b>4,442.38</b>	4,491.70
Stock in Trade	<b>1,005.75</b>	1,011.80
Stores and Spares	<b>763.58</b>	753.05
<b>Total, Inventories</b>	<b>23,781.25</b>	<b>20,823.99</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 2,020.74 lakhs (March 31, 2020 – INR 1,325.10 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 13 : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Trade Receivables</b>		
<u>Unsecured</u>		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	5,737.06	5,775.33
Considered Doubtful	260.35	727.74
	5997.41	6503.07
Less: Provision for doubtful debts	(260.35)	(727.74)
	5737.06	5775.33
Other Debts - Considered Good	17,620.75	15,142.37
<b>Total, Trade Receivables</b>	<b>23,357.81</b>	<b>20,917.70</b>
Current Portion	23,357.81	20,917.70
Non-current Portion	—	—

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Secured, considered good	—	—
Unsecured, considered good	23,357.81	20,917.70
Considered Doubtful	260.35	727.74
<b>Total</b>	<b>23,618.16</b>	<b>21,645.44</b>
Allowance for doubtful trade receivables	(260.35)	(727.74)
<b>Total, Trade Receivables</b>	<b>23,357.81</b>	<b>20,917.70</b>

Refer Note 45 for information about credit risk and market risk of trade receivables.

**Note 14 : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Cash and Cash Equivalents</b>		
(i) Cash on hand	5.41	9.61
(ii) Balances with Banks		
In Current Accounts	849.54	1,983.80
In EEFC Accounts	—	295.02
In Fixed Deposit	58.05	59.65
<b>Total, Cash and Cash Equivalents</b>	<b>913.00</b>	<b>2,348.08</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 15 : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
In Earmarked Accounts		
Unpaid Dividend Accounts	25.24	27.66
Margin Money	466.81	1,389.22
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>492.05</b>	<b>1,416.88</b>

**Note 16 : Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Unsecured, Considered Good		
Loan to Employees	39.81	37.71
<b>Total, Current Financial Assets - Loans</b>	<b>39.81</b>	<b>37.71</b>

**Note 17 : Current Financial Assets - Others**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Tender Deposits	59.60	71.89
Mark to Market Gain (Net) on financial instruments	210.04	299.74
Insurance claim receivable	4.81	-
Franking Advance	0.13	0.15
<b>Total, Current Financial Assets - Others</b>	<b>274.58</b>	<b>371.78</b>

**Note 18 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Advances to Suppliers	2,065.05	1,142.89
Pre-paid Expenses	863.11	536.52
Employee Advances	338.76	97.33
Receivable - Others	106.69	21.32
Receivable From OPC Assets	4.64	53.26
Balance with Statutory / Government Authorities	9,958.10	8,408.94
<b>Total, Other Current Assets</b>	<b>13,336.35</b>	<b>10,260.26</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Authorised</b>		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Paid up:</b>		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/- each) fully paid up.	<b>1,843.01</b>	1,843.01

<b>A) Reconciliation of number of ordinary shares outstanding</b>	<i>March 31, 2021</i> <i>Equity Shares</i>		<i>March 31, 2020</i> <i>Equity Shares</i>	
	<i>Number</i>	<i>(₹ lakhs)</i>	<i>Number</i>	<i>(₹ lakhs)</i>
Shares outstanding at the beginning of the year	<b>92,150,355</b>	<b>1,843.01</b>	92,150,355	1,843.01
Less : Adjustments	-	-	-	-
Add: Issue of Bonus shares	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>9,21,50,355</b>	<b>1,843.01</b>	9,21,50,355	1,843.01

<b>B) Details of Shares held by each shareholder holding more than 5% shares</b>	<i>March 31, 2021</i>		<i>March 31, 2020</i>	
	<i>No of Shares held @ ₹ 2/- per share</i>	<i>% holding in that class of Shares</i>	<i>No of Shares held @ ₹ 2/- per share</i>	<i>% holding in that class of Shares</i>
<u>Equity Shares with voting rights :</u>				
i) Spa Holdings Pvt Ltd	<b>18,335,000</b>	<b>19.90%</b>	18,335,000	19.90%
ii) Shanteri Investment Pvt Ltd	<b>15,771,755</b>	<b>17.12%</b>	15,771,755	17.12%
iii) Aditi Panandikar	<b>5,559,013</b>	<b>6.03%</b>	5,559,013	6.03%
iv) Madhura Ramani	<b>5,184,079</b>	<b>5.63%</b>	5,184,079	5.63%
v) Aruna Suresh Kare	<b>4,794,714</b>	<b>5.20%</b>	4,794,714	5.20%
vi) Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund	<b>6,120,964</b>	<b>6.64%</b>	6,097,774	6.62%

**C) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2021, the amount of ₹ 1.50 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 0.30 per share on face value of ₹ 2 declared and paid to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 20 : Other Equity**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Capital Reserve	0.02	0.02
Securities Premium	6,420.93	6,420.93
General Reserve	25,817.64	25,817.64
Retained Earnings	42,811.28	33,934.51
<b>Total, Other Equity</b>	<b>75,049.87</b>	<b>66,173.10</b>

**(i) Capital Reserve**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening Balance	0.02	0.02
Additions	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

**(ii) Securities Premium**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening Balance	6,420.93	6,420.93
Additions	–	–
<b>Closing balance</b>	<b>6,420.93</b>	<b>6,420.93</b>

**(iii) General Reserve**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening balance	25,817.64	25,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	–	–
<b>Closing balance</b>	<b>25,817.64</b>	<b>25,817.64</b>

**(iv) Retained Earnings**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening balance	33,934.51	32,026.72
Add : Net Profit / (Loss) for the Year	9,239.20	2,424.82
Add : Other Comprehensive Income for the year	(85.98)	(183.75)
Amount available for appropriation	43,087.73	34,267.79
Less : Dividend paid	(276.45)	(276.45)
Less : Dividend Tax	–	(56.83)
<b>Closing balance</b>	<b>42,811.28</b>	<b>33,934.51</b>

The description of the nature and purpose of each reserve within equity as follows :

**Capital Reserve :**

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

**Securities Premium :**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**General Reserve :**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**Retained Earnings :**

Retained Earnings are the profits that the Group has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders.

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**Note 21 : Non-Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21 (i)	<b>3,161.87</b>	6,361.87
Indian rupee loan	Note No. 21 (ii)	<b>11,026.34</b>	9,206.16
Vehicle Loan from Bank	Note No. 21 (iii)	–	5.05
Interest accrued but not due	Note No. 26	<b>98.35</b>	109.58
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>14,286.56</b>	<b>15,682.66</b>
Less: Current maturities of long-term debt (included in note 26)		<b>(4,494.29)</b>	(5,880.08)
Less: Interest accrued (included in note 26)		<b>(98.35)</b>	(109.58)
<b>Total, Non-Current Borrowings</b>		<b>9,693.92</b>	<b>9,693.00</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211 , Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205. (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

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**Note 21 : Non-Current Financial Liabilities - Borrowings : Contd.**

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	3.40 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26,A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27,A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of Euro 1,87,500 each commencing from January 13, 2020 ending on October 11, 2023. The amount is payable in the month of January, April, July and October of each year.
	Rate of Interest	7.61 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26, A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27,A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings : Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal instalments of ₹ 83,33,000/- each and 60th instalment of ₹ 83,53,000/- commencing from January 14, 2020, ending on May 14, 2025.
	Rate of Interest	7.50% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 35,00,00,000/-
	Terms of Repayment	The o/s Term Loan is Repayable in 20 equal monthly instalments of ₹ 64,97,750/- each and last instalment of ₹ 64,93,205/- ending on May 19, 2022.
	Rate of Interest	8.00% p.a.
	Nature of Security	Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 38,00,00,000/-
	Amount Availed	₹ 37,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal instalments of ₹ 61,66,667/- each and 60th instalment of ₹ 61,66,647/- commencing from May, 2021, ending on April, 2026.
	Rate of Interest	8.00% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings : Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-
	Amount Availed	₹ 22,50,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 60 monthly equal instalments of ₹ 37,50,000/- each commencing from Dec, 2022, ending on Nov, 2027.
	Rate of Interest	8.00% p.a.
	Nature of Security	1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722. Exclusive charge on immovable fixed assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21 (ii)	Citi Bank	
	Amount Sanctioned	₹ 60,00,00,000/-
	Terms of Repayment	The O/s Term Loan is Repayable in 2 equal quarterly instalments of ₹ 3,95,83,333/- each. Amount is due on April 15,2020 and July 15, 2020. The loan has been fully repaid in current year.
	Rate of Interest	9.50 % p.a.
	Nature of Security	The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L- 32 /33/34, Verna Industrial Area, Verna ,Salcete Goa – 403 722.
21 (iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly instalments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020. The loan has been fully repaid in current year.
	Rate of Interest	9.71 % p.a.
	Nature of Security	The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 22 : Non Current Other Financial Liabilities**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Unsecured</b>		
Security Deposit	<b>732.89</b>	732.89
Deposit Others	<b>10.28</b>	0.25
Lease Liability (refer note no. 39)	<b>700.52</b>	549.10
<b>Total, Non Current Other Financial Liabilities</b>	<b>1,443.69</b>	<b>1,282.24</b>

**Note 23 : Non Current Provisions**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	<b>1,213.29</b>	979.86
Gratuity (refer note no. 38)	<b>1,559.27</b>	1,342.47
<b>Total, Non Current Provisions</b>	<b>2,772.56</b>	<b>2,322.33</b>

**Note 24 : Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Secured (Refer Note below)</b>			
Loans from Banks			
Cash Credit Facility	Note No. 24 (i)	<b>2,165.20</b>	2,062.76
Packing Credit in Rupee	Note No. 24 (iii)	<b>1,000.00</b>	1,000.00
Working Capital Demand Loan	Note No. 24 (iv)	–	520.68
Buyer's Credit	Note No. 24 (vi)	–	96.37
Interest accrued		<b>24.56</b>	54.61
<b>Unsecured</b>			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24 (ii)	<b>2,215.07</b>	1,013.44
Packing Credit in Rupee	Note No. 24 (iii)	<b>1,850.00</b>	2,000.00
Working Capital Demand Loan	Note No. 24 (iv)	<b>1,377.55</b>	2,400.00
Short Term Loan	Note No. 24 (v)	<b>3,000.00</b>	1,450.00
<b>Total, Current Financial Liabilities - Borrowings</b>		<b>11,632.38</b>	<b>10,597.86</b>

Note : Cash Credit, Packing Credit in Rupee, Buyer's Credit and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24 : Current Financial Liabilities - Borrowings : Contd.**

Note No.	Type of Loan	Repayment and Rate of Interest
24 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.15% p.a. to 10.15% p.a. (Previous year @ 8.65 % p.a. to 10.15 % p.a.)
24 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR +1% BPS to 1.65% BPS. (Previous year LIBOR + 1% BPS to 1.70% BPS)
24 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 5.60% p.a. to 7.60% p.a. (Previous Year @ 7.75% p.a. to 8.50% p.a.)
24 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 6.50% p.a. to 7.90% p.a. (Previous year 7.50% p.a. to 8.75% p.a.)
24 (v)	Short Term Loan	Is repayable on demand and carries interest @ 5.95% p.a. to 7.75% p.a. (Previous year 7.75% p.a. to 9.00% p.a.)
24 (vi)	Buyer's Credit	Is repayable on completion of the tenure. The interest payable on the facility is LIBOR + 1% (Previous Year LIBOR + 75 BPS to 150 BPS)

**Note 25 : Trade Payables**

Particulars	March 31, 2021	March 31, 2020
Total Outstanding Dues of Micro and Small Enterprises (refer note no. 50)	0.59	1.19
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	11,500.98	16,628.10
<b>Total, Trade Payables</b>	<b>11,501.57</b>	<b>16,629.29</b>

**Note 26 : Current Other Financial Liabilities**

Particulars	March 31, 2021	March 31, 2020
<b>Secured</b>		
Term Loans from Banks		
Indian Rupee loan	2,458.02	2,571.36
Vehicle Loan	–	5.05
Foreign Currency loan -ECB / FCNR(B)	2,036.27	3,303.67
Interest accrued	98.35	109.58
Unclaimed Dividend (*)	25.24	27.66
<b>Unsecured</b>		
Deposit Payable - Others	0.75	0.75
Lease Liability (refer note no. 39)	54.49	51.75
Other Current Liabilities	7,602.75	6,289.25
<b>Total, Current Other Financial Liabilities</b>	<b>12,275.87</b>	<b>12,359.07</b>

\* Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.



**Notes (Standalone)**  
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**Note 27 : Current Provisions**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	227.04	308.50
Gratuity (refer note no. 38)	945.61	874.74
Bonus	1,027.73	1,099.20
Sales Return	2,487.75	2,872.52
<b>Total, Provisions</b>	<b>4,688.13</b>	<b>5,154.96</b>

- (i) Information about individual provisions and significant estimates

**Sales Returns**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,543.95 lakhs as at March 31, 2021 (March 31, 2020 - INR 1,933.72 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

- (ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

<i>Particulars</i>	<i>Sales Return</i>
<b>As at April 1, 2020</b>	<b>2,872.52</b>
Charged/(credited) to profit or loss	
provision for current year	1,543.95
provision of earlier years utilised as against returns of current year	(1,928.72)
<b>As at March 31, 2021</b>	<b>2,487.75</b>
<b>As at April 1, 2019</b>	<b>2,428.81</b>
Charged/(credited) to profit or loss	
provision for current year	1,933.72
provision of earlier years utilised as against returns of current year	(1,490.01)
<b>As at March 31, 2020</b>	<b>2,872.52</b>

**Note 28 : Other Current Liabilities**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Advance from Customer	305.35	642.97
Statutory Dues Payable	450.44	533.19
<b>Total, Other Liabilities</b>	<b>755.79</b>	<b>1,176.16</b>

**Notes (Standalone)**  
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**Note 29 : Revenue from operations**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Sale of Product		
Domestic Sales	<b>66,269.48</b>	71,446.85
Export Sales	<b>48,428.75</b>	29,737.08
	<b>1,14,698.23</b>	1,01,183.93
Sale of Services		
Export Services	<b>5,834.76</b>	5,694.42
Domestic Services	<b>1,205.31</b>	1,060.57
	<b>7,040.07</b>	6,754.99
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	<b>1,048.17</b>	1,524.02
Export Incentives	<b>1,210.58</b>	1,100.61
Scrap Sale	<b>33.24</b>	35.94
	<b>2,291.99</b>	2,660.57
<b>Total, Revenue from Operations (Gross)</b>	<b>1,24,030.29</b>	<b>1,10,599.49</b>

Note : As per Ind AS 115, revenue is reported net of GST.

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,543.95 lakhs as at March 31, 2021 (March 31, 2020 - INR 1,933.72 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Additional disclosures as required by Ind AS 115**

**Disaggregate revenue information**

The table below presents disaggregated revenue information from contracts with customers for the year ended 31<sup>st</sup> March 2021. The company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>Formulation :</b>		
Domestic	<b>61,898.40</b>	68,624.09
Export		
Regulated Market :	<b>39,984.66</b>	21,753.96
Emerging Market :	<b>9,250.65</b>	7,871.94
<b>Export, Total</b>	<b>49,235.31</b>	<b>29,625.90</b>
<b>Formulation, Total (a)</b>	<b>1,11,133.71</b>	<b>98,249.99</b>
API (b)	<b>9,397.96</b>	8,600.61
CRO & Analytical Services (c)	<b>1,206.63</b>	1,088.32
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>1,21,738.30</b>	<b>1,07,938.92</b>
Other Operating Revenue	<b>2,291.99</b>	2,660.57
<b>Total, Income from Operation</b>	<b>1,24,030.29</b>	<b>1,10,599.49</b>

**Performance obligations**

- Significant payment terms  
In case of Domestic Sales, payment terms range from 7 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance - 30 days to 120 days, Letters of Credit - 30 days to 120 days.
- Obligations for returns, refunds and similar obligations  
In case of domestic sales, sales return may take place anytime before / after the expiry of goods.

**Notes (Standalone)**  
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**Note 30 : Other Income**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Interest Received	<b>78.49</b>	123.53
Sundry Balance w/back	<b>167.53</b>	7.77
Sundry Receipts	<b>62.47</b>	109.03
Dividend Received	<b>0.63</b>	0.02
Profit on Sale of Fixed Assets	<b>2.10</b>	2.63
<b>Total, Other Income</b>	<b>311.22</b>	<b>242.98</b>

**Note 31a : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Raw / Packing Materials :		
Opening Stock	<b>11,930.50</b>	10,246.57
Add : Purchases	<b>32,049.61</b>	27,952.15
Less : Closing Stock	<b>(13,664.18)</b>	(11,930.50)
<b>Total, Cost of Material Consumed</b>	<b>30,315.93</b>	<b>26,268.22</b>

**Note 31b : Purchase of Stock in Trade**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Purchase of Stock in Trade	<b>6,303.72</b>	7,579.66
<b>Total, Purchase of Stock in Trade</b>	<b>6,303.72</b>	<b>7,579.66</b>

**Note 31c : Changes in Inventories**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	<b>4,491.70</b>	3,729.42
Op.Stock - Stock in Trade	<b>1,011.80</b>	1,113.60
Op.Stock - WIP	<b>2,636.94</b>	2,492.39
	<b>8,140.44</b>	7,335.41
Inventories at the end of the year		
Cl.Stock - Finished Goods	<b>(4,442.38)</b>	(4,491.70)
Cl.Stock - Stock in Trade	<b>(1,005.76)</b>	(1,011.80)
Cl.Stock - WIP	<b>(3,905.36)</b>	(2,636.94)
	<b>(9,353.50)</b>	(8,140.44)
<b>Total, Changes in Inventories</b>	<b>(1,213.06)</b>	<b>(805.03)</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
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**Note 32 : Employee Benefits Expenses**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Salaries, Wages and Bonus (refer note no. 38)	<b>23,793.35</b>	21,630.02
Contribution to Provident and Other Funds (refer note no. 38)	<b>2,125.79</b>	2,027.59
Staff Welfare Expenses	<b>1,368.70</b>	1,873.96
<b>Total, Employee benefit expense</b>	<b>27,287.84</b>	<b>25,531.57</b>

**Note 33 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
R&D Employee Cost	<b>2,415.30</b>	2,287.05
Other R&D Expenses	<b>3,555.06</b>	2,683.16
<b>Total, Research &amp; Development Expenses</b>	<b>5,970.36</b>	<b>4,970.21</b>

**Note 34 : Depreciation, Amortisation and Impairment Expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Depreciation of Property, Plant and Equipment	3	<b>4,917.03</b>	4,732.92
Amortisation of Right-of-use assets	4	<b>57.44</b>	16.27
Amortisation of Intangible Assets	5	<b>2,337.58</b>	2,045.09
Impairment of Assets	5	–	286.84
<b>Total, Depreciation, Amortisation and Impairment Expenses</b>		<b>7,312.05</b>	<b>7,081.12</b>

**Notes (Standalone)**  
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**Note 35 : Other Expenses**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Consumable Stores	553.66	464.14
Job Work Charges	1,048.79	1,025.19
Power and Fuel	3,689.10	3,474.62
Rent, Rates, Taxes	499.96	513.21
Insurance	257.89	179.56
Repairs :		
Building	137.08	156.25
Plant and Machinery	1,269.94	1,156.29
Others	1,597.83	1,636.46
	<b>3,004.85</b>	2,949.00
Packing and Delivery Expenses	3,607.75	3,320.66
Analytical Expenses	2,452.58	2,051.96
Advertising and Sales Promotion Expenses	4,354.86	5,214.80
Commission and Incentives on sales	3,246.99	3,713.05
Travelling, Conveyance and Motor Car Expenses	3,677.17	5,603.77
Legal and Professional Fees	1,382.80	2,715.87
Director's Sitting Fees	22.40	17.40
Postage, Telephone and Telex Expenses	91.01	105.60
Printing and Stationery Expenses	273.20	362.73
Payments to Auditors (refer note no. 35(a))	15.92	14.45
Loss on sale of Assets	26.44	25.29
Provision for Doubtful Debts	126.86	17.66
Bad Debts written off		
Bad Debts written off	1,652.98	801.68
Less : Transfer from Provision for Doubtful Debts	(594.26)	(236.15)
	<b>1,058.72</b>	565.53
Corporate Social Responsibility (refer note no. 35(b))	62.71	92.91
Miscellaneous Expenses	3,554.33	2,293.26
<b>Total, Other Expenses</b>	<b>33,007.99</b>	<b>34,720.66</b>

**Notes (Standalone)**  
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**Note 35(a) : Details of payments to Auditors**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	<b>9.00</b>	7.25
Tax Audit Fees under GST	<b>4.25</b>	4.25
<b>In other capacities :</b>		
Certification fees	<b>2.63</b>	2.16
Re-imburement of expenses	<b>0.04</b>	0.79
<b>Total, Payment to Auditors</b>	<b>15.92</b>	<b>14.45</b>

**Note 35(b) : Corporate social responsibility expenditure**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>Contribution to :</b>		
Promoting Education	–	15.78
Preventive Healthcare	<b>2.95</b>	–
Promoting & Development of Traditional Arts	–	0.50
Contribution of Free Medicine	<b>15.40</b>	39.85
Covid-19	<b>44.36</b>	10.00
Employment enhancing vocational skills	–	26.78
<b>Total</b>	<b>62.71</b>	<b>92.91</b>
Amount required to be spent as per Section 135 of the Act *	<b>45.00</b>	87.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	<b>62.71</b>	<b>92.91</b>

**Note 36 : Finance Cost**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Interest Expense	<b>2,099.87</b>	2,296.48
Other Financial charges	<b>105.56</b>	132.24
Exchange Gain / Loss (Net)	<b>16.21</b>	262.68
	<b>2,221.64</b>	<b>2,691.40</b>
Less : Amount capitalised (see note below)	–	(66.20)
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>2,221.64</b>	<b>2,625.20</b>

Note : Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with IND AS 23.  
Finance cost includes element of lease arrangement note no. 39.

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 37 : Income Tax Expense**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>(a) Statement of Profit and Loss :</b>		
<b>Profit or Loss section :</b>		
<b>Current Income Tax :</b>		
Current Income Tax Charge	3,847.37	385.81
Tax in respect of earlier years	–	–
<b>Total, Current Income Tax</b>	<b>3,847.37</b>	<b>385.81</b>
<b>Deferred tax section :</b>		
Origination and reversal of timing difference	48.47	446.04
MAT Credit Adjustments	–	(385.81)
<b>Total, Deferred tax expense/(benefit)</b>	<b>48.47</b>	<b>60.23</b>
<b>Tax expense reported in the statement of Profit and Loss</b>	<b>3,895.84</b>	<b>446.04</b>
<b>Other Comprehensive income section :</b>		
Tax related to items recognised in OCI during the year :		
Net loss/(gain) on remeasurements of defined benefit plans	(46.19)	(98.70)
<b>Tax charged to OCI</b>	<b>(46.19)</b>	<b>(98.70)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Profit / (Loss) from continuing operations before income tax expense	13,135.04	2,870.86
Profit from discontinuing operation before income tax expense	–	–
	<b>13,135.04</b>	<b>2,870.86</b>
<b>Tax at the Indian tax rate of 34.944% (2019-2020 – 34.944%)</b>	<b>4,589.91</b>	<b>1,003.19</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(42.24)	(693.06)
Other items	(7.42)	39.45
Tax losses for which no deferred income tax was recognised	(644.41)	96.46
<b>Income tax expense</b>	<b>3,895.84</b>	<b>446.04</b>
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>3,895.84</b>	<b>446.04</b>



## Notes (Standalone) on financial statements for the year ended March 31, 2021 (All amounts in INR lakhs, unless otherwise stated)

### Note 38 : Employee benefit obligations

As required by IND AS 19 'Employee benefits' the disclosures are as under :

#### (i) Defined benefit plans

##### a. Leave obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 227.04 lakhs (March 31, 2020 – INR 308.50 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and therefore provision is made on the basis of actuarial valuation obtained.

##### b. Post-employment obligations

##### i. Gratuity

The company provides for gratuity for employees in India 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 recognized funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### (ii) Defined contribution plans

##### a. Provident Fund

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident 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 recognized during the period towards defined contribution plan is INR 1,522.95 lakhs (March 31, 2020 – INR 1,403.95 lakhs).

##### b. Superannuation

The company contributed INR 82.84 lakhs (March 31, 2020 - INR 74.92 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

#### (iii) Balance sheet amounts – Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

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**Note 38 : Employee benefit obligations : Contd.**

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>
Current service cost	269.14	–	269.14
Past Service Cost	–	–	–
Interest expense/(income)	138.97	(9.39)	129.58
<b>Total amount recognized in Consolidated Statement of Profit &amp; Loss</b>	<b>408.11</b>	<b>(9.39)</b>	<b>398.72</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	17.97	17.97
Net Actuarial (Gain)/loss - Due to change in demographic assumptions	(6.60)	–	(6.60)
Net Actuarial (Gain)/loss - Due to change in financial assumptions	170.46	–	170.46
Net Actuarial (Gain)/loss - Due to experience changes	100.63	–	100.63
<b>Total amount recognized in other comprehensive income</b>	<b>264.49</b>	<b>17.97</b>	<b>282.46</b>
Employer contributions	–	(129.59)	(129.59)
Benefit payments	(223.14)	223.14	–
<b>March 31, 2020</b>	<b>2235.74</b>	<b>(18.53)</b>	<b>2217.21</b>

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2020</b>	<b>2,235.74</b>	<b>(18.53)</b>	<b>2,217.21</b>
Current service cost	269.54	–	269.54
Past Service Cost	–	–	–
Interest expense/(income)	152.47	(1.26)	151.21
<b>Total amount recognized in Consolidated Statement of Profit &amp; Loss</b>	<b>422.01</b>	<b>(1.26)</b>	<b>420.75</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	4.83	4.83
Net Actuarial (Gain)/loss - Due to change in demographic assumptions	–	–	–
Net Actuarial (Gain)/loss - Due to change in financial assumptions	(8.77)	–	(8.77)
Net Actuarial (Gain)/loss - Due to experience changes	136.11	–	136.11
<b>Total amount recognized in other comprehensive income</b>	<b>127.34</b>	<b>4.83</b>	<b>132.17</b>
Employer contributions	–	(265.25)	(265.25)
Benefit payments	(219.91)	219.91	–
<b>March 31, 2021</b>	<b>2,565.18</b>	<b>(60.30)</b>	<b>2,504.88</b>

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

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Present value of funded obligations	2,565.18	2,235.74
Fair value of plan assets	(60.30)	(18.53)
<b>Deficit of funded plan</b>	<b>2,504.88</b>	<b>2,217.21</b>
Unfunded plans	–	–
<b>Deficit of gratuity plan</b>	<b>2,504.88</b>	<b>2,217.21</b>

**Notes (Standalone)**  
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**Note 38 : Employee benefit obligations : Contd.**

(iv) **Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.86%	6.82%
Attrition rate	For service 4 years and below 20.00% p.a. For service 5 years and above 4.00% p.a.	For service 4 years and below 20.00% p.a. For service 5 years and above 4.00% p.a.
Salary growth rate	5.00%	5.00%

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	1%	1%	-	-	203.25	177.05
Discount rate	-1%	-1%	236.20	205.80	-	-
Salary growth rate	1%	1%	238.20	207.50	-	-
Salary growth rate	-1%	-1%	-	-	208.43	181.50
Attrition rate	1%	1%	28.10	23.70	-	-
Attrition rate	-1%	-1%	-	-	32.62	27.48

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) **The major categories of plans assets are as follows:**

Particulars	March 31, 2021	March 31, 2020
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	60.30	18.53
<b>Total</b>	<b>60.30</b>	<b>18.53</b>

(vii) **Maturity profile of projected benefit obligation (from fund) :**

Particulars	March 31, 2021	March 31, 2020
1st following year	236.15	203.57
2nd following year	158.96	149.53
3rd following year	180.76	158.25
4th following year	188.74	170.95
5th following year	186.52	163.17
Sum of years 6 to 10	1,114.21	905.29
Sum of years 11 and above	3,301.05	2,902.83

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**Note 39 : Leases**

- (a) Following are the changes in the Carrying value of Right to Use of Assets :

Particulars	Category of ROU Assets				
	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	Total
<b>Balance as at March 31, 2019</b>	–	–	–	–	–
Additions during the year	242.66	141.68	157.62	0.82	542.78
Depreciation charge during the year	(7.47)	(6.36)	(2.29)	(0.15)	(16.27)
<b>Balance as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>
<b>Balance as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>
Additions during the year	150.11	54.54	–	–	204.65
Depreciation charge during the year	(26.79)	(19.88)	(10.50)	(0.27)	(57.44)
<b>Balance as at March 31, 2021</b>	<b>358.51</b>	<b>169.98</b>	<b>144.83</b>	<b>0.40</b>	<b>673.72</b>

The aggregate depreciation expenses on Right to Use of Assets is included under Deprecation, Amortisation and Impairment Expenses in the Statement of Profit and Loss.

- (b) The following is the break-up of Current and Non-Current Lease Liabilities :

Particulars	March 31, 2021	March 31, 2020
Current Lease Liabilities (refer note no. 26)	54.49	51.75
Non Current Lease Liabilities (refer note no. 22)	700.52	549.10
<b>Total, Lease Liabilities</b>	<b>755.01</b>	<b>600.85</b>

- (c) Following is the movement in Lease Liabilities :

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	600.85	–
Additions during the year	233.57	623.72
Finance cost accrued during the year	65.60	12.28
Payment of Lease Liabilities	(145.01)	(35.15)
<b>Balance at the end of the year</b>	<b>755.01</b>	<b>600.85</b>

- (d) The following is a summary of future minimum lease rental commitments towards Finance Leases

Particulars	March 31, 2021		March 31, 2020	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	125.36	54.49	107.11	51.75
Due in a period between one year and five years	573.38	360.65	408.28	232.34
Due after five years	432.41	339.87	407.06	316.76
<b>Total minimum lease commitments</b>	<b>1,131.15</b>	<b>755.01</b>	<b>922.45</b>	<b>600.85</b>
Less : Interest	(376.14)		(321.60)	
<b>Present value of minimum lease commitments</b>	<b>755.01</b>		<b>600.85</b>	

**Notes (Standalone)**  
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**Note 40: Fair value measurement**

<i>Financial instruments by category</i>	<i>March 31, 2021</i>		<i>March 31, 2020</i>	
	<i>FVPL</i>	<i>Amortised Cost</i>	<i>FVPL</i>	<i>Amortised Cost</i>
<b>Financial Assets</b>				
Investments				
Equity instruments	<b>2.10</b>		2.10	
Trade receivables		<b>23,357.81</b>		20,917.70
Non Current Other Financial assets		<b>578.71</b>		587.65
Cash and cash equivalents		<b>913.00</b>		2,348.08
Bank balances other than cash and cash equivalents		<b>492.05</b>		1,416.88
Current Other Financial Assets		<b>274.58</b>		371.78
<b>Total Financial Assets</b>	<b>2.10</b>	<b>25,616.15</b>	<b>2.10</b>	<b>25,642.09</b>
<b>Financial Liabilities</b>				
Bank Borrowings		<b>25,918.94</b>		26,280.52
Non Current Other Financial Liabilities		<b>1,443.69</b>		1,282.24
Current Other Financial Liabilities		<b>7,683.23</b>		6,369.40
Trade Payables		<b>11,501.57</b>		16,629.29
<b>Total Financial Liabilities</b>	<b>-</b>	<b>46,547.43</b>	<b>-</b>	<b>50,561.45</b>

**Fair value hierarchy**

**Level 1** :Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2** : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

<i>Financial assets and liabilities measured at fair value</i>	<i>March 31, 2021</i>			<i>March 31, 2020</i>		
	<i>Level</i>			<i>Level</i>		
	<i>I</i>	<i>II</i>	<i>III</i>	<i>I</i>	<i>II</i>	<i>III</i>
<b>Financial Assets</b>						
Investments						
Equity instruments		<b>2.10</b>			2.10	
<b>Total Financial Assets</b>	<b>-</b>	<b>2.10</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>-</b>

**Notes (Standalone)**  
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**Note 41 : Capital management**

**(a) Risk management**

The company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The company's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Net Debt	<b>25,005.93</b>	23,932.45
Equity	<b>76,892.88</b>	68,016.11
<b>Net debt to equity ratio</b>	<b>32.5%</b>	<b>35.2%</b>

**(b) Dividends**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2020 of INR 0.30 (March 31, 2019 of INR 0.30) per fully paid share	<b>276.45</b>	276.45
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 1.50 per fully paid equity share (March 31, 2020 – INR 0.30). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	<b>1,382.26</b>	276.45

## Notes (Standalone) on financial statements for the year ended March 31, 2021 (All amounts in INR lakhs, unless otherwise stated)

### Note 42 : Segment Information

#### (a) Description of segments and principal activities

The company has only one reporting segment of its business i.e. Pharmaceutical, wherein the Company's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

#### (b) Adjusted EBITDA

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the company.

Particulars	March 31, 2021	March 31, 2020
<b>Total adjusted EBITDA</b>	<b>22,357.51</b>	<b>12,334.20</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	Note No	March 31, 2021	March 31, 2020
<b>Total adjusted EBITDA</b>		<b>22,357.51</b>	<b>12,334.20</b>
Finance costs	36	2,221.64	2,625.20
Other Income	30	(311.22)	(242.98)
Dividend income from investments		–	–
Depreciation and Amortisation Expense	34	7,312.05	7,081.12
<b>Profit before income tax from continuing operations</b>		<b>13,135.04</b>	<b>2,870.86</b>

#### (c) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

##### Geographical :

Particulars	March 31, 2021			March 31, 2020		
	India	Outside India	Total	India	Outside India	Total
Revenue from External Customers	67,474.79	54,263.51	1,21,738.30	72,507.42	35,431.50	1,07,938.92
Non Current Assets (*)	65,900.36	–	65,900.36	65,605.08	–	65,605.08

\* Excluding financial assets, deferred & current tax assets

##### Product :

Particulars	March 31, 2021	March 31, 2020
Revenue from Product	1,14,698.23	1,01,183.93
Revenue from Services	7,040.07	6,754.99
<b>Total, Revenue</b>	<b>1,21,738.30</b>	<b>1,07,938.92</b>

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**Note 43 : Events occurring after the reporting period**

**Other events**

Refer to note 41 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 44 : Earnings Per Share**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit / (Loss) for the year	<b>9,239.20</b>	2,424.82
Weighted average numbers of equity shares	<b>9,21,50,355</b>	9,21,50,355
<b>Basic &amp; Diluted Earnings Per Share (₹ 2/-)</b>	<b>10.03</b>	<b>2.63</b>

**Note: 45 - 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 strategies. The Company's financial risk management policy is set by the Audit Committee of the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

**Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 45 : FINANCIAL RISK MANAGEMENT : Contd.**

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Exposure to interest rate risk**

(₹ in lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Short Term Borrowings	<b>11,632.38</b>	10,597.86
Long Term Borrowings	<b>14,286.56</b>	15,682.66
Total Borrowings	<b>25,918.94</b>	<b>26,280.52</b>
% of Borrowings out of above bearing variable rate of Interest	<b>44.88%</b>	40.33%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on Profit before Tax**

(₹ in lakhs)

	2020-21	2019-20
50 BPS increase would decrease the Profit before Tax by	<b>58.16</b>	52.99
50 BPS decrease would (increase) the Profit before Tax by	<b>(58.16)</b>	(52.99)

**Market Risk- Foreign currency risk.**

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF,JPY,CNY which exposes the company to foreign currency risk to minimise the risk of imports, the company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

**Derivative instruments and unhedged foreign currency exposure**

(a) **Derivative outstanding as at the reporting date**

(Foreign currency In lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	151.97	USD	150.08
Forward Contract to Buy USD	USD	21.50	USD	–
Forward Contract to Sell EURO	EURO	142.50	EURO	61.25
Forward Contract to Buy EURO	EURO	11.25	EURO	11.25
Forward Contract to Sell GBP	GBP	214.51	GBP	142.75
Forward Contract to BUY GBP	GBP	7.62	GBP	22.86
Swaps				
FCNR ( B)	USD	9.34	USD	28.03
ECB	USD	–	USD	–
ECB	GBP	0.01	GBP	0.02
ECB	Euro	20.63	Euro	28.13

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) **Particulars of foreign currency exposures as at the reporting date**

As at March 31, 2021

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD	CAD
Trade Receivables	112.28	68.18	67.25	0.45	–
Trade Payables	8.79	2.44	–	–	–
Loans Taken - Short Term & long Term	9.34	20.63	7.63	–	–
Cash & Bank Balances	–	–	–	–	–

As at March 31, 2020

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	101.27	61.50	36.15	0.45
Trade Payables	23.86	14.53	–	–
Loans Taken - Short Term & long Term	41.43	28.13	22.88	–
Cash & Bank Balances	3.11	0.57	0.13	–

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 45 : FINANCIAL RISK MANAGEMENT : Contd.**

**(c) Foreign Currency Risk Sensitivity**

A change of 5% in foreign currency would have following Impact on Profit before Tax.

(₹ in lakhs)

	2020-21		2019-20	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	108.66	(108.66)	67.22	(67.22)
EURO	69.02	(69.02)	49.33	(49.33)
GBP	70.61	(70.61)	37.96	(37.96)
AUD	0.47	(0.47)	0.47	(0.47)
CHF	—	—	—	—
Increase / (Decrease) in profit or loss	248.76	(248.76)	154.98	(154.98)

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 45 : FINANCIAL RISK MANAGEMENT : Contd.**

**Ageing of Account receivables**

(₹ in lakhs)

	As at March 31, '21	As at March 31, '20
Not due	12,729.46	10,653.30
0-3 Months	3,953.07	3,623.52
3 - 6 Months	938.22	865.55
6 Months and above	5,997.40	6,503.07
<b>Total</b>	<b>23,618.15</b>	<b>21,645.44</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

(₹ in lakhs)

	As at March 31, '21	As at March 31, '20
Opening Provision	727.74	946.23
Add :- Additional provision made	126.86	79.86
Less : - Provision written off	20.61	236.15
Less : - Provision reversed	573.65	62.20
Closing Provisions	260.34	727.74

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lakhs)

	As at March 31, '21	As at March 31, '20
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	20,832.18	16,896.74
Expiring beyond one year (bank loans)	—	—

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, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

(ii) Maturity patterns of Borrowings

(₹ in lakhs)

	As at March 31, '21				As at March 31, '20			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
<b>Long term borrowings</b> (Including current maturity of long term debt)	<b>4,592.64</b>	<b>8,882.25</b>	<b>811.67</b>	<b>14,286.56</b>	5,989.66	9,654.67	38.33	<b>15,682.66</b>
<b>Short term borrowings</b>	<b>11,632.38</b>	–	–	<b>11,632.38</b>	10,597.86	–	–	<b>10,597.86</b>
<b>Total</b>	<b>16,225.02</b>	<b>8,882.25</b>	<b>811.67</b>	<b>25,918.94</b>	<b>16,587.52</b>	<b>9,654.67</b>	<b>38.33</b>	<b>26,280.52</b>

(iii) Maturity Patterns of other Financial Liabilities

(₹ in lakhs)

As at March 31, '21	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	<b>10,824.40</b>	–	<b>38.61</b>	<b>10,863.01</b>
Payable related to Capital goods	<b>607.78</b>	–	<b>30.78</b>	<b>638.56</b>
Other Financial liability (Current and Non Current)	<b>4,656.97</b>	<b>5,992.50</b>	<b>3,070.10</b>	<b>13,719.57</b>
<b>Total</b>	<b>16,089.15</b>	<b>5,992.50</b>	<b>3,139.49</b>	<b>25,221.14</b>

(₹ in lakhs)

As at March 31, '20	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	15,169.02	–	–	15,169.02
Trade Payable related to Capital goods	249.76	–	1,210.51	1,460.27
Other Financial liability (Current and Non Current)	7,845.30	1,919.85	3,876.16	13,641.31
<b>Total</b>	<b>23,264.08</b>	<b>1,919.85</b>	<b>5,086.67</b>	<b>30,270.60</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 46 :**

Contingent Liabilities not provided for:

(₹ in lakhs)

		As at March 31, 2021	As at March 31, 2020
A)	Matters under dispute		
	i) Sales Tax (₹ 454.57 lakhs has been paid under protest Previous year ₹ 448.56 lakhs) **	1,007.98	1,013.29
	ii) Excise / Service Tax ***	746.97	746.97
	iii) Income Tax *	1,861.17	5.98
B)	Bank Guarantees	253.25	216.81
C)	Letters of Credit	555.48	2,234.33
D)	Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 736.85 lakhs (Previous year ₹ 235.30 lakhs )	1,146.74	955.34

**Legal Case –**

MR's / Petitioners has filed a defamation suit against the company under Section 38 / Section 40 of the Specific Relief Act 1963 and the matter is pending before civil court of Jalandhar jurisdiction for ₹ 5 Lakhs each. Total Contingent liability against the suit is ₹ 20 Lakhs.

**\* Income Tax demand comprises of**

- ₹ 5.98 lakhs (Previous year - ₹ 5.98) appearing as TDS defaults on account of short Deduction / Short Payment & Interest thereon etc for various assessment years
- ₹ 1,855.19 lakhs (Previous year - ₹ Nil) Demand issued by AO on account of Regular Assessment u/s 143(3) for AY 18-19. The Company has preferred the appeal against the aggrieved demand order before CIT (A) which is yet to be heard.

**\*\* Sales Tax demand comprises of**

- ₹ 189.81 Lakhs (Previous year – ₹ 189.81 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2005 to March 2009. The Company has filed an appeal before High Court which is yet to be heard.
- ₹ 619.19 Lakhs (Previous year – ₹ 619.19 Lakhs) demand (including penalty) pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2009 to December 2013. The Company has filed an appeal before Telangana VAT Appellate Tribunal Hyderabad which is yet to be heard.
- ₹ 96.86 Lakhs (Previous year – ₹ 96.86 Lakhs) is penalty imposed on demand of April 09 to October 12 under Andhra Pradesh VAT Act for classification dispute. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- ₹ 59.88 Lakhs (Previous year – ₹ 59.88 Lakhs) demand pertaining to classification dispute under Telangana VAT Act for the period January 2014 to June 2017. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- ₹ 5.98 Lakhs (Previous year – ₹ 5.98 Lakhs) is penalty imposed on demand pertaining to classification dispute under Telangana VAT Act for the period January 2014 to June 2017. The Company has filed an appeal before Deputy Commissioner (CT), Saroornagar Division, Hyd which is yet to be heard.
- ₹ 12.83 Lakhs (Previous year – ₹ 12.83 Lakhs) in respect of order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute for the period June 2014 to March 2016. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada.
- ₹ 3.21 Lakhs (Previous year – ₹ 3.21 Lakhs) is penalty imposed on demand pertaining to order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute for the period June 2014 to March 2016. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 46 : Contd.**

- h) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Asst. Commissioner of Commercial Taxes, Marga who has set aside the previous order and directed Assessing Officer for Re-assessment.

**\*\*\*Excise & Service tax demand comprises of**

- a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Divisional Dy. Commissioner, Boisar for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT, Mumbai.
- d) Company appeal is pending before Divisional Dy. Commissioner, Mumbai for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).
- e) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).
- f) CENVAT credit on input service ₹ 494.42 Lakhs (Previous year – ₹ 494.42 Lakhs), appeal pending before CESTAT, Mumbai.
- g) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- h) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).
- i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before CESTAT, Mumbai for Exempted product- Allopurinol Value Based Duty Reversal.

**Note 47**

**Assets Pledged As Security**

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

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	23,357.81	20,917.70
Margin Money against L/c	466.81	1,389.22
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	23,781.25	20,823.99
<b>Total Current Assets Pledged as security</b>	<b>47,605.87</b>	<b>43,130.91</b>
<b>Non Current Assets</b>		
First Charge		
Land & Building	14,066.50	8,651.51
Furniture, fittings and equipment	702.63	682.19
Plant and machinery	25,571.02	26,557.99
Others	3,326.35	3,561.10
<b>Total non-current assets Pledged as security</b>	<b>43,666.50</b>	<b>39,452.79</b>
<b>Total assets pledged as security</b>	<b>91,272.37</b>	<b>82,583.70</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48**

Related Party Disclosure as required by Ind AS 24

**I. Related Parties**

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	NIL
	Subsidiary Companies	Xtend Industrial Designers & Engineers Pvt Ltd. Indoco Remedies CZEC sro.
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting company:	
	Associates	NIL
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G. Kare, Mrs. Aruna S. Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Sudha Pai, Mrs. Pratima Vaidya, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(D)	(i) Key Management Personnel : Mr. Suresh G. Kare, Ms. Aditi Panandikar, Mr. Sundeep V. Bambolkar, Mr. Mandar Borkar, Mr. Jayshankar Menon	
	Independent Directors: Mr. Divakar M Gavaskar, Mr. Rajiv P Kakodkar, Dr. (Ms) Vasudha V Kamat, Mr. Abhijit Y Gore Non Executive Director: Dr. Anand M Nadkarni	
	(ii) Their Relatives : Mrs. Aruna S. Kare, Mrs. Madhura A. Ramani	
(E)	Enterprises controlled by Key Management Personnel SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Market Ltd., A.K.Services, Suresh Kare Indoco Foundation, Warren Generics s.r.o.	



**Notes (Standalone)**  
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(All amounts in INR lakhs, unless otherwise stated)

Note 48 : Contd.

**II. Transactions in respect of which disclosures to be made**

(₹ in lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Purchases or sales of fixed assets	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Rendering or receiving of services	C.Y.	233.67	-	-	-	101.98
	P.Y.	206.26	-	-	-	116.02
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Remuneration paid	C.Y.	-	-	-	1,052.57	-
	P.Y.	-	-	-	714.22	-
Sitting Fees paid	C.Y.	-	-	-	22.60	-
	P.Y.	-	-	-	17.40	-
Transfer of research and development		-	-	-	-	-
License agreements	C.Y.	-	-	-	3.00	-
	P.Y.	-	-	-	3.00	-
Finance (including loans and equity contributions in cash or in kind)	C.Y.	-	-	-	-	0.65
	P.Y.	-	-	-	-	0.70
Guarantees and collaterals	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Payable	C.Y.	200.42	-	-	-	8.99
	P.Y.	147.88	-	-	-	8.01

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

Note 48 : *Contd.*

Sr. No.	Particulars of Remuneration	Name of Chairman / MD / JT. MD / KMP					Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	Mr. Mandar Borkar	Mr. Jayshankar Menon	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act, 1961	248.40	212.91	195.58	74.71	29.73	761.33
	Value of Perquisites under Section 17 (2) Income tax Act, 1961 *	-	2.90	2.90	-	-	5.80
	Profit in Lieu of Salary under Section 17 (3) Income tax Act, 1961	-	-	-	-	-	-
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission / Incentive	100.00	40.00	40.00	-	-	180.00
5	Others , Please Specify – PF , SA	-	44.23	39.59	18.27	3.35	105.44
	<b>Total (1+5)</b>	<b>348.40**</b>	<b>300.04**</b>	<b>278.07**</b>	<b>92.98</b>	<b>33.08</b>	<b>1,052.57</b>

\* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

\*\* Members have by way of Postal Ballot, on March 7, 2019, passed a Special Resolution approving the payment of remuneration to Directors without restriction in case of no profit or inadequate profit.

**III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis**

(₹ in lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	233.67	-	-	1,078.17	102.63
	P.Y.	206.26	-	-	734.62	116.72
(ii) Transactions not in the normal course		-	-	-	-	-
(iii) Transactions not on an arm's length basis		-	-	-	-	-
(iv) Justification for (iii)		-	-	-	-	-

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note No: 49**

Expense approval from 2016-17 till 2020-21 as R&D expenses has been kept on hold by DSIR.

Below is the R&D expense details.

**Expenditure on R&D**

(₹ in lakhs)

	2016-17	2017-18	2018-19	2019-20	2020-21
Building	–	–	8.42	–	<b>1.93</b>
Equipment & other capital expenditure	1,098.44	290.52	146.61	348.22	<b>593.09</b>
<b>Total Capital Expenditure</b>	<b>1,098.44</b>	<b>290.52</b>	<b>155.03</b>	<b>348.22</b>	<b>595.02</b>
Revenue Expenditure	5,171.04	5,348.97	5,151.55	4,970.21	<b>5,970.36</b>
<b>Total R &amp; D Expenditure</b>	<b>6,269.48</b>	<b>5,639.49</b>	<b>5,306.58</b>	<b>5,318.43</b>	<b>6,565.38</b>

Note: As per requirement of Department of Scientific and Industrial Research expenses for period 2016-17 and 2017-18 are also covered .

**Note No: 50**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ in lakhs)

	2020-21	2019-20
A Principal Amount & Interest due on the above	<b>0.59</b>	<b>1.19</b>
B Interest paid during the year beyond the appointed day	–	–
C Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	–	–
D Amount of interest accrued and remaining unpaid at the end of the year.	–	–
E Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	–	–

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

**Note No: 51**

Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached  
 For **Gokhale & Sathe**  
 Chartered Accountants  
 Firm Registration no.: 103264W

**Tejas Parikh**  
 Partner  
 M. No. 123215

**Aditi Panandikar**  
 Managing Director  
 DIN : 00179113

**Mandar Borkar**  
 Chief Financial Officer

**Sundeep V Bambolkar**  
 Jt. Managing Director  
 DIN : 00176613

**Jayshankar Menon**  
 Company Secretary

Mumbai : May 25, 2021

## Financial Highlights (Standalone)

	(₹ lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>OPERATIONAL REVIEW</b>		
1) Revenue from Operations (Net of Returns)	<b>1,24,030</b>	1,10,600
2) EBIDTA	<b>22,358</b>	12,334
3) Depreciation, Amortisation and Impairment Expenses	<b>7,312</b>	7,081
4) Finance Cost	<b>2,222</b>	2,625
5) Profit / (Loss) before Tax	<b>13,135</b>	2,871
6) Profit / (Loss) after Tax	<b>9,239</b>	2,425
7) Other Comprehensive Income	<b>(86)</b>	(184)
8) Total Comprehensive income for the year	<b>9,153</b>	2,241
<b>FINANCIAL STRUCTURE</b>		
	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
1) Net Fixed Assets	<b>63,801</b>	64,032
2) Financial Assets	<b>920</b>	933
3) Deferred Tax Assets (net)	<b>1,928</b>	3,593
4) Current Tax Assets	<b>714</b>	924
5) Other Non Current Assets	<b>2,099</b>	1,573
<b>Current Assets</b>		
6) Inventories	<b>23,781</b>	20,824
7) Financial Assets	<b>25,077</b>	25,092
8) Other Current Assets	<b>13,337</b>	10,260
<b>Total Assets</b>	<b>1,31,657</b>	<b>1,27,231</b>
<b>LIABILITIES</b>		
9) Equity	<b>76,893</b>	68,016
<b>Non Current liabilities</b>		
10) Financial liabilities	<b>11,138</b>	10,975
11) Long Term Provisions	<b>2,772</b>	2,323
<b>Current liabilities</b>		
12) Financial liabilities	<b>35,410</b>	39,586
13) Short Term Provisions	<b>4,688</b>	5,155
14) Other Current Liabilities	<b>756</b>	1,176
<b>Total Liabilities</b>	<b>1,31,657</b>	<b>1,27,231</b>
<b>MARGINS &amp; RATIOS</b>		
	<i>March 31, 2021</i>	<i>March 31, 2020</i>
1) EBIDTA Margins on Gross Sales (net of returns) (%)	<b>18.37</b>	11.43
2) PAT Margins on Gross Sales (net of returns) (%)	<b>7.59</b>	2.25
3) Debt-to-Equity (%)	<b>32.50</b>	35.20
4) Interest Cost Cover (times)	<b>5.40</b>	2.09
5) Return on Net Worth (%)	<b>12.00</b>	3.60
6) Return on Capital Employed (%)	<b>10.20</b>	3.00

## Financial Highlights (Standalone)

### Operational Results

Particulars	(₹ lakhs)				
	Year ended March 31, 2021 IND-AS	Year ended March 31, 2020 IND-AS	Year ended March 31, 2019 IND-AS	Year ended March 31, 2018 IND-AS	Year ended March 31, 2017 IND-AS
1) Revenue from Operations (Net of Returns) / Other Income	1,24,342	1,10,843	97,389	1,04,637	1,09,820
2) Material Cost	35,407	33,043	32,018	34,939	38,161
3) Employee Benefits Expense	27,288	25,532	23,126	22,034	21,605
4) Other Expenses	33,008	34,721	28,807	28,350	28,807
5) Research & Development Expenses	5,970	4,970	5,152	5,349	5,171
6) Finance Cost	2,222	2,625	2,054	2,351	616
7) Depreciation, Amortisation and Impairment Expenses	7,312	7,081	7,156	6,771	6,327
8) Profit / (Loss) Before Tax	13,135	2,871	(924)	4,843	9,133
9) Provision For Taxation	3,847	386	–	1,107	1,962
10) Deferred Tax (Net of MAT)	49	60	(640)	(384)	(574)
11) Profit / (Loss) After Tax	9,239	2,425	(284)	4,120	7,745
12) Other Comprehensive Income	(86)	(184)	(53)	23	13
13) Total Comprehensive Income	9,153	2,241	(337)	4,143	7,758
14) Retained Earnings	8,877	1,908	(1,448)	2,369	7,536
15) Earnings Per Share (₹ 2/-) (After exceptional items)	10.03	2.63	(0.31)	4.47	8.40
16) Book Value (₹ 2/-)	83.44	73.81	71.74	73.31	70.74
17) Net Debt to Equity Ratio (%)	32.50	35.20	41.90	40.60	33.80

### Financial Summary

Particulars	March 31, 2021 IND-AS	March 31, 2020 IND-AS	March 31, 2019 IND-AS	March 31, 2018 IND-AS	March 31, 2017 IND-AS
<b>ASSETS</b>					
<b>Non Current Assets</b>					
(a) Property, Plant and Equipment	52,164	53,632	41,658	44,107	39,275
(b) Right-of-use assets	674	527	–	–	–
(c) Capital Work in Progress	2,512	732	14,123	7,578	4,033
(d) Other Intangible Assets	4,153	4,803	5,094	4,766	4,700
(e) Intangible Assets under Development	4,298	4,338	4,420	5,978	5,030
(f) Financial Assets					
(i) Investments	245	245	245	261	282
(ii) Loans	96	100	126	107	180
(iii) Others	579	588	507	1,601	1,669
(g) Deferred Tax Asset (Net)	1,928	3,593	3,554	3,135	2,763
(h) Income Tax Asset (Net)	714	924	918	307	425
(i) Other Non Current Assets	2,099	1,573	1,535	2,245	4,349
<b>Total, Non current Assets</b>	<b>69,462</b>	<b>71,055</b>	<b>72,180</b>	<b>70,085</b>	<b>62,706</b>

## Financial Highlights (Standalone)

### Financial Summary *Contd.*

Particulars	March 31, 2021 IND-AS	March 31, 2020 IND-AS	March 31, 2019 IND-AS	March 31, 2018 IND-AS	March 31, 2017 IND-AS
<b>Current Assets</b>					
(a) Inventories	23,781	20,824	18,337	19,323	18,504
(b) Financial Assets					
(i) Investments	—	—	—	—	—
(ii) Trade Receivables	23,358	20,918	19,447	20,783	21,573
(iii) Cash and Cash Equivalents	913	2,348	2,072	848	5,992
(iv) Bank Balances other than (iii) above	492	1,417	1,546	332	248
(v) Loans	40	38	41	59	155
(vi) Other Current Financial Assets	274	371	1,015	199	1,291
(c) Other Current Assets	13,337	10,260	11,192	12,171	9,249
(d) Assets Classified as held for Sale	—	—	—	—	7
<b>Total Current Assets</b>	<b>62,195</b>	<b>56,176</b>	<b>53,650</b>	<b>53,715</b>	<b>57,019</b>
<b>Total, Assets</b>	<b>1,31,657</b>	<b>1,27,231</b>	<b>1,25,830</b>	<b>1,23,800</b>	<b>1,19,725</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	1,843	1,843	1,843	1,843	1,843
(b) Other Equity	75,050	66,173	64,265	65,713	63,345
<b>Total Equity</b>	<b>76,893</b>	<b>68,016</b>	<b>66,108</b>	<b>67,556</b>	<b>65,188</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	9,694	9,693	12,866	12,328	13,231
(ii) Other Financial Liabilities	1,444	1,282	732	711	698
(b) Long Term Provisions	2,772	2,323	1,591	1,266	1,125
(c) Other Non-Current Liabilities	—	—	—	250	445
<b>Total, Non-Current Liabilities</b>	<b>13,910</b>	<b>13,298</b>	<b>15,189</b>	<b>14,555</b>	<b>15,499</b>
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	11,632	10,598	11,339	10,993	11,836
(ii) Trade Payables	11,502	16,629	17,071	14,945	16,417
(iii) Other Financial Liabilities	12,276	12,359	10,928	10,220	6,843
(b) Short Term Provisions	4,688	5,155	4,421	3,819	3,577
(c) Other Current Liabilities	756	1,176	774	1,712	365
<b>Total, Current Liabilities</b>	<b>40,854</b>	<b>45,917</b>	<b>44,533</b>	<b>41,689</b>	<b>39,038</b>
<b>Total, Liabilities</b>	<b>54,764</b>	<b>59,215</b>	<b>59,722</b>	<b>56,244</b>	<b>54,537</b>
<b>Total, Liabilities and Equity</b>	<b>1,31,657</b>	<b>1,27,231</b>	<b>1,25,830</b>	<b>1,23,800</b>	<b>1,19,725</b>

## Financial Highlights (Standalone)

### FINANCIAL PERFORMANCE

<i>Particulars</i>	<i>(₹ lakhs)</i>	
	<i>Year ended March 31, 2021</i>	<i>Year ended March 31, 2020</i>
Revenue from Operations (Net of Returns)	1,24,030	1,10,600
Other Income	312	243
Total Income	1,24,342	1,10,843
<b>Profit before Finance Cost, Depreciation, Amortisation and Impairment &amp; Tax</b>	<b>22,669</b>	12,577
Less : Finance Cost	2,222	2,625
Depreciation, Amortisation and Impairment Expenses	7,312	7,081
Profit / (Loss) Before Tax	13,135	2,871
Less : Provision for Taxation		
Current	3,847	386
Deferred	49	60
Net Profit / (Loss) After Tax	9,239	2,425
Other Comprehensive Income	(86)	(184)
Total Comprehensive Income	9,153	2,241
Balance brought forward	33,935	32,027
Amount available for appropriation	43,088	34,268
<b>Appropriations :</b>		
Dividend	276	276
Dividend Tax	-	57
Balance carried forward	42,812	33,935
	43,088	34,268

## **Independent Auditors' Report (Consolidated)** **to the Members of Indoco Remedies Limited**

### **Report on the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Indoco Remedies Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and its consolidated profit and consolidated other comprehensive loss, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.



Sr. No.	Key Audit Matters	Auditor's Response
1	<p><b>Provisions for Sales Returns.</b></p> <p>The Group provides for sales returns on an estimated basis as a percentage of sales. Such an estimate is arrived at on the basis of average of actual sales return over the last 3 financial years. Such estimation is based on management best judgement of the probability of sales returns. Provision for sales return amounted to ₹ 2,487.75 lakhs as on March 31, 2021 (₹ 2,872.52 lakhs as on March 31, 2020).</p> <p>Refer note no. 27: Current Provisions to the Consolidated Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ul style="list-style-type: none"> <li>a) Validating the process consistently implemented by the management in arriving at the estimates.</li> <li>b) Correlating the amounts of actual sales returns with the provisions made.</li> <li>c) Evaluated management assessment for change in estimates for provision for sales return during this year.</li> <li>d) Getting representations from the management wherever necessary.</li> </ul>
2	<p><b>Intangible assets under development.</b></p> <p>The Group undertakes several projects for new product development. Once the development is complete as per management assessment, such items are reclassified as Intangible Assets in the books of accounts.</p> <p>The management makes an assessment as to whether all such projects are capable of being completed and capable of getting the requisite regulatory approvals. On the basis of such assessment, the costs incurred on such projects till the time development is complete as per management assessment, are reflected in the financial statements as "Intangible assets under development".</p> <p>The quantum of Intangible Assets Under Development as on March 31, 2021 was ₹ 4,297.96 lakhs (₹ 4,337.90 lakhs as on March 31, 2020).</p> <p>Refer Note no 5: Intangible Assets to the Consolidated Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ul style="list-style-type: none"> <li>a) Obtaining detailed listing of all projects under development.</li> <li>b) Evaluating management's judgement of technical and commercial feasibility of such projects and comparing the same with past record of such regulatory approvals.</li> <li>c) Relying on management assessment about completion of development of project.</li> <li>d) Getting representations from the management wherever necessary.</li> </ul>

Sr. No.	Key Audit Matters	Auditor's Response
3	<p><b>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</b></p> <p>The Group has reflected ₹ 14,072.15 lakhs as receivables of Sales Tax, Entry Tax, GST Input credit, Income Tax, MAT credit etc. as on March 31, 2021 (₹ 14,711.37 lakhs as on March 31, 2020). Further, the company is a party to litigations in respect of various statutory dues where the amounts demanded are to the tune of ₹ 3,616.12 lakhs as on March 31, 2021 (₹ 1,766.24 lakhs as on March 31, 2020). Out of this, an amount of ₹ 534.24 lakhs has been deposited under protest as on March 31, 2021 (₹ 528.22 lakhs as on March 31, 2020). Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ul style="list-style-type: none"> <li>a) Evaluating the reasonableness of the underlying assumptions.</li> <li>b) Examining the relevant documents on record.</li> <li>c) Relying on relevant external evidence available including applicable judicial pronouncements and industry practices.</li> <li>d) Getting representations from the management wherever necessary.</li> </ul>

#### **Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Management and those charged with governance for the Consolidated Financial Statements.**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated Ind AS financial statements by the directors of the holding company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the group are responsible for assessing the Group'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 management either intends to liquidate the companies included in group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the consolidated Ind AS 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) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters and are therefore the key audit matters. We describe these matters in our auditor's report unless that were of most significance in the audit of the consolidated financial statements of the current period law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 278.50 lakhs as at March 31, 2021, total revenues of ₹ 122.48 lakh, total net profit after tax of ₹ 65.35 lakh for the year ended March 31, 2021 and net cash inflow of ₹ 0.63 lakh for the year ended March 31, 2021 as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

### 1. 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 of the aforesaid consolidated Ind AS financial statements.
- b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statement have been kept so far by law as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated Ind AS financial statement.
- d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
- e) on the basis of written representations received from the directors of the holding company as on March 31, 2021 taken on record by the Board of Directors of the holding company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Consolidated Ind AS financial statements has disclosed the impact of pending litigations as at March 31, 2021 on its consolidated financial position of the group – Refer note 47 to the consolidated Ind AS financial statements.
  - ii. The group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

2. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Regn. No. 103264W

**Tejas Parikh**  
Partner

Date : May 25, 2021  
Place : Mumbai

Membership No. 123215  
UDIN:- 21123215AAAADE5204



## **ANNEXURE A**

### **to the Independent Auditors' Report (Consolidated)**

#### **as required by Sec. 143(3) Of Companies Act 2013**

*(Referred to in our Report of even date on consolidated Ind AS financial statements of Indoco Remedies Limited as at March 31, 2021)*

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

##### **Opinion**

In conjunction with our audit of the consolidated Ind AS financial statements of Indoco Remedies Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Indoco Remedies Limited ('the Holding Company') and its subsidiary company, as of that date.

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

##### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial



controls over financial reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting of the Company and its subsidiary companies.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 over Financial Reporting**

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

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies, is based on the corresponding report of the auditor of such company. Our opinion is not qualified in respect of this matter.

Date : May 25, 2021

Place : Mumbai

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Membership No. 123215

UDIN:- 21123215AAAAD5204



## Consolidated Balance Sheet

### As at March 31, 2021

Particulars	Note No.	March 31, 2021	March 31, 2020
(₹ lakhs)			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	52,167.42	53,635.55
(b) Right-of-use assets .....	4	673.72	526.51
(c) Capital Work in Progress .....	3	2,511.94	732.49
(d) Goodwill on consolidation .....		9.00	9.00
(e) Other Intangible Assets .....	5	4,153.25	4,803.03
(f) Intangible Assets under Development .....	5	4,297.96	4,337.90
(g) Financial Assets			
(i) Investments .....	6(a)	2.10	2.10
(ii) Loans .....	7	95.52	99.87
(iii) Other Financial Assets .....	8	579.22	588.16
(h) Deferred Tax Assets (Net) .....	9	1,935.90	3,590.02
(i) Income Tax Assets (Net) .....	10	709.36	932.35
(j) Other Non Current Assets .....	11	2,118.14	1,592.15
<b>Total, Non current Assets .....</b>		<b>69,253.53</b>	<b>70,849.13</b>
<b>Current Assets</b>			
(a) Inventories .....	12	23,785.09	20,831.66
(b) Financial Assets			
(i) Investments .....	6(b)	—	—
(ii) Trade Receivables .....	13	23,382.38	21,014.39
(iii) Cash and Cash Equivalents .....	14	941.77	2,376.21
(iv) Bank Balances other than (iii) above .....	15	492.05	1,416.88
(v) Loans .....	16	39.81	38.64
(vi) Other Financial Assets .....	17	274.58	371.78
(c) Other Current Assets .....	18	13,336.94	10,260.82
<b>Total Current Assets .....</b>		<b>62,252.62</b>	<b>56,310.38</b>
<b>Total, Assets .....</b>		<b>1,31,506.15</b>	<b>1,27,159.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital .....	19	1,843.01	1,843.01
(b) Other Equity .....	20	75,056.05	66,113.93
<b>Total Equity .....</b>		<b>76,899.06</b>	<b>67,956.94</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	21	9,693.92	9,693.01
(ii) Other Financial Liabilities .....	22	1,443.69	1,282.24
(b) Provisions .....	23	2,777.49	2,328.68
<b>Total, Non-Current Liabilities .....</b>		<b>13,915.10</b>	<b>13,303.93</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	24	11,632.38	10,597.86
(ii) Trade Payables .....	25		
Total Outstanding Dues of Micro Enterprises and Small Enterprises .....		0.59	12.06
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises .....		11,321.99	16,548.31
(iii) Other Financial Liabilities .....	26	12,284.72	12,390.23
(b) Provisions .....	27	4,691.14	5,159.38
(c) Other Current Liabilities .....	28	761.17	1,190.80
<b>Total, Current Liabilities .....</b>		<b>40,691.99</b>	<b>45,898.64</b>
<b>Total, Liabilities .....</b>		<b>54,607.09</b>	<b>59,202.57</b>
<b>Total, Equity and Liabilities .....</b>		<b>1,31,506.15</b>	<b>1,27,159.51</b>

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
Chief Financial Officer

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : May 25, 2021



## Consolidated Statement of Profit and Loss Account For the year ended March 31, 2021

Particulars	Note No.	Year ended March 31, 2021	(₹ lakhs) Year ended March 31, 2020
<b>Income</b>			
(a) Revenue from Operations .....	29	1,24,152.77	1,10,658.11
(b) Other Income .....	30	311.58	243.55
<b>Total Income (I) .....</b>		<b>1,24,464.35</b>	<b>1,10,901.66</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31a	30,319.76	26,268.22
(d) Purchase of Stock in Trade .....	31b	6,303.72	7,579.66
(e) Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade .....	31c	(1,213.06)	(805.03)
(f) Employee Benefit Expenses .....	32	27,402.15	25,650.70
(g) R&D Expenses .....	33	5,970.36	4,970.20
(h) Finance Costs .....	36	2,226.17	2,625.39
(i) Depreciation, Amortization and Impairment Expense .....	34	7,312.51	7,081.59
(j) Other Expenditure .....	35	32,943.03	34,673.70
<b>Profit / (Loss) before Tax .....</b>		<b>13,199.71</b>	<b>2,857.23</b>
(k) Provision for Tax .....	37		
(a) Current .....		3,857.20	385.81
(b) Deferred .....		37.96	59.68
<b>Total Taxes .....</b>		<b>3,895.16</b>	<b>445.49</b>
<b>Profit / (Loss) for the year .....</b>		<b>9,304.55</b>	<b>2,411.74</b>
(l) <b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
i) Remeasurements of post-employment benefit obligations .....	38	(132.17)	(282.45)
ii) Income tax relating to this item.....	37	46.19	98.70
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		—	(0.01)
<b>Total Other Comprehensive Income .....</b>		<b>(85.98)</b>	<b>(183.76)</b>
<b>Total Comprehensive income for the year .....</b>		<b>9,218.57</b>	<b>2,227.98</b>
<b>Profit attributable to :</b>			
Equity Shareholders of the Company .....		9,304.55	2,411.74
Non-Controlling Interest .....		—	—
		<b>9,304.55</b>	<b>2,411.74</b>
<b>Other comprehensive income is attributable to:</b>			
Equity Shareholders of the Company .....		(85.98)	(183.76)
Non-Controlling Interest .....		—	—
		<b>(85.98)</b>	<b>(183.76)</b>
<b>Total comprehensive income is attributable to:</b>			
Equity Shareholders of the Company .....		9,218.57	2,227.98
Non-Controlling Interest .....		—	—
		<b>9,218.57</b>	<b>2,227.98</b>
(m) <b>Earning Per Share</b>			
<b>Basic &amp; Diluted (₹)</b>	45	<b>10.10</b>	<b>2.62</b>

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
Chief Financial Officer

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : May 25, 2021

## Consolidated Cash Flow Statement

For the year ended March 31, 2021

	Year ended 31.03.2021	Year ended 31.03.2020	(₹ lakhs)
<b>(A) Cash Flow from Operating Activities :</b>			
<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>13,199.71</b>		2,857.23
Adjustments for :			
Depreciation, Amortisation and Impairment Expense	7,312.51	7,081.59	
Profit on sale of Fixed Assets	(2.10)	(2.63)	
Loss on sale of Fixed Assets	26.44	25.29	
Sundry Balance written back	(167.53)	(7.88)	
Provision for Doubtful Debts / Bad Debts	1,185.58	583.20	
Interest Income	(78.85)	(123.99)	
Dividend received on Investments	(0.63)	(0.02)	
Unrealised Foreign Exchange (Gain) / Loss	421.21	119.44	
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	2,278.98	2,276.35	
	<u>10,975.61</u>		9,951.35
<b>Operating Profit before Working Capital Change</b>	<b>24,175.32</b>		<b>12,808.58</b>
Adjustments for:			
Decrease / (Increase) in Trade Receivables	(4,027.60)	(1,784.27)	
Decrease / (Increase) in Other Current Financial Assets	96.03	648.09	
Decrease / (Increase) in Other Current Assets	(3,076.12)	931.09	
Decrease / (Increase) in Inventories	(2,953.43)	(2,486.60)	
Decrease / (Increase) in Other Non Current Financial Assets	22.24	(44.41)	
Decrease / (Increase) in Other Non Current Assets	33.03	(33.98)	
Increase / (Decrease) in Trade Payables	(5,070.27)	(504.02)	
Increase / (Decrease) in Non Current Financial Liabilities	240.85	557.80	
Increase / (Decrease) in Non Current Provisions	316.64	451.28	
Increase / (Decrease) in Current Financial Liabilities	1,335.22	970.13	
Increase / (Decrease) in Current Provisions	(468.24)	733.61	
Increase / (Decrease) in Other Current Liabilities	(429.62)	412.72	
	<u>(13,981.27)</u>		(148.56)
<b>Cash generated from Operations</b>	<b>10,194.05</b>		<b>12,660.02</b>
Income Tax Paid (Net of Refund)	(1,971.85)		(375.25)
<b>Net Cash generated from Operating Activities (A)</b>	<b>8,222.20</b>		<b>12,284.77</b>
<b>(B) Cash Flow from Investing Activities</b>			
Payment towards Capital Expenditure	(7,684.89)	(5,846.44)	
Sale of Fixed Assets	20.20	10.13	
Bank Balance not considered as Cash & Cash Equivalents	924.83	129.45	
Interest Received	69.90	113.54	
Dividend received on Investments	0.63	0.02	
<b>Net Cash used in Investing Activities (B)</b>	<b>(6,669.33)</b>		<b>(5,593.30)</b>

## Consolidated Cash Flow Statement

For the year ended March 31, 2021

... Contd. from previous page

(₹ lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(2,320.26)	(2,233.13)
Payment of Lease Liability	(79.40)	(7.51)
Dividend Paid	(278.87)	(336.32)
Proceeds from Long Term Borrowings	3,650.00	2,300.00
Repayment of Long Term Borrowings	(5,083.59)	(5,388.16)
Proceeds / (Repayment) from Short Term Borrowings	1,124.81	(729.82)
<b>Net Cash inflow / (outflow) from Financing Activities (C)</b>	<b>(2,987.31)</b>	<b>(6,394.94)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>(1,434.44)</b>	<b>296.53</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>2,376.21</b>	<b>2,079.68</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 14)</b>	<b>941.77</b>	<b>2,376.21</b>

### Notes:

- The above statement of Cash Flows should be read in conjunction with the accompanying notes.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and reclassified wherever necessary.
- Cash and Cash Equivalents comprise of :

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
a. Cash on Hand	6.98	11.06	9.25
b. Balances with Bank	934.79	2,365.15	2,070.43
<b>Total</b>	<b>941.77</b>	<b>2,376.21</b>	<b>2,079.68</b>

- Changes in liability arising from financing activities :

Particulars	Borrowings		
	Non-Current (Note 21)	Current (Note 24)	Total
As at March 31, 2019	18,410.11	11,339.37	29,749.48
Cash Flow	(3,088.16)	(729.82)	(3,817.98)
Foreign exchange movement	360.71	(11.69)	349.02
<b>As at March 31, 2020</b>	<b>15,682.66</b>	<b>10,597.86</b>	<b>26,280.52</b>
Cash Flow	(1,433.59)	1,124.81	(308.78)
Foreign exchange movement	37.49	(90.29)	(52.80)
<b>As at March 31, 2021</b>	<b>14,286.56</b>	<b>11,632.38</b>	<b>25,918.94</b>

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
Chief Financial Officer

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : May 25, 2021

## Consolidated Statement for Changes in Equity (Consolidated)

### For the year ended March 31, 2021

#### a. Equity Share Capital

(₹ lakhs)

Particulars	Note No	Amount
As at April 1, 2019	19	1,843.01
Changes in Equity Share Capital		–
<b>As at March 31, 2020</b>		<b>1,843.01</b>
Changes in Equity Share Capital		–
<b>As at March 31, 2021</b>		<b>1,843.01</b>

#### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Attributable to owners of Indoco Remedies Ltd.				Total Reserves	Non-Controlling Interest	Total
		Reserves & Surplus						
		Securities Premium	Capital reserve	General reserve	Retained Earnings			
<b>Balance as at April 1, 2019</b>	20	<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>31,980.64</b>	<b>64,219.23</b>	–	<b>64,219.23</b>
Changes in equity share capital during the year								
Profit for the year		–	–	–	2,411.74	2,411.74	–	2,411.74
Other comprehensive income for the year		–	–	–	(183.76)	(183.76)	–	(183.76)
<b>Total comprehensive income for the year</b>		–	–	–	2,227.98	2,227.98	–	2,227.98
Dividends (including dividend distribution tax of ₹ 56.83 lakhs)		–	–	–	(333.28)	(333.28)	–	(333.28)
Transfer to General Reserve		–	–	–	–	–	–	–
<b>Balance as at March 31, 2020</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,875.34</b>	<b>66,113.93</b>	–	<b>66,113.93</b>
<b>Balance as at April 1, 2020</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,875.34</b>	<b>66,113.93</b>	–	<b>66,113.93</b>
Changes in equity share capital during the year								
Profit / (Loss) for the year		–	–	–	9,304.55	9,304.55	–	9,304.55
Other comprehensive Income for the year		–	–	–	(85.98)	(85.98)	–	(85.98)
<b>Total comprehensive income for the year</b>		–	–	–	9,218.57	9,218.57	–	9,218.57
Dividends		–	–	–	(276.45)	(276.45)	–	(276.45)
Transfer to General Reserve		–	–	–	–	–	–	–
<b>Balance as at March 31, 2021</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>42,817.46</b>	<b>75,056.05</b>	–	<b>75,056.05</b>

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

Remeasurement loss (net of tax) on defined benefit plan ₹ 85.98 lakhs (Previous year ₹ 183.76 lakhs) is recognised during the year as part of Retained Earnings.

#### The description of the nature and purpose of each reserve within equity as follows :

##### Capital Reserve :

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

##### Securities Premium :

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

##### General Reserve :

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

##### Retained Earnings :

Retained Earnings are the profits that the Group has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders.

# Notes to Consolidated Financial Statements

## For the year ended March 31, 2021

### Corporate Information

Indoco Remedies Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, VII of 1913. Its Shares are listed on two stock exchanges in India i.e Bombay Stock Exchange and National Stock Exchange. Indoco Remedies Limited is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). The Company caters to both domestic and International markets; Company has two wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt.Ltd.) & Indoco Remedies Czech sro.

Name of the subsidiary	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2021	% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2020
<b>Indian Subsidiary :</b>			
Xtend Industrial Designers & Engineers Pvt Ltd	India	100%	100%
<b>Foreign Subsidiary :</b>			
Indoco Remedies Czech	Czechoslovakia	100%	100%

### 1. Significant Accounting Policies followed by the Company

#### a) Basis of Preparation

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These Consolidated financial statements were authorised for issue by the Company's Board of Directors on May 25, 2021

##### (ii) Historical cost convention

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

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - Plan assets measured at fair value;

##### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### b) Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Management at each reporting date reviews estimates and underlying assumptions. Actual results could differ from these estimates. Any revision of these estimates is recognise prospectively in the current and future periods.

Following are the critical judgements and estimates:

**Critical judgements:**

**a. Taxes on Income:**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] Credit in future.

**b. Employee benefits:**

Significant judgements are involved in making estimates about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of the future liabilities on account of the employee benefits by way of defined benefit plans.

**c. Product warranty and expiry claims:**

Significant judgements are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

**d. Impairment of property, plant and equipment**

Significant judgement is involved in determining the estimated future cash flows from Property, Plant and Equipment to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

**e. Contingent liabilities:**

Significant judgement is involved in determining whether there is a possible obligation that may, but probably will not require an outflow of resources.

**Critical estimates:**

**a. Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**b. Sales return**

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

**c) Segment Reporting**

The Company has only one business segment i.e Pharmaceutical Products.

**d) Foreign Currency Translation**

**i. Functional and presentation currency**

The Financial Statements are presented in Indian rupees (INR) which is the functional and presentation currency.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains / (losses).

**e) Revenue Recognition**

The company derives major portion of its revenue from manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). Other sources of revenue include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

With effect from April 1, 2018, the company has adopted Ind AS 115, Revenue from Contracts with Customers. The company analysed the impact of Ind AS on incomplete contracts, if any and concluded that the effect of adoption of Ind AS 115 was insignificant.

**Recognising revenue from major business activities**

**i. Sale of goods – FDF and API**

Revenue from sale of FDF and API are recognised when the performance obligations are satisfied in accordance with Ind AS 115. Performance obligations are deemed to have been satisfied when substantial risk and rewards of ownership are transferred to the customer and the customer obtains control of the promised goods. In case of domestic sales, performance obligations are satisfied when goods are dispatched, or delivery is handed over to the transporter. In case of export sales, performance obligations are satisfied based on terms defined in the contracts. In case of Ex-works contracts, performance obligation is satisfied when goods are shipped or dispatched from the factory and in other cases when the goods are shipped on board based on Bill of Lading / Airway Bill or any other similar document evidencing delivery thereof.

**ii. Revenue from services**

Services provided include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

The contracts with customers for Dossiers and study reports are fixed-price contracts. Revenue from such contracts, where the performance obligations are satisfied over time and where there is no significant uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method i.e. based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. The effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

**iii. Other operating revenue - Export incentives**

Revenue from Export Incentives under various schemes is recognised when the performance obligations are satisfied i.e. when the related export sales are effected.

**iv. Sales Return**

The Company recognises provision for sales return, on the basis of past experience, measured on net basis of the margin of the sales. Any unutilised provision for sales return is reversed to the Statement of Profit and Loss on completion of 3 years from the date of creation.



**f) Government Grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

**g) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**h) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.



Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

**i) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**j) Cash Flow Statements**

Cash flows are prepared using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of 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 flow from operating, investing and financing activities of company are segregated.

**k) Inventories**

Inventories of Raw Materials, work-in-progress, stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulas used are-'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**l) Non-Current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

**m) Derivatives and Hedging Activities**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**n) Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

#### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

<i>Asset Class</i>	<i>Useful Life</i>
Building and Premises – Office	60 years
Building and Premises – Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years
Trade Mark	15 years
Technical Know How	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**o) Intangible Assets**

**i. Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**ii. ANDA / DMFs / Dossiers**

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under "Intangible Assets" and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

**iii. Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- |                                 |          |
|---------------------------------|----------|
| • Trade Mark/ Technical Knowhow | 15 years |
| • Technical Knowhow             | 10 Years |
| • Computer software             | 3 years  |
| • ANDA / DMF                    | 5 years  |

**p) Research and Development Expenditure**

Research & Development costs of revenue nature are charged to Profit & Loss account when incurred, Expenditure of capital nature is capitalised and depreciation is provided on these assets as per the provisions of the Companies Act, 2013.

**q) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**r) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

s) **Provisions**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

t) **Financial Instruments:**

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

**A. Financial Assets:**

a. **Initial recognition and measurement:** All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset which are not at Fair Value Through Profit and Loss Account are adjusted to fair value on initial recognition. Purchases or sales of financial assets are recognised on the settlement date i.e. the date that the Company settles to purchase or sell the asset.

b. **Subsequent measurement:** For purposes of subsequent measurement, financial assets are classified in four categories:

i. **Financial Assets measured at amortised cost:**

A 'financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii. **Financial Assets at fair value through other comprehensive income [FVTOCI]:**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. **Financial Assets at fair value through profit or loss [FVTPL]:**

Financial assets, which are not classified in any of the above categories are measured at FVTPL.

**iv. Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**v. Investments in subsidiaries and joint ventures:**

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

**c. Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

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

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

**d. Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortised cost
- ii. Trade receivables or any contractual right to receive cash or another financial asset
- iii. Financial assets that are debt instruments and are measured as at FVTOCI. The Company follows 'simplified approach' for recognition of impairment loss allowance on Point b above.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the 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 and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**B. Financial Liabilities:**

**a. Initial recognition and measurement:**

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b. Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

**c. Derecognition:**

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

**d. Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

**C. Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**u) Fair Value Measurement**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

**v) Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.



**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined Contribution Plans**

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

**w) Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**i. Earnings per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:



- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**ii. Dividends to shareholders**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

**x) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised

**y) Leases**

The Company has adopted IND AS 116, "Leases", effective 1 April 2019, using modified retrospective approach.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The cost of the right-of-use asset 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 plus any initial direct costs incurred. 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 Company measures the lease liability at the present value of lease payments that are not paid at the commencement date of the lease. The lease payment 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 short term and low value leases, the Company recognises the lease payments as an operating expense on a straight line basis over the lease term.

**NOTE 2: Use of Estimates and Judgements**

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## Notes (Consolidated) on financial statements for the year ended March 31, 2021

(All amounts in INR lakhs, unless otherwise stated)

### Note 3 : Property, Plant and Equipment

Particulars	Land (Freehold)	Land (Leasehold)	Building & Premises	Plant & Machinery	Handling Equipments	Pollution Control Equipments	Laboratory Equipments	R&D Equipments	Plant - Utilities	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Networking Instruments	Air conditioning units	Vehicles	Total	Capital Work in Progress		
<b>Year ended March 31, 2020</b>																				
<b>Gross carrying amount</b>																				
Opening gross carrying amount as at April 1, 2019	1,804.37	1,839.87	17,688.26	20,380.33	1,317.60	375.28	9,717.81	1,942.64	6,647.55	2,980.72	2,130.85	659.50	1,603.09	43.83	3,528.28	247.67	72,907.65	14,122.90		
Additions	-	-	150.37	439.35	22.13	36.49	806.79	-	219.66	8.50	59.33	61.72	173.35	-	18.83	6.86	2,003.38	1,346.16		
Assets capitalised during the year from CWIP	-	-	4,827.27	5,625.46	12.28	508.46	40.30	-	2,024.86	1,006.18	162.05	6.68	78.09	-	444.94	-	14,736.57	(14,736.57)		
Disposals	-	-	-	(11.68)	-	-	(39.35)	-	(19.02)	-	-	(0.58)	-	-	(34.82)	(7.48)	(112.93)	-		
<b>Closing gross carrying amount</b>	<b>1,804.37</b>	<b>1,839.87</b>	<b>22,665.90</b>	<b>26,433.46</b>	<b>1,352.01</b>	<b>920.23</b>	<b>10,525.55</b>	<b>1,942.64</b>	<b>8,873.05</b>	<b>3,995.40</b>	<b>2,352.23</b>	<b>727.32</b>	<b>1,854.53</b>	<b>43.83</b>	<b>3,957.23</b>	<b>247.05</b>	<b>89,534.67</b>	<b>732.49</b>		
<b>Accumulated depreciation</b>																				
Opening accumulated depreciation	-	226.94	4,997.27	7,820.48	647.20	301.31	4,676.15	1,787.33	3,286.26	2,122.36	1,469.19	544.82	1,261.91	42.57	1,945.16	116.94	31,245.89	-		
Depreciation charge during the year	-	26.05	703.17	1,643.12	70.06	52.83	872.85	19.44	528.86	229.29	135.99	40.88	148.29	0.06	238.63	23.87	4,733.39	-		
Disposals	-	-	-	(9.47)	-	-	(25.99)	-	(15.76)	-	-	(0.55)	-	-	(22.54)	(5.85)	(80.16)	-		
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>252.99</b>	<b>5,700.44</b>	<b>9,454.13</b>	<b>717.26</b>	<b>354.14</b>	<b>5,523.01</b>	<b>1,806.77</b>	<b>3,795.36</b>	<b>2,351.65</b>	<b>1,605.18</b>	<b>585.15</b>	<b>1,410.20</b>	<b>42.63</b>	<b>2,161.25</b>	<b>134.96</b>	<b>35,899.12</b>	<b>-</b>		
<b>Net carrying amount</b>	<b>1,804.37</b>	<b>1,586.88</b>	<b>16,965.46</b>	<b>16,979.33</b>	<b>634.75</b>	<b>566.09</b>	<b>5,002.54</b>	<b>135.87</b>	<b>5,073.69</b>	<b>1,643.75</b>	<b>747.05</b>	<b>142.17</b>	<b>444.33</b>	<b>1.20</b>	<b>1,795.98</b>	<b>112.09</b>	<b>53,635.55</b>	<b>732.49</b>		
<b>Year ended March 31, 2021</b>																				
<b>Gross carrying amount</b>																				
Opening gross carrying amount as at April 1, 2020	1,804.37	1,839.87	22,665.90	26,433.46	1,352.01	920.23	10,525.55	1,942.64	8,873.05	3,995.40	2,352.23	727.32	1,854.53	43.83	3,957.23	247.05	89,534.67	732.49		
Additions	-	-	165.26	568.40	14.84	-	1,144.85	-	457.69	13.14	91.78	30.75	255.57	-	26.20	-	2,768.48	2,504.87		
Assets capitalised during the year from CWIP	-	-	211.93	48.73	35.43	-	27.91	-	202.44	48.55	47.64	9.79	4.13	-	88.87	-	725.42	(725.42)		
Disposals	-	-	-	(89.66)	-	(3.79)	(157.84)	(8.90)	(15.45)	(0.42)	(0.33)	(0.18)	-	-	(0.21)	(2.19)	(278.97)	-		
<b>Closing gross carrying amount</b>	<b>1,804.37</b>	<b>1,839.87</b>	<b>23,043.09</b>	<b>26,960.93</b>	<b>1,402.28</b>	<b>916.44</b>	<b>11,540.47</b>	<b>1,933.74</b>	<b>9,517.73</b>	<b>4,056.67</b>	<b>2,491.32</b>	<b>767.68</b>	<b>2,114.23</b>	<b>43.83</b>	<b>4,072.09</b>	<b>244.86</b>	<b>92,749.60</b>	<b>2,511.94</b>		
<b>Accumulated depreciation and impairment</b>																				
Opening accumulated depreciation	-	252.99	5,700.44	9,454.13	717.26	354.14	5,523.01	1,806.77	3,795.36	2,351.65	1,605.18	585.15	1,410.20	42.63	2,161.25	134.96	35,899.12	-		
Depreciation charge during the year	-	25.98	732.06	1,765.89	66.35	62.64	848.32	22.22	543.35	236.44	131.21	36.59	188.14	0.06	234.58	23.66	4,917.49	-		
Disposals	-	-	-	(60.03)	-	(3.73)	(148.79)	(8.46)	(10.34)	(0.41)	(0.26)	(0.17)	-	-	(0.16)	(2.08)	(234.43)	-		
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>278.97</b>	<b>6,432.50</b>	<b>11,159.99</b>	<b>783.61</b>	<b>413.05</b>	<b>6,222.54</b>	<b>1,820.53</b>	<b>4,332.37</b>	<b>2,587.68</b>	<b>1,736.13</b>	<b>621.37</b>	<b>1,598.34</b>	<b>42.69</b>	<b>2,395.67</b>	<b>156.54</b>	<b>40,582.18</b>	<b>-</b>		
<b>Closing net carrying amount</b>	<b>1,804.37</b>	<b>1,560.90</b>	<b>16,610.59</b>	<b>15,800.94</b>	<b>618.67</b>	<b>503.39</b>	<b>5,317.93</b>	<b>113.21</b>	<b>5,185.36</b>	<b>1,468.99</b>	<b>755.19</b>	<b>146.11</b>	<b>515.89</b>	<b>1.14</b>	<b>1,676.42</b>	<b>88.32</b>	<b>52,167.42</b>	<b>2,511.94</b>		

(i) **Capital Work in Progress**

- Capital work in progress mainly comprises :
- Regular Capex for new projects
  - Colchicine Project-Goa

(ii) **Property, Plant and Equipment pledged as security**

Refer to note 48 for information on Property, Plant and equipment pledged as security by the group.

**Notes (Consolidated)**  
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**Note 4 : Right-of-use assets**

<i>Particulars</i>	<i>Plant &amp; Machinery</i>	<i>Laboratory Equipments</i>	<i>Plant - Utilities</i>	<i>Software</i>	<i>Total</i>
<b>Year ended March 31, 2020</b>					
<b>Gross carrying value</b>					
Opening gross carrying amount	–	–	–	–	–
Additions	242.66	141.68	157.62	0.82	542.78
Disposals	–	–	–	–	–
<b>Closing gross carrying value</b>	<b>242.66</b>	<b>141.68</b>	<b>157.62</b>	<b>0.82</b>	<b>542.78</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	–	–	–	–	–
Depreciation charge during the year	7.47	6.36	2.29	0.15	16.27
Disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>7.47</b>	<b>6.36</b>	<b>2.29</b>	<b>0.15</b>	<b>16.27</b>
<b>Net carrying value as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>
<b>Year ended March 31, 2021</b>					
<b>Gross carrying value</b>					
Opening gross carrying amount	242.66	141.68	157.62	0.82	542.78
Additions	150.11	54.54	–	–	204.65
Disposals	–	–	–	–	–
<b>Closing gross carrying value</b>	<b>392.77</b>	<b>196.22</b>	<b>157.62</b>	<b>0.82</b>	<b>747.43</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	7.47	6.36	2.29	0.15	16.27
Depreciation charge during the year	26.79	19.88	10.50	0.27	57.44
Disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>34.26</b>	<b>26.24</b>	<b>12.79</b>	<b>0.42</b>	<b>73.71</b>
<b>Net carrying value as at March 31, 2021</b>	<b>358.51</b>	<b>169.98</b>	<b>144.83</b>	<b>0.40</b>	<b>673.72</b>

Refer to note 39 for information on Leases.

**Notes (Consolidated)**  
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**Note 5 : Other Intangible Assets**

<i>Particulars</i>	<i>Trade Mark</i>	<i>Computer Software *</i>	<i>Technical Knowhow</i>	<i>ANDAs, DMFs, Dossiers</i>	<i>Total</i>	<i>Intangible Assets under development</i>
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2019	1,032.30	1,473.03	1.15	18,042.18	<b>20,548.66</b>	<b>4,420.08</b>
Additions	–	357.70	–	–	<b>357.70</b>	<b>1,600.91</b>
Intangible Assets Capitalised	–	–	–	1,683.09	<b>1,683.09</b>	<b>(1,683.09)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,830.73</b>	<b>1.15</b>	<b>19,725.27</b>	<b>22,589.45</b>	<b>4,337.90</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	945.18	1,180.12	1.09	13,328.10	<b>15,454.49</b>	–
Amortisation for the year	25.97	229.09	0.06	1,789.97	<b>2,045.09</b>	–
Impairment for the year (**)	–	–	–	286.84	<b>286.84</b>	–
<b>Closing accumulated amortisation</b>	<b>971.15</b>	<b>1,409.21</b>	<b>1.15</b>	<b>15,404.91</b>	<b>17,786.42</b>	–
<b>Net Carrying Value as at March 31, 2020</b>	<b>61.15</b>	<b>421.52</b>	<b>–</b>	<b>4,320.36</b>	<b>4,803.03</b>	<b>4,337.90</b>
<b>Year ended March 31, 2021</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2020	<b>1,032.30</b>	<b>1,830.73</b>	<b>1.15</b>	<b>19,725.27</b>	<b>22,589.45</b>	<b>4,337.90</b>
Additions	–	<b>428.94</b>	–	–	<b>428.94</b>	<b>1,609.46</b>
Deletions (***)	–	–	–	–	–	<b>(390.54)</b>
Intangible Assets Capitalised	–	–	–	<b>1,258.86</b>	<b>1,258.86</b>	<b>(1,258.86)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>2,259.67</b>	<b>1.15</b>	<b>20,984.13</b>	<b>24,277.25</b>	<b>4,297.96</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	<b>971.15</b>	<b>1,409.21</b>	<b>1.15</b>	<b>15,404.91</b>	<b>17,786.42</b>	–
Amortisation for the year	<b>4.00</b>	<b>246.69</b>	–	<b>2,086.89</b>	<b>2,337.58</b>	–
Impairment for the year (**)	–	–	–	–	–	–
<b>Closing accumulated amortisation</b>	<b>975.15</b>	<b>1,655.90</b>	<b>1.15</b>	<b>17,491.80</b>	<b>20,124.00</b>	–
<b>Net Carrying Value as at March 31, 2021</b>	<b>57.15</b>	<b>603.77</b>	<b>–</b>	<b>3,492.33</b>	<b>4,153.25</b>	<b>4,297.96</b>

\* Computer software also consists of capitalised development costs being an internally generated intangible asset.

\*\* Based on management assessment of prevailing market conditions and technical aspects, impairment charge in C.Y. is Nil (P.Y. - ₹ 286.84 lakhs) has been included under depreciation, amortisation and impairment expense in the Statement of Profit and Loss Account.

\*\*\* Incomplete projects lying under Intangible Assets under development is written off - C.Y. ₹ 390.54 lakhs (P.Y. - NIL) based on Management assessment.

**Notes (Consolidated)**  
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(All amounts in INR lakhs, unless otherwise stated)

**Note 6(a) : Non Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Unquoted (at Cost) :</b>		
<b>Non-Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
(i) Shivalik Solid Waste Management Ltd. Baddi (20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each))	<b>2.00</b>	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. (1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each))	<b>0.10</b>	0.10
<b>Total, Non Current Financial Investments</b>	<b>2.10</b>	<b>2.10</b>

**Note 6(b) : Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Investment in Unquoted Shares (at Cost) :</b>		
National Spot Exchange	<b>466.47</b>	462.90
<b>Total</b>	<b>466.47</b>	<b>462.90</b>
Less : Provision for diminution in value of investment	<b>(466.47)</b>	(462.90)
<b>Total, Current Financial Investments</b>	<b>-</b>	<b>-</b>

**Note 7 : Non Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	<b>95.52</b>	99.87
<b>Total, Non Current Financial Assets - Loans</b>	<b>95.52</b>	<b>99.87</b>

**Note 8 : Non Current Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Deposit - Others	<b>295.62</b>	325.41
Tender Deposits	<b>74.73</b>	84.73
Deposit - Group Insurance	<b>0.11</b>	0.11
Margin money	<b>172.74</b>	163.79
Deposit With OPC Asset Solutions	<b>36.02</b>	14.12
<b>Total, Non Current Other Financial Assets</b>	<b>579.22</b>	<b>588.16</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 9 : Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Mat Credit Entitlement	<b>4,024.67</b>	5,677.65
<u>Deferred Tax (Net)</u>		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	<b>(4,216.05)</b>	(4,216.67)
	<b>(4,216.05)</b>	(4,216.67)
Deferred Tax Assets		
i) On employee benefit obligations	<b>1,874.54</b>	1,712.98
ii) On provision for doubtful debts	<b>90.98</b>	254.30
iii) On provision for doubtful advances	<b>161.76</b>	161.76
	<b>2,127.28</b>	2,129.04
<b>Total, Deferred Tax Assets (Net)</b>	<b>1,935.90</b>	<b>3,590.02</b>

**Movement in Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>MAT Credit Entitlement</i>	<i>Deferred Tax Assets</i>			<i>Deferred Tax Liabilities</i>		<i>Net Total</i>
		<i>Employee benefit obligation</i>	<i>Provisions</i>	<i>Total</i>	<i>Property, Plant and equipment and investment property</i>	<i>Total</i>	
<b>At April 1, 2019</b>	5,291.84	1,503.44	492.40	1,995.84	3,736.69	3,736.69	3,550.99
(Charged)/credited:							
to profit or loss	385.81	110.84	(76.34)	34.50	479.98	479.98	(59.67)
to other comprehensive income	–	98.70	–	98.70	–	–	98.70
to Deferred tax on basis adjustment	–	–	–	–	–	–	–
<b>At March 31, 2020</b>	<b>5,677.65</b>	<b>1,712.98</b>	<b>416.06</b>	<b>2,129.04</b>	<b>4,216.67</b>	<b>4,216.67</b>	<b>3,590.02</b>
(Charged)/credited:							
to profit or loss	–	<b>115.37</b>	<b>(163.32)</b>	<b>(47.95)</b>	<b>(0.62)</b>	<b>(0.62)</b>	<b>(47.33)</b>
to other comprehensive income	–	<b>46.19</b>	–	<b>46.19</b>	–	–	<b>46.19</b>
to Deferred tax on basis adjustment	<b>(1,652.98)</b>	–	–	–	–	–	<b>(1,652.98)</b>
<b>At March 31, 2021</b>	<b>4,024.67</b>	<b>1,874.54</b>	<b>252.74</b>	<b>2,127.28</b>	<b>4,216.05</b>	<b>4,216.05</b>	<b>1,935.90</b>

**Notes (Consolidated)**  
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**Note 10 : Income Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening balance	932.35	942.91
Add : Taxes paid (net)	1,971.86	375.25
Less : Current Tax payable for the year	(3,857.19)	(385.81)
Add/Less : Assessment Completed / Adjustments	1,662.34	–
<b>Closing balance</b>	<b>709.36</b>	<b>932.35</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2021 and March 31, 2020

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Income Tax Assets	709.36	932.35
Income Tax Liabilities	–	–
<b>Closing balance</b>	<b>709.36</b>	<b>932.35</b>

**Note 11 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Capital Advance	1,329.38	770.34
Pre-Paid Expenses	32.70	4.17
Sales Tax Receivable	753.11	814.69
Advance - Others	2.95	2.95
<b>Total, Other Non Current Assets</b>	<b>2,118.14</b>	<b>1,592.15</b>

**Note 12 : Inventories**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Inventories		
Raw and Packing Materials	13,668.02	11,938.16
Work in Progress	3,905.36	2,636.94
Finished Goods	4,442.38	4,491.70
Stock in Trade	1,005.75	1,011.80
Stores and Spares	763.58	753.06
<b>Total, Inventories</b>	<b>23,785.09</b>	<b>20,831.66</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 2,020.74 lakhs (March 31, 2020 – INR 1,325.10 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

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**Note 13 : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Trade Receivables</b>		
<u>Unsecured</u>		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	5,743.64	5,805.28
Considered Doubtful	260.35	727.74
	<b>6,003.99</b>	6,533.02
Less: Provision for doubtful debts	(260.35)	(727.74)
	<b>5,743.64</b>	5,805.28
Other Debts - Considered Good	17,638.74	15,209.11
<b>Total, Trade Receivables</b>	<b>23,382.38</b>	<b>21,014.39</b>
Current Portion	23,382.38	21,014.39
Non-current Portion	—	—

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Secured, considered good	—	—
Unsecured, considered good	23,382.38	21,014.39
Considered Doubtful	260.35	727.74
<b>Total</b>	<b>23,642.73</b>	<b>21,742.13</b>
Allowance for doubtful trade receivables	(260.35)	(727.74)
<b>Total, Trade Receivables</b>	<b>23,382.38</b>	<b>21,014.39</b>

Refer Note 46 for information about credit risk and market risk of trade receivables.

**Note 14 : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Cash and Cash Equivalents</b>		
(i) Cash on hand	6.98	11.06
(ii) Balances with Banks		
In Current Accounts	871.70	2,005.43
In EEFC Accounts	—	295.02
In Fixed Deposit	63.09	64.70
<b>Total, Cash and Cash Equivalents</b>	<b>941.77</b>	<b>2,376.21</b>



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 15 : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
In Earmarked Accounts		
Unpaid Dividend Accounts	25.24	27.66
Margin Money	466.81	1,389.22
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>492.05</b>	<b>1,416.88</b>

**Note 16 : Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Unsecured, Considered Good		
Loan to Employees	39.81	38.64
<b>Total, Current Financial Assets - Loans</b>	<b>39.81</b>	<b>38.64</b>

**Note 17 : Current Financial Assets - Others**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Tender Deposits	59.60	71.89
Mark to Market Gain (Net) on financial instruments	210.04	299.74
Insurance Claim Receivable	4.81	-
Franking Advance	0.13	0.15
<b>Total, Current Financial Assets - Others</b>	<b>274.58</b>	<b>371.78</b>

**Note 18 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Advances to Suppliers	2,065.05	1,142.89
Pre-paid Expenses	863.13	536.66
Employee Advances	338.90	97.33
Receivable - Others	107.09	21.72
Receivable From OPC Assets	4.64	53.26
Balance with Statutory / Government Authorities	9,958.13	8,408.96
<b>Total, Other Current Assets</b>	<b>13,336.94</b>	<b>10,260.82</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Authorised</b>		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Paid up:</b>		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/-each) fully paid up.	<b>1,843.01</b>	1,843.01

A) Reconciliation of number of ordinary shares outstanding	March 31, 2021 Equity Shares		March 31, 2020 Equity Shares	
	Number	(₹ lakhs)	Number	(₹ lakhs)
Shares outstanding at the beginning of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01
Less :Adjustments	-	-	-	-
Add: Issue of Bonus shares	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>9,21,50,355</b>	<b>1,843.01</b>	9,21,50,355	1,843.01

B) Details of Shares held by each shareholder holding more than 5% shares	March 31, 2021		March 31, 2020	
	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares
Equity Shares with voting rights :				
i) Spa Holdings Pvt Ltd	18,335,000	19.90%	18,335,000	19.90%
ii) Shanteri Investment Pvt Ltd	15,771,755	17.12%	15,771,755	17.12%
iii) Aditi Panandikar	5,559,013	6.03%	5,559,013	6.03%
iv) Madhura Ramani	5,184,079	5.63%	5,184,079	5.63%
v) Aruna Suresh Kare	4,794,714	5.20%	4,794,714	5.20%
vi) Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund	6,120,964	6.64%	6,097,774	6.62%

**C) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2021, the amount of ₹ 1.50 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 0.30 per share on face value of ₹ 2 declared and paid to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

**Notes (Consolidated)**  
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**Note 20 : Other Equity**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Capital Reserve	0.02	0.02
Securities Premium	6,420.93	6,420.93
General Reserve	25,817.64	25,817.64
Retained Earnings	42,817.46	33,875.34
<b>Total, Other Equity</b>	<b>75,056.05</b>	<b>66,113.93</b>

**(i) Capital Reserve**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening Balance	0.02	0.02
Additions	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

**(ii) Securities Premium**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening Balance	6,420.93	6,420.93
Additions	–	–
<b>Closing balance</b>	<b>6,420.93</b>	<b>6,420.93</b>

**(iii) General Reserve**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening balance	25,817.64	25,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	–	–
<b>Closing balance</b>	<b>25,817.64</b>	<b>25,817.64</b>

**(iv) Retained Earnings**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Opening balance	33,875.34	31,980.64
Add : Net Profit / (Loss) for the Year	9,304.55	2,411.74
Add : Other Comprehensive Income	(85.98)	(183.76)
Amount available for appropriation	43,093.91	34,208.62
Less : Dividend paid	(276.45)	(276.45)
Less : Dividend Tax	–	(56.83)
<b>Closing balance</b>	<b>42,817.46</b>	<b>33,875.34</b>

The description of the nature and purpose of each reserve within equity as follows :

**Capital Reserve :**

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

**Securities Premium :**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**General Reserve :**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**Retained Earnings :**

Retained Earnings are the profits that the Group has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders.

**Notes (Consolidated)**  
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**Note 21 : Non-Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21 (i)	<b>3,161.87</b>	6,361.87
Indian rupee loan	Note No. 21 (ii)	<b>11,026.34</b>	9,206.16
Vehicle Loan from Bank	Note No. 21 (iii)	–	5.05
Interest accrued but not due	Note No. 26	<b>98.35</b>	109.58
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>14,286.56</b>	<b>15,682.66</b>
Less: Current maturities of long-term debt (included in note 26)		<b>(4,494.29)</b>	(5,880.07)
Less: Interest accrued (included in note 26)		<b>(98.35)</b>	(109.58)
<b>Total, Non-Current Borrowings</b>		<b>9,693.92</b>	<b>9,693.01</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211 , Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205 (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

**Notes (Consolidated)**  
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**Note 21 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	3.40 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26,A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of Euro 1,87,500 each commencing from January 13, 2020 ending on October 11, 2023. The amount is payable in the month of January, April, July and October of each year.
	Rate of Interest	7.61 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26, A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27,A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.

**Notes (Consolidated)**  
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(All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal instalments of ₹ 83,33,000/- each and 60th instalment of ₹ 83,53,000/- commencing from January 14, 2020, ending on May 14, 2025.
	Rate of Interest	7.50% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 35,00,00,000/-
	Terms of Repayment	The o/s Term Loan is Repayable in 20 equal monthly instalments of ₹ 64,97,750/- each and last instalment of ₹ 64,93,205/- ending on May 19, 2022.
	Rate of Interest	8.00% p.a.
	Nature of Security	Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 38,00,00,000/-
	Amount Availed	₹ 37,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal instalments of ₹ 61,66,667/- each and 60th instalment of ₹ 61,66,647/- commencing from May, 2021, ending on April, 2026.
	Rate of Interest	8.00% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.

**Notes (Consolidated)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-
	Amount Availed	₹ 22,50,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 60 monthly equal instalments of ₹ 37,50,000/- each commencing from Dec, 2022, ending on Nov, 2027.
	Rate of Interest	8.00% p.a.
	Nature of Security	1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722. Exclusive charge on immoveable fixed assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21 (ii)	Citi Bank	
	Amount Sanctioned	₹ 60,00,00,000/-
	Terms of Repayment	The O/s Term Loan is Repayable in 2 equal quarterly instalments of ₹ 3,95,83,333/- each. Amount is due on April 15, 2020 and July 15, 2020. The loan has been fully repaid in current year.
	Rate of Interest	9.50 % p.a.
	Nature of Security	The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L- 32 /33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21 (iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly instalments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020. The loan has been fully repaid in current year.
	Rate of Interest	9.71 % p.a.
	Nature of Security	The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

**Notes (Consolidated)**  
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**Note 22 : Non Current Other Financial Liabilities**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Unsecured</b>		
Security Deposit	732.89	732.89
Deposit Others	10.28	0.25
Lease Liability (refer note no. 39)	700.52	549.10
<b>Total, Non Current Other Financial Liabilities</b>	<b>1,443.69</b>	<b>1,282.24</b>

**Note 23 : Non Current Provisions**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	1,218.22	986.21
Gratuity (refer note no. 38)	1,559.27	1,342.47
<b>Total, Non Current Provisions</b>	<b>2,777.49</b>	<b>2,328.68</b>

**Note 24 : Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Secured (Refer Note below)</b>			
Loans from Banks			
Cash Credit Facility	Note No. 24 (i)	2,165.20	2,062.76
Packing Credit in Rupee	Note No. 24 (iii)	1,000.00	1,000.00
Working Capital Demand Loan	Note No. 24 (iv)	–	520.68
Buyer's Credit	Note No. 24 (vi)	–	96.37
Interest accrued		24.56	54.61
<b>Unsecured</b>			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24 (ii)	2,215.07	1,013.44
Packing Credit in Rupee	Note No. 24 (iii)	1,850.00	2,000.00
Working Capital Demand Loan	Note No. 24 (iv)	1,377.55	2,400.00
Short Term Loan	Note No. 24 (v)	3,000.00	1,450.00
<b>Total, Current Financial Liabilities - Borrowings</b>		<b>11,632.38</b>	<b>10,597.86</b>

Note : Cash Credit, Packing Credit in Rupee, Buyer's Credit and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.



**Notes (Consolidated)**  
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**Note 24 : Current Financial Liabilities - Borrowings: Contd.**

Note No.	Type of Loan	Repayment and Rate of Interest
24 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.15% p.a. to 10.15% p.a. (Previous year @ 8.65 % p.a. to 10.15 % p.a.)
24 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR +1% BPS to 1.65% BPS. (Previous year LIBOR + 1% BPS to 1.70% BPS)
24 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 5.60% p.a. to 7.60% p.a. (Previous Year @ 7.75% p.a. to 8.50% p.a.)
24 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 6.50% p.a. to 7.90% p.a. (Previous year 7.50% p.a. to 8.75% p.a.)
24 (v)	Short Term Loan	Is repayable on demand and carries interest @ 5.95% p.a. to 7.75% p.a (Previous year 7.75% p.a. to 9.00% p.a.)
24 (vi)	Buyer's Credit	Is repayable on completion of the tenure. The interest payable on the facility is LIBOR + 1% (Previous Year LIBOR + 75 BPS to 150 BPS)

**Note 25 : Trade Payables**

Particulars	March 31, 2021	March 31, 2020
Trade payables (refer note no. 51)		
Total Outstanding Dues of Micro and Small Enterprises	0.59	12.06
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	11,321.99	16,548.31
<b>Total, Trade Payables</b>	<b>11,322.58</b>	<b>16,560.37</b>

**Note 26 : Current Other Financial Liabilities**

Particulars	March 31, 2021	March 31, 2020
<b>Secured</b>		
Term Loans from Banks		
Indian Rupee loan	2,458.02	2,571.36
Vehicle Loan	–	5.05
Foreign Currency loan -ECB / FCNR(B)	2,036.27	3,303.67
Interest accrued	98.35	109.58
Unclaimed Dividend (*)	25.24	27.66
<b>Unsecured</b>		
Deposit Payable - Others	0.75	0.75
Lease Liability (refer note no. 39)	54.49	51.75
Other Current Liabilities	7,611.60	6,320.41
<b>Total, Current Other financial liabilities</b>	<b>12,284.72</b>	<b>12,390.23</b>

\* Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

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**Note 27 : Current Provisions**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	227.92	310.44
Gratuity (refer note no. 38)	945.61	874.74
Bonus	1,029.86	1,101.68
<b>Others</b>		
Sales Return	2,487.75	2,872.52
<b>Total, Provisions</b>	<b>4,691.14</b>	<b>5,159.38</b>

- (i) Information about individual provisions and significant estimates

**Sales Returns**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,543.95 lakhs as at March 31, 2021 (March 31, 2020 - INR 1,933.72 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

- (ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

<i>Particulars</i>	<i>Sales Return</i>
<b>As at April 1, 2020</b>	<b>2,872.52</b>
Charged/(credited) to profit or loss	
provision for current year	1,543.95
provision of earlier years utilised as against returns of current year	(1,928.72)
<b>As at March 31, 2021</b>	<b>2,487.75</b>
<b>As at April 1, 2019</b>	<b>2,428.81</b>
Charged/(credited) to profit or loss	
provision for current year	1,933.72
provision of earlier years utilised as against returns of current year	(1,490.01)
<b>As at March 31, 2020</b>	<b>2,872.52</b>

**Note 28 : Other Current Liabilities**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Advance Received	305.35	642.97
Statutory Dues Payable	455.82	547.83
<b>Total, Other Liabilities</b>	<b>761.17</b>	<b>1,190.80</b>

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**Note 29 : Revenue from operations**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Sale of Product		
Domestic Sales	<b>66,269.48</b>	71,446.85
Export Sales	<b>48,428.75</b>	29,737.07
	<b>1,14,698.23</b>	1,01,183.92
Sale of Services		
Export Services	<b>5,834.76</b>	5,694.42
Domestic Services	<b>1,327.79</b>	1,119.20
	<b>7,162.55</b>	6,813.62
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	<b>1,048.17</b>	1,524.02
Export Incentives	<b>1,210.58</b>	1,100.61
Scrap Sale	<b>33.24</b>	35.94
	<b>2,291.99</b>	2,660.57
<b>Total, Revenue from Operations (Gross)</b>	<b>1,24,152.77</b>	<b>1,10,658.11</b>

Note : As per Ind AS 115, revenue is reported net of GST.

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,543.95 lakhs as at March 31, 2021 (March 31, 2020 - INR 1,933.72 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Additional disclosures as required by Ind AS 115**

**Disaggregate revenue information**

The table below presents disaggregated revenue information from contracts with customers for the year ended March 31, 2021. The company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

**Notes (Consolidated)**  
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**Note 29 : Revenue from operations: Contd.**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>Formulation :</b>		
Domestic	<b>61,898.40</b>	68,624.09
Export		
Regulated Market :	<b>39,984.65</b>	21,753.96
Emerging Market :	<b>9,250.65</b>	7,871.94
Export, Total	<b>49,235.30</b>	29,625.90
<b>Formulation, Total (a)</b>	<b>1,11,133.70</b>	<b>98,249.99</b>
API (b)	<b>9,397.96</b>	8,600.61
CRO, Analytical Services & Others(c)	<b>1,329.12</b>	1,146.94
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>1,21,860.78</b>	<b>1,07,997.54</b>
Other Operating Revenue	<b>2,291.99</b>	2,660.57
<b>Total, Income from Operation</b>	<b>1,24,152.77</b>	<b>1,10,658.11</b>

**Performance obligations**

**a. Significant payment terms**

In case of Domestic Sales, payment terms range from 7 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance - 30 days to 120 days, Letters of Credit - 30 days to 120 days.

**b. Obligations for returns, refunds and similar obligations**

In case of domestic sales, sales return may take place anytime before / after the expiry of goods.

**Note 30 : Other Income**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Interest Received	<b>78.85</b>	123.99
Sundry Receipts	<b>62.47</b>	109.03
Sundry Balance w/back	<b>167.53</b>	7.88
Dividend Received	<b>0.63</b>	0.02
Profit on Sale of Fixed Assets	<b>2.10</b>	2.63
<b>Total, Other income</b>	<b>311.58</b>	<b>243.55</b>

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**Note 31a : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Raw / Packing Materials :		
Opening Stock	<b>11,938.16</b>	10,254.23
Add : Purchases	<b>32,049.62</b>	27,952.15
Less : Closing Stock	<b>(13,668.02)</b>	(11,938.16)
<b>Total, Cost of Material Consumed</b>	<b>30,319.76</b>	<b>26,268.22</b>

**Note 31b : Purchase of Stock in Trade**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Purchase of Stock in Trade	<b>6,303.72</b>	7,579.66
<b>Total, Purchase of Stock in Trade</b>	<b>6,303.72</b>	<b>7,579.66</b>

**Note 31c : Changes in Inventories**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	<b>4,491.70</b>	3,729.42
Op.Stock - Stock in Trade	<b>1,011.80</b>	1,113.60
Op.Stock - WIP	<b>2,636.94</b>	2,492.39
	<b>8,140.44</b>	<b>7,335.41</b>
Inventories at the end of the year		
Cl.Stock - Finished Goods	<b>(4,442.38)</b>	(4,491.70)
Cl.Stock - Stock in Trade	<b>(1,005.76)</b>	(1,011.80)
Cl.Stock - WIP	<b>(3,905.36)</b>	(2,636.94)
	<b>(9,353.50)</b>	(8,140.44)
<b>Total, Changes in Inventories</b>	<b>(1,213.06)</b>	<b>(805.03)</b>

**Note 32 : Employee Benefits Expense**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Salaries, Wages and Bonus (refer note no. 38)	<b>23,902.21</b>	21,743.73
Contribution to Provident and Other Funds (refer note no. 38)	<b>2,131.24</b>	2,032.93
Staff Welfare Expenses	<b>1,368.70</b>	1,874.04
<b>Total, Employee benefit expense</b>	<b>27,402.15</b>	<b>25,650.70</b>

**Note 33 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
R&D Employee Cost	<b>2,415.30</b>	2,287.05
Other R&D Expenses	<b>3,555.06</b>	2,683.15
<b>Total, Research &amp; Development Expenses</b>	<b>5,970.36</b>	<b>4,970.20</b>

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**Note 34 : Depreciation and amortisation expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Depreciation of Property, Plant and Equipment	3	<b>4,917.49</b>	4,733.39
Amortisation of Right-of-use assets	4	<b>57.44</b>	16.27
Amortisation of Intangible Assets	5	<b>2,337.58</b>	2,045.09
Impairment of Assets	5	–	286.84
<b>Total, Depreciation and amortisation expenses</b>		<b>7,312.51</b>	<b>7,081.59</b>

**Note 35 : Other Expenses**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Consumable Stores	<b>553.68</b>	464.14
Job Work Charges	<b>1,048.79</b>	1,025.74
Power and Fuel	<b>3,689.10</b>	3,474.62
Rent, Rates, Taxes	<b>499.98</b>	513.24
Insurance	<b>257.89</b>	179.56
Repairs :		
Building	<b>137.08</b>	156.25
Plant and Machinery	<b>1,269.94</b>	1,156.29
Others	<b>1,599.75</b>	1,638.38
	<b>3,006.77</b>	2,950.92
Packing and Delivery Expenses	<b>3,607.75</b>	3,320.66
Analytical Expenses	<b>2,452.58</b>	2,051.96
Advertising and Sales Promotion Expenses	<b>4,354.86</b>	5,214.80
Commission and Incentives on sales	<b>3,246.99</b>	3,713.05
Travelling, Conveyance and Motor Car Expenses	<b>3,680.49</b>	5,607.33
Legal and Professional Fees	<b>1,307.21</b>	2,654.03
Director's Sitting Fees	<b>22.40</b>	17.40
Postage, Telephone and Telex Expenses	<b>91.23</b>	105.84
Printing and Stationery Expenses	<b>273.20</b>	362.76
Payments to Auditors (refer note no. 35(a))	<b>16.62</b>	15.60
Loss on sale of Assets	<b>26.44</b>	25.29
Provision for Doubtful Debts	<b>126.86</b>	17.66
Bad Debts written off		
Bad Debts written off	<b>1,652.98</b>	801.68
Less : Transfer from Provision for Doubtful Debts	<b>(594.26)</b>	(236.15)
	<b>1,058.72</b>	565.53
Corporate Social Responsibility (refer note no. 35(b))	<b>62.71</b>	92.91
Miscellaneous Expenses	<b>3,558.76</b>	2,300.66
<b>Total, Other Expenses</b>	<b>32,943.03</b>	<b>34,673.70</b>

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**Note 35 (a) : Details of payments to Auditors**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	<b>9.30</b>	7.60
Tax Audit Fees under GST	<b>4.55</b>	4.85
<b>In other capacities :</b>		
Certification fees	<b>2.73</b>	2.36
Re-imbusement of expenses	<b>0.04</b>	0.79
<b>Total, Payment to Auditors</b>	<b>16.62</b>	<b>15.60</b>

**Note 35 (b) : Corporate social responsibility expenditure**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>Contribution to :</b>		
Promoting Education	–	15.78
Preventive Healthcare	<b>2.95</b>	–
Promoting & Development of Traditional Arts	–	0.50
Contribution of Free Medicine	<b>15.40</b>	39.85
Covid-19	<b>44.36</b>	10.00
Employment enhancing vocational skills	–	26.78
<b>Total</b>	<b>62.71</b>	<b>92.91</b>
Amount required to be spent as per Section 135 of the Act *	<b>45.00</b>	87.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	<b>62.71</b>	<b>92.91</b>

**Note 36 : Finance Cost**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Interest Expense	<b>2,104.13</b>	2,296.52
Other Financial charges	<b>105.83</b>	132.39
Exchange Gain / Loss (Net)	<b>16.21</b>	262.68
	<b>2,226.17</b>	<b>2,691.59</b>
Less : Amount capitalised (see note below)	–	(66.20)
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>2,226.17</b>	<b>2,625.39</b>

Note : Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with IND AS 23.  
Finance cost includes element of lease arrangement note no. 39.

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**Note 37 : Income Tax expense**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
<b>(a) Statement of Profit and Loss :</b>		
<b>Profit or Loss section :</b>		
<b>Current Income Tax :</b>		
Current Income Tax Charge	3,857.20	385.81
Tax in respect of earlier years	–	–
<b>Total, Current Income Tax</b>	<b>3,857.20</b>	<b>385.81</b>
<b>Deferred tax section :</b>		
Origination and reversal of timing difference	47.32	445.49
MAT Credit Adjustments	(9.36)	(385.81)
<b>Total, Deferred tax expense/(benefit)</b>	<b>37.96</b>	<b>59.68</b>
<b>Tax expense reported in the statement of Profit and Loss</b>	<b>3,895.16</b>	<b>445.49</b>
<b>Other Comprehensive income section :</b>		
Tax related to items recognised in OCI during the year :		
Net loss/(gain) on remeasurements of defined benefit plans	(46.19)	(98.70)
<b>Tax charged to OCI</b>	<b>(46.19)</b>	<b>(98.70)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

<i>Particulars</i>	<i>Apr'20-Mar'21</i>	<i>Apr'19-Mar'20</i>
Profit / (Loss) from continuing operations before income tax expense	13,199.71	2,857.23
Profit from discontinuing operation before income tax expense	–	–
	<b>13,199.71</b>	<b>2,857.23</b>
<b>Tax at the Indian tax rate of 34.944% (2019-2020 – 34.944%)</b>	<b>4,612.51</b>	<b>998.43</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(42.28)	(693.61)
Effect of non-deductible expenses	(2.06)	–
Other items	(7.42)	37.21
Tax losses for which no deferred income tax was recognised	(665.59)	103.46
<b>Income tax expense</b>	<b>3,895.16</b>	<b>445.49</b>
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>3,895.16</b>	<b>445.49</b>

**Note 38 : Employee benefit obligations**

As required by IND AS 19 'Employee benefits' the disclosures are as under :

**(i) Defined benefit plans**

a. Leave obligations

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of INR 227.92 lakhs (March 31, 2020 – INR 310.44 lakhs) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and therefore provision is made on the basis of actuarial valuation obtained.



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**Note 38 : Employee benefit obligations: Contd.**

b. Post-employment obligations

i. Gratuity

The group provides for gratuity for employees in India 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 group makes contributions to recognized funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(ii) **Defined contribution plans**

a. Provident Fund

The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is INR 1,527.86 lakhs (March 31, 2020 – INR 1,408.73 lakhs).

b. Superannuation

The company contributed INR 82.84 lakhs (March 31, 2020 - INR 74.92 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

(iii) **Balance sheet amounts – Gratuity**

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>
Current service cost	269.14	–	269.14
Past Service Cost	–	–	–
Interest expense/(income)	138.97	(9.39)	129.58
<b>Total amount recognized in Consolidated Statement of Profit &amp; Loss</b>	<b>408.11</b>	<b>(9.39)</b>	<b>398.72</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	17.97	17.97
Net Actuarial (Gain)/loss - Due to change in demographic assumptions	(6.60)	–	(6.60)
Net Actuarial (Gain)/loss - Due to change in financial assumptions	170.46	–	170.46
Net Actuarial (Gain)/loss - Due to experience changes	100.63	–	100.63
<b>Total amount recognized in other comprehensive income</b>	<b>264.49</b>	<b>17.97</b>	<b>282.46</b>
Employer contributions	–	(129.59)	(129.59)
Benefit payments	(223.14)	223.14	–
<b>March 31, 2020</b>	<b>2,235.74</b>	<b>(18.53)</b>	<b>2,217.21</b>

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**Note 38 : Employee benefit obligations: Contd.**

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2020</b>	<b>2,235.74</b>	<b>(18.53)</b>	<b>2,217.21</b>
Current service cost	269.54	–	269.54
Past Service Cost	–	–	–
Interest expense/(income)	152.47	(1.26)	151.21
<b>Total amount recognized in Consolidated Statement of Profit &amp; Loss</b>	<b>422.01</b>	<b>(1.26)</b>	<b>420.75</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	4.83	4.83
Net Actuarial (Gain)/loss - Due to change in demographic assumptions	–	–	–
Net Actuarial (Gain)/loss - Due to change in financial assumptions	(8.77)	–	(8.77)
Net Actuarial (Gain)/loss - Due to experience changes	136.11	–	136.11
<b>Total amount recognized in other comprehensive income</b>	<b>127.34</b>	<b>4.83</b>	<b>132.17</b>
Employer contributions	–	(265.25)	(265.25)
Benefit payments	(219.91)	219.91	–
<b>March 31, 2021</b>	<b>2,565.18</b>	<b>(60.30)</b>	<b>2,504.88</b>

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

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Present value of funded obligations	2,565.18	2,235.74
Fair value of plan assets	(60.30)	(18.53)
<b>Deficit of funded plan</b>	<b>2,504.88</b>	<b>2,217.21</b>
Unfunded plans	–	–
<b>Deficit of gratuity plan</b>	<b>2,504.88</b>	<b>2,217.21</b>

**(iv) Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Discount rate	6.86%	6.82%
Attrition rate	<b>For service 4 years and below 20.00% p.a.</b> <b>For service 5 years and above 4.00% p.a.</b>	For service 4 years and below 20.00% p.a. For service 5 years and above 4.00% p.a.
Salary growth rate	5.00%	5.00%

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**Note 38 : Employee benefit obligations: Contd.**

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	1%	1%	-	-	203.25	177.05
Discount rate	-1%	-1%	236.17	205.77	-	-
Salary growth rate	1%	1%	238.24	207.49	-	-
Salary growth rate	-1%	-1%	-	-	208.43	181.50
Attrition rate	1%	1%	28.12	23.66	-	-
Attrition rate	-1%	-1%	-	-	32.62	27.48

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) **The major categories of plans assets are as follows:**

Particulars	March 31, 2021	March 31, 2020
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	60.30	18.53
<b>Total</b>	<b>60.30</b>	<b>18.53</b>

(vii) **Maturity profile of projected benefit obligation (from fund) :**

Particulars	March 31, 2021	March 31, 2020
1st following year	236.15	203.57
2nd following year	158.96	149.53
3rd following year	180.76	158.25
4th following year	188.74	170.95
5th following year	186.52	163.17
Sum of years 6 to 10	1,114.21	905.29
Sum of years 11 and above	3,301.05	2,902.83

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**Note 39 : Leases**

- (a) Following are the changes in the Carrying value of Right to Use of Assets for the year ended March 31, 2021

Particulars	Category of ROU Assets				
	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	Total
<b>Balance as at March 31, 2019</b>	–	–	–	–	–
Additions during the year	242.66	141.68	157.62	0.82	542.78
Depreciation charge during the year	(7.47)	(6.36)	(2.29)	(0.15)	(16.27)
<b>Balance as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>
<b>Balance as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>
Additions during the year	150.11	54.54	–	–	204.65
Depreciation charge during the year	(26.79)	(19.88)	(10.50)	(0.27)	(57.44)
<b>Balance as at March 31, 2021</b>	<b>358.51</b>	<b>169.98</b>	<b>144.83</b>	<b>0.40</b>	<b>673.72</b>

The aggregate depreciation expenses on Right to Use of Assets is included under Depreciation, Amortisation and Impairment Expenses in the Statement of Profit and Loss

- (b) The following is the break-up of Current and Non-Current Lease Liabilities :

Particulars	March 31, 2021	March 31, 2020
Current Lease Liabilities (refer note no. 26)	54.49	51.75
Non Current Lease Liabilities (refer note no. 22)	700.52	549.10
<b>Total, Lease Liabilities</b>	<b>755.01</b>	<b>600.85</b>

- (c) Following is the movement in Lease Liabilities :

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	600.85	–
Additions during the year	233.57	623.72
Finance cost accrued during the year	65.60	12.28
Payment of Lease Liabilities	(145.01)	(35.15)
<b>Balance at the end of the year</b>	<b>755.01</b>	<b>600.85</b>

- (d) The following is a summary of future minimum lease rental commitments towards Finance Leases :

Particulars	March 31, 2021		March 31, 2020	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	125.36	54.49	107.11	51.75
Due in a period between one year and five years	573.38	360.65	408.28	232.34
Due after five years	432.41	339.87	407.06	316.76
<b>Total minimum lease commitments</b>	<b>1,131.15</b>	<b>755.01</b>	<b>922.45</b>	<b>600.85</b>
Less : Interest	(376.14)		(321.60)	
<b>Present value of minimum lease commitments</b>	<b>755.01</b>		<b>600.85</b>	

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**Note 40 : Fair value measurement**

Financial instruments by category	March 31, 2021		March 31, 2020	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>				
Investments				
Equity instruments	<b>2.10</b>		2.10	
Trade receivables		<b>23,382.38</b>		21,014.39
Non Current Other Financial assets		<b>579.22</b>		588.16
Cash and cash equivalents		<b>941.77</b>		2,376.21
Bank balances other than cash and cash equivalents		<b>492.05</b>		1,416.88
Current Other Financial Assets		<b>274.58</b>		371.78
<b>Total Financial Assets</b>	<b>2.10</b>	<b>25,670.00</b>	<b>2.10</b>	<b>25,767.42</b>
<b>Financial Liabilities</b>				
Bank Borrowings		<b>25,918.93</b>		26,280.52
Non Current Other Financial Liabilities		<b>1,443.69</b>		1,282.24
Current Other Financial Liabilities		<b>7,692.07</b>		6,400.56
Trade Payables		<b>11,322.58</b>		16,560.37
<b>Total Financial Liabilities</b>	<b>-</b>	<b>46,377.27</b>	<b>-</b>	<b>50,523.69</b>

**Fair value hierarchy**

**Level 1** :Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2** : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value	March 31, 2021			March 31, 2020		
	Level			Level		
	I	II	III	I	II	III
<b>Financial Assets</b>						
Investments						
Equity instruments		<b>2.10</b>			2.10	
<b>Total Financial Assets</b>	<b>-</b>	<b>2.10</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>-</b>

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**Note 41 : Capital Management**

**(a) Risk management**

The group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The group monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The group's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
Net Debt	<b>24,977.17</b>	23,904.31
Equity	<b>76,899.06</b>	67,956.94
<b>Net debt to equity ratio</b>	<b>32.5%</b>	<b>35.2%</b>

**(b) Dividends**

<i>Particulars</i>	<i>March 31, 2021</i>	<i>March 31, 2020</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2020 of INR 0.30 (March 31, 2019 of INR 0.30) per fully paid share	<b>276.45</b>	276.45
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 1.50 per fully paid equity share (March 31, 2020 – INR 0.30). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	<b>1,382.26</b>	276.45

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**Note 42 : Segment Information**

**(a) Description of segments and principal activities**

The group has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, Finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

**(b) Adjusted EBITDA**

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

Particulars	March 31, 2021	March 31, 2020
<b>Total adjusted EBITDA</b>	<b>22,426.81</b>	<b>12,320.66</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	Note No	March 31, 2021	March 31, 2020
<b>Total adjusted EBITDA</b>		<b>22,426.81</b>	<b>12,320.66</b>
Finance costs	36	<b>2,226.17</b>	2,625.39
Other Income	30	<b>(311.58)</b>	(243.55)
Depreciation and Amortisation Expense	34	<b>7,312.51</b>	7,081.59
<b>Profit before income tax from continuing operations</b>		<b>13,199.71</b>	<b>2,857.23</b>

**(c) Segment revenue**

The segment revenue is measured in the same way as in the statement of profit or loss.

**Geographical :**

Particulars	March 31, 2021			March 31, 2020		
	India	Outside India	Total	India	Outside India	Total
Revenue from External Customers	<b>67,597.27</b>	<b>54,263.51</b>	<b>1,21,860.78</b>	72,566.05	35,431.49	<b>1,07,997.54</b>
Non Current Assets (*)	<b>65,931.43</b>	-	<b>65,931.43</b>	65,636.63	-	<b>65,636.63</b>

\* Excluding financial assets, deferred & current tax assets

**Product :**

Particulars	March 31, 2020	March 31, 2019
Revenue from Product	<b>1,14,698.23</b>	1,01,183.92
Revenue from Services	<b>7,162.55</b>	6,813.62
<b>Total, Revenue</b>	<b>1,21,860.78</b>	<b>1,07,997.54</b>

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**Note 43 : Additional information, as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Subsidiary/Associates.**

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
Indoco Remedies Ltd.	99.99%	76,892.83	99.30%	9,239.19	100.00%	(85.98)	99.29%	9,153.21
<b>Subsidiaries</b>								
<b>Indian</b>								
Xtend Industrial Designers & Engineers Pvt. Ltd.	0.32%	249.26	0.70%	65.58	0.00%	—	0.71%	65.58
<b>Foreign</b>								
Indoco Remedies Czech s.r.o.	0.00%	(0.27)	0.00%	(0.22)	0.00%	—	0.00%	(0.22)
Inter Company Elimination and Consolidation Adjustment	-0.32%	(242.76)	0.00%	—	0.00%	—	0.00%	—
<b>Total</b>	<b>99.99%</b>	<b>76,899.06</b>	<b>100.00%</b>	<b>9,304.55</b>	<b>100.00%</b>	<b>(85.98)</b>	<b>100.00%</b>	<b>9,218.57</b>

**Note 44 : Events occurring after the reporting period**

**Other events**

Refer to note 41 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 45 : Earnings Per Share**

Particulars	Apr'20-Mar'21	Apr'19-Mar'20
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit / (Loss) for the year	9,304.55	2,411.74
Weighted average numbers of equity shares	9,21,50,355	9,21,50,355
<b>Basic &amp; Diluted Earnings Per Share (₹ 2/-)</b>	<b>10.10</b>	<b>2.62</b>



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**Note: 46 - 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 strategies. The Company's financial risk management policy is set by the Audit Committee of the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

**Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Exposure to interest rate risk**

(₹ in lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Short Term Borrowings	11,632.38	10,597.86
Long Term Borrowings	14,286.56	15,682.66
Total Borrowings	25,918.94	26,280.52
% of Borrowings out of above bearing variable rate of Interest	44.88%	40.33%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on Profit before Tax**

(₹ in lakhs)

Particulars	2020-21	2019-20
50 BPS increase would decrease the Profit before Tax by	58.16	52.99
50 BPS decrease would (increase) the Profit before Tax by	(58.16)	(52.99)

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**Note 46 : FINANCIAL RISK MANAGEMENT:** *Contd.*

**Market Risk- Foreign currency risk.**

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF,JPY,CNY which exposes the company to foreign currency risk to minimise the risk of imports, the company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

**Derivative instruments and unhedged foreign currency exposure**

**(a) Derivative outstanding as at the reporting date**

*(Foreign currency In lakhs)*

Particulars	As at March 31, 2021		As at March 31, 2020	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	151.97	USD	150.08
Forward Contract to Buy USD	USD	21.50	USD	–
Forward Contract to Sell EURO	EURO	142.50	EURO	61.25
Forward Contract to Buy EURO	EURO	11.25	EURO	11.25
Forward Contract to Sell GBP	GBP	214.51	GBP	142.75
Forward Contract to BUY GBP	GBP	7.62	GBP	22.86
Swaps				
FCNR ( B)	USD	9.34	USD	28.03
ECB	USD	–	USD	–
ECB	GBP	0.01	GBP	0.02
ECB	Euro	20.63	Euro	28.13

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

**(b) Particulars of foreign currency exposures as at the reporting date**

*As at March 31, 2021*

*(Foreign currency in lakhs)*

Particulars	USD	EURO	GBP	AUD	CAD
Trade Receivables	112.28	68.18	67.25	0.45	–
Trade Payables	8.79	2.44	–	–	–
Loans Taken - Short Term & long Term	9.34	20.63	7.63	–	–
Cash & Bank Balances	–	–	–	–	–

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**Note 46 : FINANCIAL RISK MANAGEMENT: Contd.**

As at March 31, 2020

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	101.27	61.50	36.15	0.45
Trade Payables	23.86	14.53	–	–
Loans Taken - Short Term & long Term	41.43	28.13	22.88	–
Cash & Bank Balances	3.11	0.57	0.13	–

**(c) Foreign Currency Risk Sensitivity**

A change of 5% in foreign currency would have following Impact on Profit before Tax

(₹ in lakhs)

	2020-21		2019-20	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	108.66	(108.66)	67.22	(67.22)
EURO	69.02	(69.02)	49.33	(49.33)
GBP	70.61	(70.61)	37.96	(37.96)
AUD	0.47	(0.47)	0.47	(0.47)
CAD	–	–	–	–
Increase / (Decrease) in profit or loss	248.76	(248.76)	154.98	(154.98)

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

**Notes (Consolidated)**  
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**Note 46 : FINANCIAL RISK MANAGEMENT: Contd.**

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables**

(₹ in lakhs)

	As at March 31, '21	As at March 31, '20
Not due	12,729.46	10,653.30
0-3 Months	3,953.07	3,623.52
3 - 6 Months	938.22	865.55
6 Months and above	6,021.98	6,599.76
<b>Total</b>	<b>23,642.73</b>	<b>21,742.13</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

(₹ in lakhs)

	As at March 31, '21	As at March 31, '20
Opening Provision	727.74	946.23
Add :- Additional provision made	126.86	79.86
Less : - Provision written off	20.61	236.15
Less : - Provision reversed	573.65	62.20
Closing Provisions	260.34	727.74

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lakhs)

	As at March 31, '21	As at March 31, '20
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	20,832.18	16,896.74
Expiring beyond one year (bank loans)	—	—

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**Note 46 : FINANCIAL RISK MANAGEMENT: Contd.**

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, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

(ii) **Maturity patterns of Borrowings**

(₹ in lakhs)

	As at March 31, '21				As at March 31, '20			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
<b>Long term borrowings</b> (Including current maturity of long term debt)	4,592.64	8,882.25	811.67	14,286.56	5,989.66	9,654.67	38.33	15,682.66
<b>Short term borrowings</b>	11,632.38	–	–	11,632.38	10,597.86	–	–	10,597.86
<b>Total</b>	16,225.02	8,882.25	811.67	25,918.94	16,587.52	9,654.67	38.33	26,280.52

(iii) **Maturity Patterns of other Financial Liabilities**

(₹ in lakhs)

As at March 31, '21	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	10,824.40	–	(140.40)	10,684.00
Payable related to Capital goods	607.78	–	30.78	638.56
Other Financial liability (Current and Non Current)	4,665.82	5,992.50	3,070.10	13,728.42
<b>Total</b>	16,098.00	5,992.50	2,960.48	25,050.98

(₹ in lakhs)

As at March 31, '20	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	15,169.03	–	(68.93)	15,100.10
Trade Payable related to Capital goods	249.76	–	1,210.51	1,460.27
Other Financial liability (Current and Non Current)	7,876.46	1,919.85	3,876.16	13,672.47
<b>Total</b>	23,295.25	1,919.85	5,017.74	30,232.84

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**Note 47 :**

Contingent Liabilities not provided for:

(₹ In lakhs)

		As at March 31, 2021	As at March 31, 2020
A)	Matters under dispute		
	i) Sales Tax (₹ 454.57 lakhs has been paid under protest Previous year ₹ 448.56 lakhs) **	<b>1,007.98</b>	1,013.29
	ii) Excise / Service Tax ***	<b>746.97</b>	746.97
	iii) Income Tax *	<b>1,861.17</b>	5.98
B)	Bank Guarantees	<b>253.25</b>	216.81
C)	Letters of Credit	<b>555.48</b>	2,234.33
D)	Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 736.85 lakhs (Previous year ₹ 235.30 lakhs )	<b>1,146.74</b>	955.34

**Legal Case –**

MR's / Petitioners has filed a defamation suit against the company under Section 38 / Section 40 of the Specific Relief Act 1963 and the matter is pending before civil court of Jalandhar jurisdiction for ₹. 5 Lakhs each. Total Contingent liability against the suit is ₹ 20 Lakhs.

**\* Income Tax demand comprises of**

- ₹ 5.98 lakhs (Previous year - ₹ 5.98) appearing as TDS defaults on account of short Deduction / Short Payment & Interest thereon etc for various assessment years.
- ₹ 1,855.19 lakhs (Previous year - ₹ Nil) Demand issued by AO on account of Regular Assessment u/s 143(3) for AY 18-19. The Company has preferred the appeal against the aggrieved demand order before CIT (A) which is yet to be heard.

**\*\* Sales Tax demand comprises of**

- ₹ 189.81 Lakhs (Previous year – ₹ 189.81 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2005 to March 2009. The Company has filed an appeal before High Court which is yet to be heard.
- ₹ 619.19 Lakhs (Previous year – ₹ 619.19 Lakhs) demand (including penalty) pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2009 to December 2013. The Company has filed an appeal before Telangana VAT Appellate Tribunal Hyderabad which is yet to be heard.
- ₹ 96.86 Lakhs (Previous year – ₹ 96.86 Lakhs) is penalty imposed on demand of April 09 to October 12 under Andhra Pradesh VAT Act for classification dispute. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- ₹ 59.88 Lakhs (Previous year – ₹ 59.88 Lakhs) demand pertaining to classification dispute under Telangana VAT Act for the period January 2014 to June 2017. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.

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**Note 47 : Contd.**

- e) ₹ 5.98 Lakhs (Previous year – ₹ 5.98 Lakhs) is penalty imposed on demand pertaining to classification dispute under Telangana VAT Act for the period January 2014 to June 2017. The Company has filed an appeal before Deputy Commissioner (CT), Saroornagar Division, Hyd which is yet to be heard.
- f) ₹ 12.83 Lakhs (Previous year – ₹ 12.83 Lakhs) in respect of order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute for the period June 2014 to March 2016. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada.
- g) ₹ 3.21 Lakhs (Previous year – ₹ 3.21 Lakhs) is penalty imposed on demand pertaining to order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute for the period June 2014 to March 2016. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada.
- h) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Asst. Commissioner of Commercial Taxes, Marga who has set aside the previous order and directed Assessing Officer for Re-assessment.

**\*\*\*Excise & Service tax demand comprises of**

- a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Divisional Dy. Commissioner, Boisar for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT, Mumbai.
- d) Company appeal is pending before Divisional Dy. Commissioner, Mumbai for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).
- e) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).
- f) CENVAT credit on input service ₹ 494.42 Lakhs (Previous year – ₹ 494.42 Lakhs), appeal pending before CESTAT, Mumbai.
- g) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- h) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).
- i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before CESTAT, Mumbai for Exempted product-Allopurinol Value Based Duty Reversal.

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**Note 48**

**Assets Pledged As Security**

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

<i>Particulars</i>	<i>As at March 31, 2021</i>	<i>As at March 31, 2020</i>
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	<b>23,357.81</b>	20,917.70
Margin Money against L/c	<b>466.81</b>	1,389.22
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	<b>23,781.25</b>	20,823.99
<b>Total Current Assets Pledged as security</b>	<b>47,605.87</b>	<b>43,130.91</b>
<b>Non Current Assets</b>		
First Charge		
Land & Building	<b>14,066.50</b>	8,651.51
Furniture, fittings and equipment	<b>702.63</b>	682.19
Plant and machinery	<b>25,571.02</b>	26,557.99
Others	<b>3,326.35</b>	3,561.10
<b>Total non-current assets Pledged as security</b>	<b>43,666.50</b>	<b>39,452.79</b>
<b>Total assets pledged as security</b>	<b>91,272.37</b>	<b>82,583.70</b>



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 49**

**Related Party Disclosure as required by Ind AS 24**

**I. Related Parties**

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	NIL
	Subsidiary Companies	NIL
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting company:	
	Associates	NIL
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G. Kare, Mrs. Aruna S. Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Sudha Pai, Mrs. Pratima Vaidya, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(D)	(i) Key Management Personnel : Mr. Suresh G. Kare, Ms. Aditi Panandikar, Mr. Sundeep V. Bambolkar, Mr. Mandar Borkar, Mr. Jayshankar Menon	
	Independent Directors: Mr. Divakar M Gavaskar, Mr. Rajiv P Kakodkar, Dr. (Ms) Vasudha V Kamat, Mr. Abhijit Y Gore Non Executive Director: Dr. Anand M Nadkarni	
	(ii) Their Relatives : Mrs. Aruna S. Kare, Mrs. Madhura A. Ramani	
E.	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Indoco Foundation, Warren Generics s.r.o,	

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

Note 49 : *Contd.*

**II. Transactions in respect of which disclosures to be made**

(₹ In lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Purchases or sales of fixed assets	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Rendering or receiving of services	C. Y.	-	-	-	-	<b>101.98</b>
	P. Y.	-	-	-	-	116.02
Agency arrangements	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Remuneration paid	C. Y.	-	-	-	<b>1,052.57</b>	-
	P. Y.	-	-	-	714.22	-
Sitting Fees paid	C. Y.	-	-	-	<b>22.60</b>	-
	P. Y.	-	-	-	17.40	-
Transfer of research and development		-	-	-	-	-
License agreements	C. Y.	-	-	-	<b>3.00</b>	-
	P. Y.	-	-	-	3.00	-
Finance (including loans and equity contributions in cash or in kind)	C. Y.	-	-	-	-	<b>0.65</b>
	P. Y.	-	-	-	-	0.70
Guarantees and collaterals	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Payable	C. Y.	-	-	-	-	<b>8.99</b>
	P. Y.	-	-	-	-	8.01

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

Note 49 : *Contd.*

Sr. No.	Particulars of Remuneration	Name of Chairman / MD / JT. MD / KMP					Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	Mr. Mandar Borkar	Mr. Jayshankar Menon	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act, 1961	248.40	212.91	195.58	74.71	29.73	761.33
	Value of Perquisites under Section 17 (2) Income tax Act, 1961 *	-	2.90	2.90	-	-	5.80
	Profit in Lieu of Salary under Section 17 (3) Income tax Act, 1961	-	-	-	-	-	-
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission / Incentive	100.00	40.00	40.00	-	-	180.00
5	Others , Please Specify – PF, SA	-	44.23	39.59	18.27	3.35	105.44
	<b>Total (1+5)</b>	<b>348.40**</b>	<b>300.04**</b>	<b>278.07**</b>	<b>92.98</b>	<b>33.08</b>	<b>1,052.57</b>

\* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

\*\* Members have by way of Postal Ballot, on March 7, 2019, passed a Special Resolution approving the payment of remuneration to Directors without restriction in case of no profit or inadequate profit.

**III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis**

(₹ In lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	-	-	-	1,078.17	102.63
	P.Y	-	-	-	734.62	116.72
(ii) Transactions not in the normal course		-	-	-	-	-
(iii) Transactions not on an arm's length basis		-	-	-	-	-
(iv) Justification for (iii)		-	-	-	-	-

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2021**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note No: 50**

Expense approval from 2016-17 till 2020-21 as R&D expenses has been kept on hold by DSIR.

Below is the R&D expense details.

**Expenditure on R&D**

(₹ In lakhs)

	2016-17	2017-18	2018-19	2019-20	2020-21
Building	–	–	8.42	–	<b>1.93</b>
Equipment & other capital expenditure	1,098.44	290.52	146.61	348.22	<b>593.09</b>
<b>Total Capital Expenditure</b>	<b>1,098.44</b>	<b>290.52</b>	<b>155.03</b>	<b>348.22</b>	<b>595.02</b>
Revenue Expenditure	5,171.04	5,348.97	5,151.55	4,970.21	<b>5,970.36</b>
<b>Total R &amp; D Expenditure</b>	<b>6,269.48</b>	<b>5,639.49</b>	<b>5,306.58</b>	<b>5,318.43</b>	<b>6,565.38</b>

**Note No: 51**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ In lakhs)

		2020-21	2019-20
A	Principal Amount & Interest due on the above	<b>0.59</b>	<b>1.19</b>
B	Interest paid during the year beyond the appointed day	–	–
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	–	–
D	Amount of interest accrued and remaining unpaid at the end of the year.	–	–
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	–	–

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

**Note No: 52**

Previous year figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached  
 For **Gokhale & Sathe**  
 Chartered Accountants  
 Firm Registration no.: 103264W

**Tejas Parikh**  
 Partner  
 M. No. 123215

**Aditi Panandikar**  
 Managing Director  
 DIN : 00179113

**Mandar Borkar**  
 Chief Financial Officer

**Sundeep V Bambolkar**  
 Jt. Managing Director  
 DIN : 00176613

**Jayshankar Menon**  
 Company Secretary

Mumbai : May 25, 2021

# CSR - BETTER LIVES FOR A BRIGHTER FUTURE



Indoco is committed to its social responsibility and carries out its CSR activities under the banner of 'SUMATI SANGOPAN', reaching out to the underprivileged. The Company lends a helping hand to the needy, with significant focus on the welfare of women, children and the aged in the areas of Health, Education, Sanitation, etc.



Goa CSR Team with doctors & staff of DEIC Hospicio, Margao on World Autism Day



Preventive healthcare assistance to Sarvodaya Hospital Samarpan Blood Bank, Mumbai



Distribution of free medicines to Vivekananda Kendra Arun Jyoti, Assam



Inauguration of Dialysis machine to Nana Palkar Institute, Mumbai



Distribution of free medicines to Ramakrishna Mission Ashrama, Assam

## OTHER CSR INITIATIVES

- Donation to the PM Cares Fund
- H P CM Relief Fund in Himachal Pradesh
- Preventive healthcare assistance to Supremo Foundation, Maharashtra
- Distribution of free medicines to Sevalaya, Tamil Nadu



# BUZZ @ INDOCO



82<sup>nd</sup> birthday celebrations of our Chairman, Mr. Suresh G Kare



60<sup>th</sup> birthday celebrations of our Jt. M.D., Mr. Sundeeep V Bambolkar



Dussera Pooja @ Indoco



Foundation Day 23<sup>rd</sup> August'20



Environment Day Drawing competition



Flag hoisting on Independence Day



Navaratri celebrations @ Goa



Diwali celebrations @ Goa



Christmas celebrations @ Goa

## Winners of Inspira 2021 - Indoco's Got Talent



Winner - Team Patalganga



First Runner Up - Team Baddi



Team CQA for Inspira



Second Runner Up - Team Goa



Second Runner Up - Team AnaCipher CRO



Team Rabale for Inspira



# BUZZ @ INDOCO



ALOJA turns 1



Brinzolamide success celebration



Women's Day celebrations



Inauguration of granulation line @ Baddi III



Inauguration of a new liquid line @ Baddi I



World Environment Day @ Baddi



Safety week @ Indoco



Indoco @ JCI Vasco for concluding ceremony of Road Safety week



Annual cricket tournament @ Goa



Vaccination drive @ Indoco



Antibody test @ HO

## Safe Harbour

Statements made in this Annual Report describing the Company's objective, projections, estimates and expectations may be 'Forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.



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