



**75 YEARS YOUNG, BOLD AND DYNAMIC**

Annual Report 2021-2022



# 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

## 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	

## Registered Office

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

## Chief Financial Officer

MR. PRAMOD GHORPADE

## Company Secretary & AVP-Legal

MR. JAYSHANKAR MENON

## Registrar & Share Transfer Agent

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

## Auditors

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

## Company Identification Number

CIN: L85190MH1947PLC005913



75 YEARS YOUNG, BOLD AND DYNAMIC

Annual Report 2021-2022

## MESSAGE FROM THE TOP MANAGEMENT

Dear Stakeholders,

We are happy to inform you that all the businesses of our Company have performed well despite various challenges in the global business environment. This robust and sustainable performance during the last two years speaks volumes about smart and intelligent teamwork and above all, effective leadership at every level. However, globally rising inflation, severe disruption in global supply chains, tremendous rise in oil prices, and last but not the least, the Russia-Ukraine war are events playing havoc with the macro-economic business environment. Just when we believed the COVID-19 related economic impact would ease, these current disruptions have once again posed several challenges to business.

In spite of all the above challenges, the Company grew by 23.4 % with revenues at ₹ 1503 crores, as against ₹ 1217 crores in the previous year. The Domestic Formulation Business grew by 29.7 % with revenues at ₹ 803 crores, as against ₹ 619 crores of previous year. The International Formulation Business grew by 26 % with revenues at ₹ 620 crores, as against ₹ 492 crores of previous year.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBIDTA) to net sales is 21.8% at ₹ 327 crores, compared to 18.4 % at ₹ 223 crores, last year. Profit After Tax (PAT) is 10.3% at ₹ 154 crores, as against 7.6 % at ₹ 92 crores, last year.

In the Domestic market, we launched six new products (SKUs), two in the acute segment, Naricover and Dropizin Syrup, one in the chronic segment, Methycal 60 K and three in the sub-chronic segment, Rexidin SRS, Noxa and Subitral.

Indoco was successful in launching ten products in the USA and two in Canada through its partners and has received approval of five ANDAs in FY 21-22. The Company was amongst the first few generic companies to launch two products on the day of patent expiry. It is a matter of great pride that Indoco is the only company to launch the generic version of Lacosamide Injection in the US market.

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

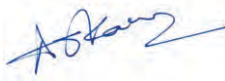
Indoco keeps alive its CSR mission by reaching out to the needy with a focus on the welfare of women, the aged and children. We are striving hard to make a positive impact on society and thereby create better lives for a brighter future.

What makes us proud is the relentless hard work and collaborative efforts of Indocoites, along with the support of our stakeholders, including shareholders, customers, bankers, and the medical fraternity globally, who have helped us build a great organization. To all of them we are ever so grateful.

Thanking you all,



**Suresh G Kare**  
Chairman



**Aditi Panandikar**  
Managing Director

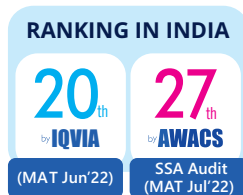


**Sundeep V Bambolkar**  
Jt. Managing Director



# BUSINESS HIGHLIGHTS

## INDIA BUSINESS



### TOP BRANDS

**CYCLOPAM**

febrex plus

**SENSODENT-K**

karvol<sup>®</sup> plus

**ATM**

**OXIPOD**

**cital**

**SENSOFORM**

**SENSODENT KF**

**ALOJA**

**GLYCHEK**

**KIDODENT**

**Subital**

**Rexidin**

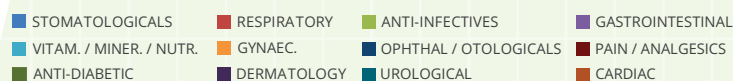
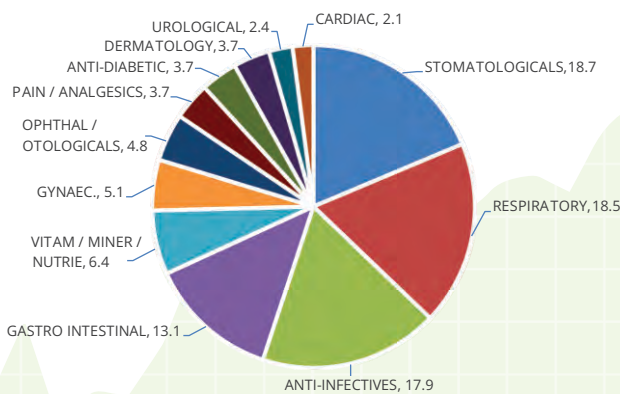
**MCBM-69**

**Methylcal**

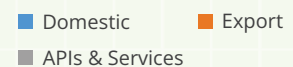
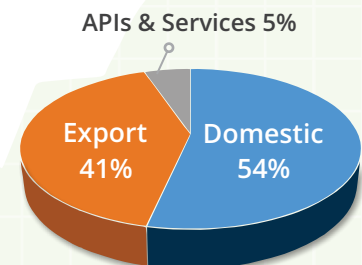
**HOMIDE**

**CAL-AID**

### THERAPEUTIC SEGMENT CONT % FY 2021-2022



### SALES % FY 2021-2022



# BUSINESS HIGHLIGHTS

## GLOBAL BUSINESS

Presence across  
**55**  
countries

**110**  
PROCESS PATENTS  
• 39 for FDFs  
• 71 for APIs



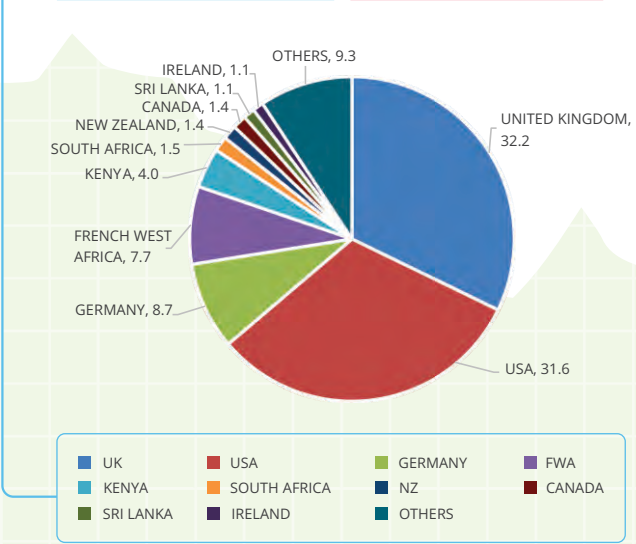
**56**  
ANDAs  
at various  
stages

**69**  
Marketing  
Authorisations  
(MAs)

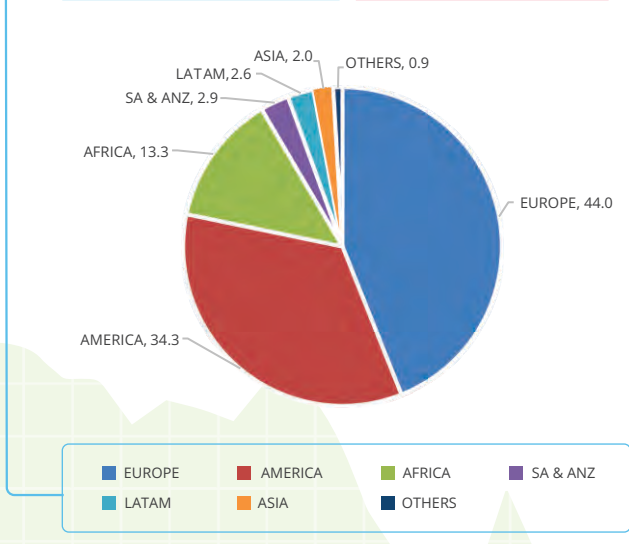
**12**  
New  
launches in  
US/Canada

**New Drug  
Delivery  
Systems (NDDS)**


COUNTRIES CONT % FY 2021-2022



REGION CONT % FY 2021-2022



# INDOCO AT A GLANCE



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



**Turnover**  
\$ 198  
million



**Pan India**  
presence

**9** **MANUFACTURING FACILITIES**


- 6 FDFs
- 3 APIs



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



**300**  
scientists



**ALLIED SERVICES**

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

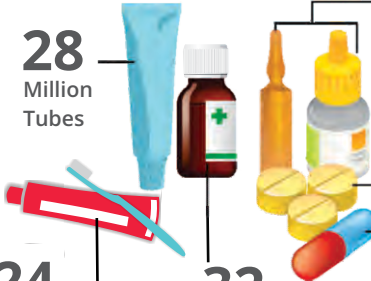


**EMPLOYEE STRENGTH**  
Over **6000**



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

## ANNUAL CAPACITIES



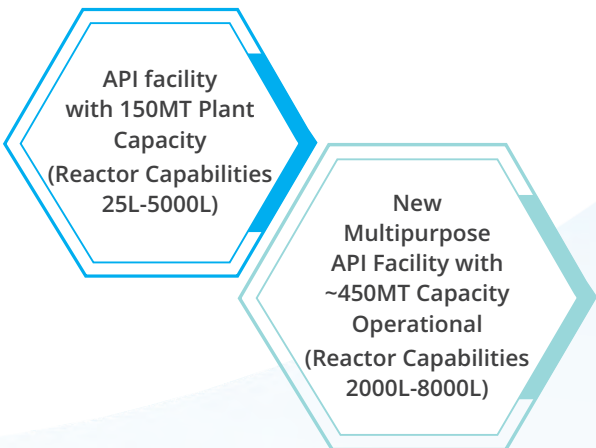
**28** Million Tubes

**24** Million Toothpastes

**32** Million Bottles

**60** Million Ampoules & Vials

**8** Billion Tablets/Capsules



API facility with 150MT Plant Capacity (Reactor Capabilities 25L-5000L)

New Multipurpose API Facility with ~450MT Capacity Operational (Reactor Capabilities 2000L-8000L)



*Celebrating 75 years of  
excellence in health care.....*

It is not just a journey over the years, but a story of commitment, passion and perseverance of a younger, bolder and dynamic Indoco.

A journey of healing lives began on August 23, 1947  
With passion, aspirations and a commitment  
to shape the future of healthcare  
And to fulfil the unmet needs of an unconfined nation.

Today we are younger, younger in aggression  
Bolder in overcoming hurdles and battling uncertainties  
And dynamic and innovative making ambition meet imagination.

With empowered, spirited Indocoites  
Unique, bold and enthusiastic  
We are on an insurmountable path to achieve our Goals...



*Our strengths are our core values and ethical way of doing business. We believe that where we are and where we are going matters to us. Our winning ways are to Challenge, Connect and Commit, which brings a cultural transformation to build a high-performing Indoco.*

## Transforming the workforce

Talent is essential and every Indocoite is respected for his/her talents and hard work. Indoco's culture serves as the anchor for all we do. It not only ensures collaboration and promotes innovation, but offers our employees a genuine opportunity for professional growth and advancement. By working together effectively, in close collaboration and alignment, we tap into our full potential and drive our success. We don't just build careers, we build leaders from within the organization.

**Happiness @ Work**

To bring in more productivity, involvement and resilience among employees at work place.

**HOT IDEAS @ INDOCO**

Share your Hot Ideas and get rewarded!!

To focus on a very vital aspect of good health for all employees.

**Medical Drive**

**SPEAKERS CLUB**

A unique initiative which has multiple benefits to all employees participating in this Forum.

**GRATITUDE MONTH**

Express our GRATITUDE towards our colleagues, seniors, stakeholders or anyone for their kind gestures and thoughtfulness.

**YOGA – A HOLISTIC HEALTH & WELLNESS SESSION**



## CONTENTS

1	Notice	2
2	Directors' Report	42
3	Secretarial Audit Report	68
4	Business Responsibility Report	72
5	Report on Corporate Governance	80
6	Management Discussion and Analysis	107
7	Auditor's Report on Financial Statements (Standalone)	123
8	Balance Sheet (Standalone)	136
9	Statement of Profit and Loss (Standalone)	137
10	Cash Flow Statement (Standalone)	138
11	Statement for Changes in Equity (Standalone)	140
12	Significant Accounting Policies (Standalone)	141
13	Notes to Financial Statements (Standalone)	154
14	Financial Highlights	200
15	Auditor's Report on Financial Statements (Consolidated)	204
16	Balance Sheet (Consolidated)	214
17	Statement of Profit and Loss (Consolidated)	215
18	Cash Flow Statement (Consolidated)	216
19	Statement for Changes in Equity (Consolidated)	218
20	Significant Accounting Policies (Consolidated)	219
21	Notes on Financial Statements (Consolidated)	232

## 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 Fifth** Annual General Meeting of the members of **INDOCO REMEDIES LIMITED** will be held on **Thursday, September 22, 2022, 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 standalone financial statement of the Company for the financial year ended March 31, 2022 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, 2022 and the Report of the Auditors thereon.
2. To declare a Final dividend of ₹ 2.25 (including a one-time special dividend of ₹ 0.75) per equity share for the financial year ended March 31, 2022.
3. To appoint a Director in place of Dr. Anand M Nadkarni (DIN- 06881461), who retires by rotation and being eligible, offers himself for re-appointment.
4. **To re-appoint M/s Gokhale & Sathe, a Firm of Chartered Accountants, (Firm Registration No. 103264W) as Statutory Auditors of the Company and to fix their remuneration.**

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

**"RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Gokhale & Sathe, a Firm of Chartered Accountants, (Firm Registration No. 103264W) be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five consecutive years, who shall hold office from the conclusion of the 75<sup>th</sup> Annual General Meeting till the conclusion of the 80<sup>th</sup> Annual General Meeting to be held in the year 2027 at such remuneration, out of pocket expenses and applicable taxes as may be mutually agreed between the Board of Directors (including its committees thereof) and the Auditors.

#### **SPECIAL BUSINESS**

5. **To re-appoint Ms. Aditi Panandikar (DIN: 00179113) as Managing Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(e) of Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company; and subject to such other approval(s), permission(s) and sanction(s), as may be required, the members hereby accords its approval and consent to the re-appointment of Ms. Aditi Panandikar (DIN: 00179113) as the Managing Director of the Company, being liable to retire by rotation, for a period of five years w.e.f February 15, 2022 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year in terms of proviso to Section II (A) of Part II of Schedule V of the Companies Act, 2013 as may be applicable to the Company from time to time), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Ms. Aditi Panandikar."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.

**6. To Re-appoint Mr. Sundeep V Bambolkar (DIN: 00176613) as Jt. Managing Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company; and subject to such other approval(s), permission(s) and sanction(s), as may be required, the members hereby accords its approval and consent to the re-appointment of Mr. Sundeep V Bambolkar DIN: 00176613) as the Joint Managing Director of the Company, being liable to retire by rotation, for a period of five years w.e.f February 15, 2022 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year in terms of proviso to Section II (A) of Part II of Schedule V of the Companies Act, 2013 as may be applicable to the Company from time to time), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Sundeep V Bambolkar."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.

## 7. Approval for Indoco Remedies Limited Employee Stock Option Plan – 2022

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**“SEBI (SBEB & SE) Regulations”**], the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**“SEBI (LODR) Regulations”**], relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s) and / or sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed / imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded for approval of Indoco Remedies Limited Employee Stock Option Plan – 2022 (**“Plan”**) and the Board of Directors (hereinafter referred to as the **“Board of Director”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to create, grant, offer, issue and allot under the Plan, in one or more tranches not exceeding 1.5 % of fully paid-up Shares Capital of the Company, as on March 31, 2022, comprising into 13,82,256 (Thirteen Lakhs Eighty Two Thousand Two Hundred and Fifty Six) Employee Stock Options (**“Options”**) and Restricted Stock Unit (**“RSUs”**) out of which the number of Options shall be 9,21,504 (Nine Lakhs Twenty One Thousand Five Hundred and Four) and the number of RSUs shall be 4,60,752 (Four Lakhs Sixty Thousand Seven Hundred Fifty Two) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of Employees and Directors of the Company, including its Subsidiary Company in India or outside India and to such persons as may, from time to time, be allowed to be eligible for the benefits of the Plan (as permitted under the applicable laws), exercisable into not more than 13,82,256 (Thirteen Lakhs Eighty Two Thousand Two Hundred and Fifty Six) Equity Shares (**“Shares”**) of face value of ₹ 2/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

**RESOLVED FURTHER THAT** the Plan shall be administered by the Nomination and Remuneration Committee (**“Committee”**) of the Company who shall have all the necessary powers as defined in the Plan and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB & SE) Regulations, 2021, for the purpose of administration and implementation of the Plan.

**RESOLVED FURTHER THAT** the Plan shall be implemented through trust route, wherein irrevocable Trust, to be set up by the name Indoco Employees Welfare Trust (**“Trust”**) shall acquire the shares of the Company by way of fresh allotment from the Company and will follow cash mechanism.

**RESOLVED FURTHER THAT** out of the overall pool of 13,82,256 (Thirteen Lakhs Eighty Two Thousand Two Hundred and Fifty Six), the Trust will acquire 9,21,504 (Nine Lakhs Twenty One Thousand Five Hundred and Four) Shares and 4,60,752 (Four Lakhs Sixty Thousand Seven Hundred Fifty Two) Shares, from the Company, by the way of Direct allotment, and shall transferred to the grantees upon valid exercise of Options and RSUs respectively as per the Plan.

**RESOLVED FURTHER THAT** the Shares to be issued and allotted by the Company under the Plan shall rank *pari-passu* in all respects with the existing Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Plan and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

**RESOLVED FURTHER THAT** the Board of Directors, subject to compliance with the SEBI (SBEB & SE) Regulations, 2021, and other applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Plan and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution."

**8. Approval for Grant of Stock Options and Restricted Stock Units to the Employees of Subsidiary Company, in India or outside India of the Company under Indoco Remedies Limited Employee Stock Option Plan – 2022.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), Regulation 6(3)(c) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**"SEBI (SBEB & SE) Regulations"**], the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**"SEBI (LODR) Regulations"**], relevant

provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and/or sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution), to extend the benefits of Indoco Remedies Limited Employee Stock Option Plan – 2022 (**“Plan”**) including the grant of Employee Stock Options (**“Options”**) and Restricted Stock Unit (**“RSUs”**) and issuance of the Equity Shares (**“Shares”**) thereunder, to or for the benefit of Employees and Directors of the Subsidiary Company, in India or outside India, and to such other persons as may, from time to time, be allowed to be eligible for the benefits of the Plan (as permitted under the applicable laws from time to time) on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

**RESOLVED FURTHER THAT** the Shares, to be issued and allotted by the Company under the Plan shall rank *pari-passu* in all respects with the existing Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Plan and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

**9. Approval for Provision of Money by the Company for Purchase of its Own Shares by the Trust/ Trustees for the benefit of Employees under Indoco Remedies Limited Employee Stock Option Plan – 2022.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 67(3), 62(1)(b) of the Companies Act, 2013, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**“SEBI (SBEB & SE) Regulations”**], the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**“SEBI (LODR) Regulations”**], relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further

to such other approval(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies) / institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies) / institution(s) while granting such approval(s), consent(s), permission(s) and / or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board of Directors”** which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to Indoco Employees Welfare Trust (**“Trust”**), in one or more tranches not exceeding 5% (Five percent) of the aggregate of the Paid-Up share capital and Free Reserves, or other limit as prescribed under the applicable laws, from time to time, for the purpose of subscription and/or purchase of Equity Shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of Equity Shares (**“Shares”**) as may be prescribed under Indoco Remedies Limited Employees Stock Option Plan – 2022 (**“Plan”**) or any other share based Employee benefit plan which may be introduced by the Company from time to time (**“Employee Benefit Scheme(s)”**), with a view to purchase such Shares in line with contemplated objectives of the Plan or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI (SBEB & SE) Regulations, the Companies Act, 2013 and any other applicable laws and regulations.

**RESOLVED FURTHER THAT** the above prescribed limit shall be taken on consolidated basis for all Employee Benefit Scheme(s) as may be undertaken by the Company from time to time.

**RESOLVED FURTHER THAT** any loan provided by the Company shall be interest free and shall be repayable by the Trust in quarterly intervals subject to availability of the funds received pursuant to exercise of stock Options/RsUs under the Plan and in accordance with the relevant provisions of the applicable laws & regulations.

**RESOLVED FURTHER THAT** the Trustees of the Trust shall ensure compliance of the provisions of the SEBI (SBEB & SE) Regulations, Companies Act, 2013 and all other applicable laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

**10. To ratify the remuneration of the Cost Auditors for the financial year 2022-23.**

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

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,80,000/- plus applicable taxes and out of pocket expenses payable to M/s. Joshi Apte and Associates, Cost Accountants, who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company for the year ending March 31, 2023.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

## 11. Holding of office or Place of Profit by Ms. Madhura Ramani

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

**“RESOLVED THAT** pursuant to the provisions section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), other applicable laws and in accordance with the recommendation of the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded that Ms. Madhura Ramani, who is relative of Managing Director & Chairman of the Company, is permitted to hold office or place of profit in the Company, w.e.f. June 1, 2022, on a maximum remuneration (excluding allowances and reimbursement of expenses in line with the Company’s Policy) of ₹ 1,00,00,000/- (Rupees One Crore Only) per annum and on such terms and conditions as set out in the explanatory statement attached hereto which shall be deemed to form part hereof, subject to alteration and variation in the terms and conditions of the said appointment and remuneration, from time to time, in line with the policy of the Company and within the limits approved by the Members and subject to such approvals, as may be necessary.

**RESOLVED FURTHER THAT** the consent of the members be and is hereby accorded to the Nomination & Remuneration Committee/Board of Directors of the Company, to finalise and decide the change in designation/revisions in the remuneration payable to Ms. Madhura Ramani from time to time in accordance with the Company’s policy on performance measurement and such other applicable/relevant policies and to perform and execute all such acts, deeds, matters and things (including delegating such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

By Order of the Board

Sd/-

**JAYSHANKAR MENON**

*Company Secretary & AVP Legal*

Place : Mumbai.

Date : June 07, 2022



## Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, read with Circular Nos. 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021 and 2/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars'), and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as 'SEBI Circulars'), have permitted the holding of Annual General Meeting through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the 75th AGM of the Company is being held through VC / OAVM on Thursday, September 22, 2022 at 10:30 a.m. (IST)
2. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("Act").
3. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories/ Depository Participant. Members may note that the Notice and Annual Report for the financial year 2021-2022 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 and SEBI 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. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 75<sup>th</sup> AGM through VC/OAVM and cast their votes through e-voting.
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 Ordinary and 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 annexed to this Notice of Annual General Meeting as Annexure 1- Profile of Directors.

10. The Register of Members and Share Transfer Books of the Company shall remain closed from September 16, 2022 to September 22, 2022 (both days inclusive) for the purpose of the 75<sup>th</sup> AGM of the Company and for the payment of final dividend for the financial year 2021-22.

11. 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 Depository Participant/ 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 (Form 15H is applicable to an resident individual shareholders who is 60 years and above), 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 21, 2022.

12. The dividend for the year ended March 31, 2022 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 15, 2022 (Record Date). 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 27, 2022.

13. 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 2013-2014 (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, 2022** on the website of the Company ([www.indoco.com](http://www.indoco.com)).

Dividends for the financial years commencing from **2014-2015** 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 years commencing from **2014-2015** are requested to claim their unpaid or unclaimed Dividend latest by 04/09/2022 after which date the Company shall initiate the process of transferring the eligible shares to the IEPF Authority.

14. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, (The Rules) the Company has transferred 1,00,638 shares in the name of Investor Education and Protection Fund (IEPS) 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 transferred on the website of the Company ([www.indoco.com](http://www.indoco.com)).

15. 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 Depository Participants 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.
16. 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.
17. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA.

In view of the above, shareholders of the Company holding securities in physical form are requested to follow the process detailed below for availing various investor services:-

For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Pvt. Ltd, either by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or by post to C-101,247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.

Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR 1
Update of signature of securities holder	Form ISR 2
For nomination as provided in the Rules 19 (1) of Companies (Share Capital and Debenture) Rules, 2014	Form SH -13
Declaration to opt out	Form ISR 3
Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH -14
Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR 4

The forms for updating the above details are available at <https://www.indoco.com/inv-kyc-forms-for-physical-shareholders.asp>.

18. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.indoco.com/inv-kyc-forms-for-physical-shareholders.asp> It may be noted that any service request can be processed only after the folio is KYC Compliant.
19. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
20. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
21. For any assistance or information about shares, dividend, etc., members may contact the Company / Company's Registrars.
22. 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.
23. 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.
24. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company on the email id [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
25. 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 / Company's Registrar.

26. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act along with all the relevant documents 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).

27. **E-Voting:**

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to "e-voting Facility Provided by Listed Entities" 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 (LIPL)** 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 75<sup>th</sup> Annual General Meeting of the Company, dated June 07, 2022 (**the AGM Notice**).

The facility for voting through electronic mode shall also be made available during the 75<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 of the Company or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, Depositories and RTA, and will also be displayed on the Company's website, [www.indoco.com](http://www.indoco.com).

E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed September 15, 2022 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, 2022.

The remote e-voting period begins on Sunday, September 18, 2022 at 10.00 a.m. (IST) and ends on Wednesday, September 21, 2022 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. September 15, 2022 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 21, 2022.

**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 can vote through their demat account maintained with Depositories and Depository Participants only.

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:

<i>Type of shareholders</i>	<i>Login Method</i>
<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 “InstaVote” 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 “InstaVote” 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 demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>• Existing user 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 is <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> </ul>

<u>Type of shareholders</u>	<u>Login Method</u>
	<ul style="list-style-type: none"> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINK INTIME. Click on LINK INTIME and you will be redirected to “InstaVote” website 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 and Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINK INTIME where the E Voting is in progress.</li> </ul>
<p><b>Individual Shareholders (holding securities in demat mode) logging in through their depository participants</b></p>	<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 logged in, 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 i.e. LINK INTIME and you will be redirected to e-Voting service provider website i.e. “InstaVote” for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINK INTIME.</b></p>	<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 “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ul 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> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <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> </li> </ul> </li> <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> </ul> </li> </ol>

<u>Type of shareholders</u>	<u>Login Method</u>
	<ul style="list-style-type: none"> <li>➤ Click “confirm” (Your password is now generated).</li> <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> </ul>

#### **Shareholders other than Individual Shareholders :**

Shareholders other than Individual Shareholders 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 authorized representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

#### **For Individual Shareholders holding securities in Physical mode & e-voting service provider is LINK INTIME, have forgotten the password:**

- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- 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.

#### **For 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 of Individual 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:

<i>Login type</i>	<i>Helpdesk details</i>
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 022-23058542-43.

**Helpdesk for Shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

In case shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode 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.

**28. 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/Depository Participants, 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/Depository Participants and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

**(i) In the case of Shares held in Physical mode:**

Kindly log in 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.

**(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.

**29. Process for procuring User ID and password for e-voting for those shareholders whose email IDs are not registered with the Company / RTA / Depositories / Depository Participant.**

Shareholders may send a request to [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) for procuring user ID and password for e-Voting.

1. In case shares are held in physical mode, please provide Folio Number, name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).
2. In case shares are held in demat mode, please provide DP ID and Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), name of member, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).
3. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Note No. 27 i.e. Login method for e-Voting and voting during the meeting for Individual shareholders holding securities in demat mode.

**30. Instructions for Members for attending the AGM through VC / OAVM are as under:**

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

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 log in and join 15 (Fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule 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>>> Select the "Company" and 'Event Date' and register with your following details:
  - a. **Demat Account No. or Folio No:**  
Shareholders/members holding shares in CDSL DEMAT account shall provide 16 Digit Beneficiary ID & Shareholders/members holding shares in NSDL DEMAT account shall provide 8 Character DP ID followed by 8 Digit Client ID Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company.

b. **PAN:**

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.

c. **Mobile Number:**

Enter your mobile number.

d. **Email ID:**

Enter your email id, as recorded with your DP/RTA.

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 19, 2022, 10.00 A.M. to Wednesday, September 21, 2022, 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.

**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/ registered email Id) received during registration for InstaMeet and click on '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 login/e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : (022-49186175).

By Order of the Board

Sd/-

**JAYSHANKAR MENON**

*Company Secretary & AVP Legal*

Place : Mumbai.

Date : June 07, 2022

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### **Item No. 4**

M/s Gokhale & Sathe, a Firm of Chartered Accountants, (Firm Registration No. 103264W), was appointed as Statutory Auditors of the Company at the 70<sup>th</sup> Annual General Meeting ('AGM') held on August 09, 2017 for a period of 5 years, up to the conclusion of 75<sup>th</sup> AGM. M/s Gokhale & Sathe are eligible for re-appointment for a further period of 5 years. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, no listed Company can appoint or reappoint an audit firm as auditor for more than two terms of five consecutive years.

Based on the recommendation of the Audit Committee, the Board of Directors had, at its meeting held on May 17, 2022, proposed the re-appointment of M/s. Gokhale & Sathe, Chartered Accountants, as the Statutory Auditors of the Company for the second term of five consecutive years to hold office from the conclusion of this AGM till the conclusion of the Eightieth AGM of the Company to be held in the year 2027. The reappointment is subject to approval of the shareholders of the Company.

The proposed remuneration to be paid to M/s Gokhale & Sathe for audit services for the financial year ending March 31, 2023, is ₹ 11.50 Lakhs (Rupees Eleven Lakhs Fifty Thousand) plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations or as required by clients, banks, statutory authorities, and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

The Board of Directors and the audit committee shall approve revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

M/s Gokhale & Sathe have confirmed that they are eligible for the proposed appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder.

As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

M/s Gokhale & Sathe, Chartered Accountants is having 38 years of experience. As of date, the firm has 11 partners and staff strength of around 150 of which 20 are Qualified CAs and 75 articled trainees. The firm is empaneled with various authorities like ICAI, C&AG, NHAI, CBI, IBA, etc. The firm is having rich clientele of listed manufacturing companies, various financial institutions, banks, non-banking financial companies (NBFC's), insurance companies, along with other entities from other sectors.

The Board, recommends the Ordinary Resolution as set out in Item No. 4 of this notice.

None of the Directors and Key Managerial Personnel or their relatives are interested financially or otherwise in the resolution as set out in Item No. 4 of this notice.

## **Item No. 5**

Ms. Aditi Panandikar was re-appointed as the Managing Director by the Shareholders vide Postal Ballot Notice dated January 27, 2017 for a period of five years i.e. from February 15, 2017 to February 14, 2022. Her term as Managing Director of the Company expired on February 14, 2022.

Keeping in view that Ms. Aditi Panandikar has rich and varied experience in the Industry and has been involved in the operations of the Company over a period of time, it is proposed to re-appoint her for further period of Five years from February 15, 2022 to February 14, 2027. The re-appointment of Ms. Aditi Panandikar (DIN: 00179113) as the Managing Director of the Company shall require the approval of the shareholders pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the approvals of the other authorities, if any.

The proposed re-appointment of and payment of remuneration to Ms. Aditi Panandikar (DIN: 00179113) as the Managing Director has been considered and recommended by the Nomination and Remuneration Committee at its meetings held on November 02, 2021.

The main terms and conditions for the re-appointment of Ms. Aditi Panandikar (DIN: 00179113) as Managing Director (MD), are as follows:

**1. Tenure of Appointment:**

February 15, 2022 to February 14, 2027.

**2. Remuneration:**

**(a) Salary:**

Salary in the range of ₹ 20,00,000 to ₹ 45,00,000 per month; The annual increments which will be effective 1<sup>st</sup> April each year, will be within the said maximum amount and be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will also be based on the performance of the Managing Director as well as on the basis of Company's performance.

**(b) Benefits, Perquisites and Allowances:**

- (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 50% of Salary per annum.
- (ii) Perquisites as per the Rules of the Company:
  - (a) Car with driver provided, maintained by the Company for official and personal use or allowance in lieu thereof
  - (b) Telecommunication facilities including broadband, internet and fax
  - (c) Housing loan facility
  - (d) Actual medical expenses incurred in India and/or abroad, including hospitalization and surgical charges for self, spouse and dependent children (this includes Mediclaim insurance premium).

- (e) Personal Accident Insurance Premium.
- (f) Membership, including life membership fees of clubs (subject to maximum two clubs) as may be required.
- (iii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, National Pension Fund and Gratuity as per the Rules of the Company.
- (iv) Leave and encashment of un-availed leave as per the Rules of the Company.
- (v) The company will reimburse Ms. Aditi Panandikar for or pay for actual and reasonable travel, entertainment, security, tax equalization or other expenses incurred pursuant to or in connection with the performance of duties.

(c) **Commission:**

In addition to Salary, Benefits, Perquisites and Allowances, Ms. Aditi Panandikar may be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197.

(d) **Performance Incentive:**

Performance Incentive could be paid annually at the discretion of the Board, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

The Board on the recommendation of the NRC will take appropriate decision on the payment of Performance Incentive or commission after taking into consideration the performance of the Company on certain defined qualitative and quantities parameters (as decided by the Board from time to time), industry benchmarks of remuneration and performance of Ms. Aditi Panandikar.

**3. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Ms. Aditi Panandikar the Company has no profits or its profits are inadequate, the Company will pay remuneration, by way of Salary, Benefits, Perquisites and Allowances and Performance linked bonus as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

**4. Nature of Duties:**

Ms. Aditi Panandikar shall devote her whole time and attention to the business of the Company and carry out such duties as may be entrusted to her by the Board from time to time and exercise such powers as may be assigned to her subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associate companies and / or subsidiaries including performing duties as assigned by the Board from time to time by serving on the Boards of such associate companies and/or subsidiaries or any other executive body or any committee of such a company.

**5. Insurance:**

The Company will take an appropriate Directors and Officers Liability Insurance Policy and pay premium for the same. The Company shall maintain such insurance cover for her entire term, subject to the terms and conditions of such policy in force from time to time.

**6. Personnel Policies:**

All Personnel Policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to the Managing Director, unless specifically provided otherwise.

**7. Vacation:**

Ms. Aditi Panandikar will be entitled to paid vacation in accordance with the Company's Vacation Policy.

**8. Other terms of appointment:**

- i. The terms and conditions of her appointment as the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, subject to applicable provisions of the Act, or any amendments made hereinafter in this regard, in such manner as may be agreed to between the Board and Managing Director, subject to such approvals as may be required.
- ii. The appointment may be terminated by either party by giving to the other party, six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any Commission (paid at the discretion of the Board), in lieu of such notice.
- iii. The Managing Director shall, unless prevented by ill health or disability, devote adequate time, attention and abilities to the business of the Company and in all respects conform to and comply with the directions given and regulations made by the Board and she shall well and faithfully serve the Company and use her best endeavors to promote the interest of the Company.

The terms of appointment, including remuneration, may be varied by mutual consent between the Board and Ms. Aditi Panandikar and in compliance with the provisions of the Companies Act, 2013 and Rules made thereon.

During her tenure, Ms. Aditi Panandikar is subject to retirement by way of rotation and she shall be eligible for re-appointment.

**The above may be treated as a written memorandum setting out the terms of re-appointment of Ms. Aditi Panandikar under section 190 of the Companies Act, 2013.**

Ms. Aditi Panandikar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of section 164 of the Act. Ms. Aditi Panandikar is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

Disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by The Institute of Company Secretaries of India is annexed to this Notice of Annual General Meeting as Annexure 1- Profile of Directors.



The additional information as required by Schedule V to the Companies Act, 2013 is provided under the heading "Statement of Information for the Members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013" annexed to this Notice of Annual General Meeting as Annexure 2.

In accordance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of remuneration payable to Ms. Aditi Panandikar require approval of members by passing Special Resolution.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Regulation 17(6)(e) of the Listing Regulations, was inserted with effect from April 1, 2019, which provides that the approval of the shareholders by way of a special resolution in a general meeting shall be obtained in the event the annual remuneration payable to Executive Directors who are promoters or member of the promoter group exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Ms. Aditi Panandikar is the promoter of the Company and her proposed aggregate annual remuneration exceeds 5% of the net profits of the Company for the Financial Year 2021-22. In order to comply with the requirement of Regulation 17(6)(e) of the listing regulations and Companies Act 2013, approval of the Shareholders is being sought by way of Special Resolution.

The Board, based on the recommendation of the Nomination and Remuneration Committee, unanimously, recommends the Special Resolution as set out in Item No. 5 of this notice.

Except Ms. Aditi Panandikar being an appointee, Mr. Suresh Kare, the Chairman of the Company being the father of Ms. Aditi Panandikar, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested in resolution set out at Item No. 5 of the Notice.

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

Mr. Sundeep V Bambolkar was re-appointed as the Jt. Managing Director by the Shareholders vide Postal Ballot Notice dated January 27, 2017 for a period of five years i.e. from February 15, 2017 to February 14, 2022. His term as Jt. Managing Director of the Company expired on February 14, 2022.

Keeping in view that Mr. Sundeep V Bambolkar has rich and varied experience in the Industry and has been involved in the operations of the Company over a period of time, it is proposed to re-appoint him for further period of five years from February 15, 2022 to February 14, 2027. The re-appointment of Mr. Sundeep V Bambolkar (DIN: 00176613) as the Jt. Managing Director of the Company shall require the approval of the shareholders pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the approvals of the other authorities, if any.

The proposed re-appointment of and payment of remuneration to Mr. Sundeep V Bambolkar (DIN: 00176613) as the Jt. Managing Director has been considered and recommended by the Nomination and Remuneration Committee at its meeting held on November 02, 2021.

The main terms and conditions for the re-appointment of Mr. Sundeep V Bambolkar (DIN: 00176613) as Jt. Managing Director, are as follows:

#### **1. Tenure of Appointment:**

February 15, 2022 to February 14, 2027.

## 2. Remuneration:

### (a) Salary:

Salary in the range of ₹ 18,00,000 to ₹ 40,00,000 per month; The annual increments which will be effective 1<sup>st</sup> April each year, will be within the said maximum amount and be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will also be based on the performance of the Jt. Managing Director as well as on the basis of Company's performance.

### (b) Benefits, Perquisites and Allowances:

(i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 50% of Salary per annum.

(ii) Perquisites as per the Rules of the Company:

(a) Car with driver provided, maintained by the Company for official and personal use or allowance in lieu thereof.

(b) Telecommunication facilities including broadband, internet and fax.

(c) Housing loan facility.

(d) Actual medical expenses incurred in India and/or abroad, including hospitalization and surgical charges for self, spouse and dependent children (this includes Mediclaim insurance premium).

(e) Personal Accident Insurance Premium.

(f) Membership, including life membership fees of clubs (subject to maximum two clubs) as may be required.

(iii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, National Pension Fund and Gratuity as per the Rules of the Company.

(iv) Leave and encashment of un-availed leave as per the Rules of the Company.

(v) The company will reimburse Mr. Sundeep V Bambolkar for or pay for actual and reasonable travel, entertainment, security, tax equalization or other expenses incurred pursuant to or in connection with the performance of duties.

### (c) Commission:

In addition to Salary, Benefits, Perquisites and Allowances, Mr. Sundeep V Bambolkar may be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197.

### (d) Performance Incentive:

Performance Incentive could be paid annually at the discretion of the Board, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

The Board on the recommendation of the NRC will take appropriate decision on the payment of Performance Incentive or commission after taking into consideration the performance of the Company on certain defined qualitative and quantities parameters (as decided by the Board from time to time), industry benchmarks of remuneration and performance of Mr. Sundeep V Bambolkar.

**3. Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Sundeep V Bambolkar the Company has no profits or its profits are inadequate, the Company will pay remuneration, by way of Salary, Benefits, Perquisites and Allowances and Performance linked bonus as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

**4. Nature of Duties:**

Mr. Sundeep V Bambolkar shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associate companies and / or subsidiaries including performing duties as assigned by the Board from time to time by serving on the Boards of such associate companies and/or subsidiaries or any other executive body or any committee of such a company.

**5. Insurance:**

The Company will take an appropriate Directors and Officers Liability Insurance Policy and pay premium for the same. The Company shall maintain such insurance cover for her entire term, subject to the terms and conditions of such policy in force from time to time.

**6. Personnel Policies:**

All Personnel Policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to the Jt. Managing Director, unless specifically provided otherwise.

**7. Vacation:**

Mr. Sundeep V Bambolkar will be entitled to paid vacation in accordance with the Company's Vacation Policy.

**8. Other terms of appointment:**

- i. The terms and conditions of his appointment as the Jt. Managing Director may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, subject to applicable provisions of the Act, or any amendments made hereinafter in this regard, in such manner as may be agreed to between the Board and Jt. Managing Director, subject to such approvals as may be required.
- ii. The appointment may be terminated by either party by giving to the other party, six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any Commission (paid at the discretion of the Board), in lieu of such notice.

- iii. The Jt. Managing Director shall, unless prevented by ill health or disability, devote adequate time, attention and abilities to the business of the Company and in all respects confirm to and comply with the directions given and regulations made by the Board and he shall well and faithfully serve the Company and use his best endeavors to promote the interest of the Company.

The terms of appointment, including remuneration, may be varied by mutual consent between the Board and Mr. Sundeep V Bambolkar and in compliance with the provisions of the Companies Act, 2013 and Rules made thereon.

The appointment of Mr. Sundeep V Bambolkar is subject to retirement by way of rotation and he shall be eligible for re-appointment.

**The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Sundeep V Bambolkar under section 190 of the Companies Act, 2013.**

Mr. Sundeep V Bambolkar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Mr. Sundeep V Bambolkar is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

Disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by The Institute of Company Secretaries of India is annexed to this Notice of Annual General Meeting as Annexure 1- Profile of Directors.

The additional information as required by Schedule V to the Companies Act, 2013 is provided under the heading "Statement of Information for the Members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013" annexed to this Notice of Annual General Meeting as Annexure 2.

In accordance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of remuneration payable to Mr. Sundeep V Bambolkar require approval of members by passing a Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

The Board, based on the recommendation of the Nomination and Remuneration Committee, unanimously, recommends the Special Resolution as set out in Item No. 6 of this notice.

Except Mr. Sundeep V Bambolkar being an appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested in resolution set out at Item No. 6 of the Notice.

## **ANNEXURE 1-PROFILE OF DIRECTORS**

(Details of Directors proposed to be appointed/ reappointed)

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS – 2), the particulars of Directors who are proposed to be appointed/ reappointed/ whose terms of remuneration are being fixed at this 75<sup>th</sup> Annual General Meeting, are given below:

<b>Name of Director</b>	<b>Ms. Aditi Panandikar</b>	<b>Mr. Sundeep V Bambolkar</b>	<b>Dr. Anand M Nadkarni</b>
<b>DIN</b>	00179113	00176613	06881461
<b>Date of Birth</b>	22-01-1970	23-10-1960	22-12-1958
<b>Age</b>	52	61	63
<b>Date of first appointment on the Board</b>	27-03-2004	27-03-2004	28-05-2014
<b>Qualification</b>	B. Pharm, Masters Degree in Pharmaceutical Administration from the Ohio State University, USA.	B.Sc, Post Graduate Diploma in Entrepreneurship Management (PGDRM), Masters in Administrative Management (MAM), Global Advance Management Programme (GAMP) from the Indian School of Business (ISB), Hyderabad and the Kellogg Business School, Chicago, USA.	M.B.B.S, M.D. and Diploma in Psychological Medicine
<b>Expertise in Specific functional areas</b>	Ms. Aditi Panandikar, Managing Director at Indoco, has sharp business acumen, backed by techno-commercial skills. She has over 25 years of experience and expertise in various functions like Domestic marketing, HR, Technical (R&D, QA), Business Development.	Mr. Sundeep V Bambolkar, Jt. Managing Director has a proven administrative capabilities has over 35 years of pharma experience with expertise in International Business, Corporate Management, Finance and Operations	Consultant Psychiatrist / Corporate Trainer and Human Resource Consultant
<b>Disclosure of Relationships Between Directors, Managers and KMP Inter-Se</b>	Ms. Aditi Panandikar is Daughter of Mr. Suresh Kare, Chairman of the Company.	Nil	Nil

<b>Name of Director</b>	<b>Ms. Aditi Panandikar</b>	<b>Mr. Sundeep V Bambolkar</b>	<b>Dr. Anand M Nadkarni</b>
<b>Directorship of Other Boards as on 31-03-2022</b>	<ul style="list-style-type: none"> <li>• Xtend Industrial Designers and Engineers Pvt. Ltd.,</li> <li>• Indoco Remedies Czech sro,</li> <li>• Indoco Remedies UK Ltd.,</li> <li>• Shanteri Investment Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Xtend Industrial Designers and Engineers Pvt. Ltd.</li> <li>• Indoco Remedies Czech sro</li> <li>• Indoco Remedies UK Ltd.,</li> <li>• SPA Holdings Pvt. Ltd.</li> </ul>	Tapas Elder Care Foundation
<b>Membership / Chairmanship of Committees of the Board</b>	Indoco Remedies Limited <ul style="list-style-type: none"> <li>• CSR Committee - Chairperson</li> <li>• Risk Management Committee – Member</li> <li>• Stakeholder Relationship Committee – Member</li> </ul>	Indoco Remedies Limited <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> <li>• CSR Committee – Member</li> <li>• Stakeholder Relationship Committee – Member</li> <li>• Risk Management Committee- Member</li> </ul>	Indoco Remedies Limited <ul style="list-style-type: none"> <li>• Risk Management Committee – Member</li> <li>• Nomination and Remuneration Committee - Member</li> </ul>
<b>Listed entities from which Director has resigned in the past three years</b>	None	None	None
<b>No. of Board meetings attended during 2021-2022</b>	Six (6)	Six (6)	Six (6)
<b>Terms and conditions of Appointment or re-appointment along with details of remuneration sought to be paid</b>	The terms and conditions of appointment including the remuneration details are provided in the respective resolution and its explanatory statement	The terms and conditions of appointment including the remuneration details are provided in the respective resolution and its explanatory statement	Dr. Anand M Nadkarni is liable to retire by rotation and eligible for sitting fees
<b>Details of remuneration last drawn</b>	Refer to Directors Report / Corporate Governance Report for the Year 2021-2022	Refer to Directors Report / Corporate Governance Report for the Year 2021-2022	Refer to Directors Report / Corporate Governance Report for the Year 2021-2022
<b>No. of Shares held in the Company</b>	55,59,013	4,65,000	Nil

**ANNEXURE 2-STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 WITH RESPECT TO ITEM NOS. 5 & 6.**

**I. General Information**

**1. Nature of industry**

The Company is engaged into manufacture, sale, marketing and export of various pharmaceutical products.

**2. Date or expected date of commencement of commercial production.**

The Company was incorporated on August 23, 1947 and carries on pharmaceutical business.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not Applicable.

**4. Financial performance based on given indicators.**

**Standalone Financial Results**

(₹ in crores except EPS)

<i>Particulars</i>	<i>2021-2022</i>	<i>2020-2021</i>	<i>2019-2020</i>
Revenue from operations	<b>1,539.72</b>	1,240.30	1,106.00
Profit (Loss) before Tax	<b>236.23</b>	131.35	28.71
Profit (Loss) after Tax	<b>154.52</b>	92.39	24.25
Earnings Per Share (₹)	<b>16.77</b>	10.03	2.63

**5. Foreign investments or collaborations, if any.**

The Company has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company.

**II. Information about the appointees:**

**1. Background details:** Refer Annexure 1- Profile of Directors.

**2. Past remuneration:**

(₹ In Lakhs)

<i>Name of Director</i>	<i>2021-2022</i>	<i>2020-2021</i>	<i>2019-2020</i>
Aditi Panandikar	<b>488.24</b>	300.04	200.83
Sundeep V Bambolkar	<b>457.59</b>	278.07	182.84

**3. Recognition or awards**

**Aditi Panandikar**

Leader of The Year' award at the UBM India Pharma Awards in 2016 - 'Business Woman of The Year' award at the Business Goa Awards for Corporate Excellence 2016 - 'Jack L. Beal Post-baccalaureate Alumni' award from the Ohio State University for her outstanding contribution to the pharma industry in May 2015.

**Sundeep V Bambolkar**

Recipient of an award in the category 'Winning Edge in Cost Management' initiated by CFO 100 Institute, 9.9 media for two consecutive years, 2011 & 2012. Nominated as the Member of the Board of Governors National Institute of Technology, Goa (NITG), as a State Nominee.

**4. Job profile and their suitability:**

**Aditi Panandikar**

Considering the qualifications, excellent background and experience of over 25 years of experience and expertise in various functions like Domestic marketing, HR, Technical (R&D, QA), Business Development, Ms. Aditi Panandikar is well suited for the position of Managing Director of the Company.

**Sundeep V Bambolkar**

Considering the qualifications, excellent background and experience of over 35 years of International Business, Corporate Management, Finance and Operations, Mr. Sundeep V Bambolkar is well suited for the position of Jt. Managing Director of the Company.

**5. Remuneration proposed**

Details of remuneration proposed for approval of the Shareholders at this 75<sup>th</sup> Annual General Meeting of the Company are as provided in the respective resolution no. 5 and 6 and their explanatory statement in this Notice of 75<sup>th</sup> AGM.

**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).**

The proposed remuneration being paid to the Managing Director and Jt. Managing Director (Appointees) (looking at the profile of the position and person) is commensurate with the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Apart from the remuneration and perquisites paid to them as Managing Director and Jt. Managing Director, as stated above and their respective shareholding held directly or indirectly in the Company, Ms. Aditi Panandikar and Mr. Sundeep V Bambolkar do not have any pecuniary relationship directly or indirectly with the Company.

Ms. Aditi Panandikar is the daughter of Mr. Suresh G Kare, Chairman of the Company.

**III. Other information:**

**1. Reasons of loss or inadequate profits**

The Company is a profit making one and does not envisage any loss or inadequate profits. However, prior approval from the shareholders is sought, in case, any loss or inadequacy of profits arises because of factors, such as, general economic conditions, future demand, excessive installed capacity and aggressive competition from other players.

**2. Steps taken or proposed to be taken for improvement**

The Company is aggressively pursuing its business plans to scale up its business. Members' attention is being drawn to the Management Discussion and Analysis section for the various steps being taken to accelerate growth, build long term shareholder value and to mitigate risks.



### 3. Expected increase in productivity and profits in measurable terms

Though the Company continues its effort to accelerate growth, it is difficult to specify the increase in revenues and profits of the Company in future years. We expect that the strategic direction adopted by the Company would build substantial stakeholder value over the medium to long term.

#### IV. Disclosures:

The information and Disclosures of the remuneration package of both Directors have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration to Directors".

#### **Item No. 7 & 8**

Equity based remuneration includes alignment of personal goals of the Employees with organisational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the Employees and to create a sense of ownership and participation amongst them, the Board of Directors had in its meeting held on May 17, 2022, approved the Indoco Remedies Limited Employee Stock Option Plan – 2022 ("**Plan**") for the benefit of such Employees, as defined in the Plan.

In terms of Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**"SEBI (SBEB & SE) Regulations"**] and Section 62 and other applicable provisions, if any, of the Companies Act, 2013, the issue of Equity Shares under an Employee Stock Options Plan requires approval of the shareholders by way of a Special Resolution. The Special Resolution set out at **Item No. 7** is to seek your approval for the said purpose.

Further, as per Regulation 6(3)(c) of SEBI (SBEB & SE) Regulations, approval of the shareholders by way of separate Special Resolution is also required for grant of Options/RUs to Employees of Subsidiary Company, in India or outside India, of the Company. The Special Resolution set out at **Item No. 8** is to seek your approval for the said purpose.

The main features and other details of the Plan as per Regulation 6(2) of the SEBI (SBEB & SE) Regulations, are as under:

#### 1. Brief Description of the Plan:

The Plan shall be called as **Indoco Remedies Limited Employee Stock Option Plan – 2022**.

#### **The purpose of the Plan includes the followings:**

- a) To motivate the employees to contribute to the growth and profitability of the Company.
- b) To recognize and reward the efforts of employees and their continued association with the Company.
- c) To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company.
- d) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

- e) To create a sense of ownership and participation amongst the employees to share the value they create for the Company in the years to come.
- f) To provide the employees an incentive to continue and strengthen their association with the Company so as to result in long term benefits to the Company as well as the employee.
- g) To provide additional deferred rewards to employees.

**2. The total number of Stock Options/RSUs to be granted under the Plan:**

The maximum number of Options/RSUs that may be granted pursuant to this Plan shall not exceed 1.5% of fully paid-up Shares Capital of the Company, as on March 31, 2022, comprising of 13,82,256 (Thirteen Lakhs Eighty Two Thousand Two Hundred and Fifty Six) Employee Stock Options (“Options”) and Restricted Stock Unit (“RSUs”) which shall be convertible into equal number of Shares.

Out of the overall pool of 13,82,256 (Thirteen Lakhs Eighty Two Thousand Two Hundred and Fifty Six) Shares, the Trust will acquire 9,21,504 (Nine Lakhs Twenty One Thousand Five Hundred and Four) Shares and 4,60,752 (Four Lakhs Sixty Thousand Seven Hundred Fifty Two) Shares, from the Company, by the way of Direct allotment, and shall transferred to the grantees upon valid exercise of Options and RSUs respectively as per the Plan.

If any Options/RSUs granted under the Plan lapses or forfeited or surrendered under any provision of the Plan, such Options/RSUs shall be available for further Grant under the Plan as per the discretion of the Committee.

Further, the maximum number of Options/RSUs that can be granted and the Shares arising upon exercise of these Options/RSUs shall stand adjusted in case of Corporate Actions.

**3. Identification of classes of Employees entitled to participate in the Plan:**

- a. An Employee as designated by the Company, who is exclusively working in India or outside India; or
- b. A Director of the Company, whether a Whole Time Director or not, including a Non – Executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or
- c. An Employee as defined in sub-articles (a) or (b), of Subsidiary Company, in India or outside India,

**but does not include**

- a) An Employee who is a Promoter or a person belonging to the Promoter Group; or
- b) A Director who either himself or through his relative or through any body corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

**4. Requirement of Vesting and period of Vesting:**

Vesting Period shall commence from the Grant Date subject to minimum of 1 (One) year from the Grant Date and a maximum of 4 (Four) years from the Grant Date, at the discretion and in the manner prescribed by the Committee and set out in the Grant Letter.

Vesting of Options/RSUs can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.

The Vesting would be subject to the continued employment of the Grantee and may further be linked with the certain performance and other criteria's, as determined by the Committee and mentioned in the Grant Letter.

**5. Maximum period within which the Options/RSUs shall be vested:**

Maximum period within which the Options/RSUs shall be vested is 4 (Four) years from the Date of Grant.

**6. Exercise Price or Pricing Formula:**

The Exercise Price per RSU shall be the face value of the Shares of the Company as on the date of Exercise.

The Exercise Price per Option shall be the average of the closing price of the last three (3) months preceding the Board/Committee meeting for grant of Options, on the recognized stock exchange. The Committee at its sole discretion may has a power to provide a suitable discount on such price as arrived above.

However, in any case the Exercise Price of Option shall not go below the par value of Share of the Company.

As the Shares of the Company are listed on more than 1 (one) Stock Exchange, then the trading price of the Shares on the Stock Exchange having higher trading volume shall be considered.

**7. Exercise period and process of Exercise:**

After Vesting, Options/RSUs can be exercised, either wholly or partially, within a maximum period of 1 (One) year from the date of respective vesting, through cash mechanism after submitting the Exercise application to the Company/Trust for transfer of equivalent number of Shares, along with the payment of the exercise price, applicable taxes and other charges, if any.

The mode and manner of the Exercise shall be communicated to the Grantees individually.

**8. Appraisal process for determining the eligibility of the Employees to the Plan:**

The Committee shall on the basis of following criteria, including but not limited to, decide on the Employees who are eligible for the grant of for the Grant/Vesting of Options/RSUs, the number of Options/RSUs to be Granted under the Plan and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.
- Performance: Employee's performance during the financial year on the basis of the parameters decided by the management.
- Designation: Employee's designation as per the HR Policy of the Company.
- The present and potential contribution of the Employee to the success of the Company,
- High market value/difficulty in replacing the Employee,
- High risk of losing the Employee to competition,
- Value addition by the new entrant if any
- Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.

**9. The Maximum number of Options/RSUs to be granted per Employee and in aggregate:**

The maximum number of Options/RSUs that may be granted pursuant to this Plan shall not exceed 13,82,256 (Thirteen Lakhs Eighty Two Thousand Two Hundred and Fifty Six) Employee Stock Options (“Options”) and Restricted Stock Unit (“RSUs”) which shall be convertible into equal number of Shares.

The maximum number of Options/RSUs that can be granted to any eligible Employee during any one-year shall not equal or exceed 1% of the issued capital of the Company at the time of Grant of Options/RSUs. The Committee may decide to grant such number of Options/RSUs equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting.

**10. The Maximum quantum of benefits to be provided per Employee under the Plan:**

The maximum quantum of benefits that will be provided to every eligible employee under the Plan will be the difference between the Market Price of Company’s share on the recognized Stock Exchanges as on the Date of Exercise of Options/RSUs and the Exercise Price paid by the Employee.

**11. Whether the Plan(s) is to be implemented and administered directly by the Company or through a Trust:**

The Plan shall be implemented through Trust Route wherein the Trust will acquire the Shares of the Company through fresh allotment from the Company.

Subject to Applicable Laws and the framework laid down by the Board of Directors, the Plan shall be administered by the Committee which shall delegate some or all of its administrative powers to the Trust or any other committee or Person(s), as per the Applicable Laws, for proper administration of the Plan.

**12. Whether the Plan involves new issue of shares by the company or secondary acquisition by the Trust or both:**

The Plan shall be implemented by trust route wherein the Company will allot fresh equity shares to the Trust over a period of time which will subsequently be transferred to the Grantees as and when the Options/RSUs are exercised.

Out of the overall pool of 13,82,256 (Thirteen Lakhs Eighty Two Thousand Two Hundred and Fifty Six) Shares, the Trust will acquire 9,21,504 (Nine Lakhs Twenty One Thousand Five Hundred and Four) Shares and 4,60,752 (Four Lakhs Sixty Thousand Seven Hundred Fifty Two) Shares, from the Company, by the way of Direct allotment, and shall transferred to the grantees upon valid exercise of Options and RSUs respectively as per the Plan.

**13. The amount of loan to be provided for implementation of the Plan by the Company to the Trust, its tenure, utilization, repayment terms, etc.:**

For the purpose of acquisition of Shares by the said Trust, the Trust may be funded by the Company, either through interest free loan or any other form of financial assistance permissible under Applicable Laws. Further, the Trust may take loan from banks or any other person/source under Applicable Laws.

The amount of interest free loan to be provided for implementation of the Plan by the Company to the Trust shall not exceed the maximum limit prescribed under Applicable Laws, from time to time, presently not exceeding 5% of the paid-up capital and free reserves as provided in Companies Act, 2013.

The tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier.

The utilization of such loan shall be for the objects of the Trust as mentioned in the trust deed including the implementation of the Plan wherein it will purchase the Shares of the Company through fresh allotment from the Company.

The Trust shall repay the loan to the Company by utilising the proceeds realised from Exercise of Options/RSUs by the Grantees and/or as may be mutually agreed upon between the Company and the Trust from time to time.

Provided that the above limit of 5% shall be taken on consolidated basis for all Employee Benefit Scheme(s) as may be undertaken by the Company from time to time.

**14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Plan:**

Not Applicable.

**15. Disclosure and accounting policies:**

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations, 2021 or as may be prescribed by regulatory authorities from time to time.

**16. The method which the Company shall use to value its Options/RSUs:**

The Company shall make all the necessary disclosures required under the provisions of the SEBI (SBEB & SE) Regulations, 2021 and other Applicable Laws. The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options/RSUs would be calculated as per the prescribed method under the applicable regulations.

**17. Statement with regard to Disclosure in Director's Report:**

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

**18. Period of lock-in:**

The Shares transferred to the Grantees pursuant to Exercise of Options/RSUs will not be subject to any lock-in period and can be freely sold by the Grantee.

**19. Terms & conditions for buyback, if any, of specified securities:**

The Committee will determine the procedure for buy-back of Options/RSUs granted under the Plan, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with the Applicable Laws.

In terms of Section 62 of the Companies Act, 2013 and Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the approval of the Shareholders is sought by way of Special Resolution for the approval of the Indoco Remedies Limited Employees Stock Option Plan – 2022 ("**Plan**").

The Board of Directors of the Company recommend the Special resolutions as set out at Item Nos. 7 and 8 for approval by members.

None of the Directors, Manager and Key Managerial Personnel of the Company, and any relatives of such Director, Manager and Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the Options/RsUs may be granted under the Plan.

Indoco Remedies Limited Employees Stock Option Plan – 2022 (**“Plan”**) and other documents referred to in the aforesaid resolutions are available for inspection in accordance with Note No. 26 of this AGM Notice.

### **Item No. 9**

In order to execute Indoco Remedies Limited Employees Stock Option Plan – 2022 through Trust Route, the company needs to make provision of funds to the Trust so as to enable it to purchase the Shares of the Company.

In terms of the provisions of Section 67 of the Companies Act, 2013, read with Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, the Company will provide provision of money to the Trust in accordance with the Plan, subject to the approval of the shareholders through Special Resolution, for the purchase of, or subscription for, fully paid-up shares in the Company, if the purchase of, or the subscription for, the equity shares held by trustees for the benefit of the employees.

Therefore, the Board recommends the Special Resolution set out in **Item No. 9** for the approval by the members.

The disclosures as per Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, are as under:

1.	<b>The class of Employees for whose benefit the Plan is being implemented and money is being provided for purchase of or subscription to Shares.</b>	<p>a) An Employee as designated by the Company, who is exclusively working in India or outside India; or</p> <p>b) A Director of the Company, whether a Whole Time Director or not, including a Non – Executive Director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or</p> <p>c) An Employee as defined in sub-articles (a) or (b), of a Subsidiary Company, in India or outside India,</p> <p><b>but does not include</b></p> <p>a. An Employee who is a Promoter or a person belonging to the Promoter Group; or</p> <p>b. A Director who either himself or through his relative or through any body corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.</p>
2.	<b>The particulars of the Trustee or Employees in whose favor such Shares are to be registered.</b>	<p><b>Name of the Trust:</b> Indoco Employees Welfare Trust.</p> <p><b>Name of the Trustees:</b></p> <p>1) Mr. Rajiv Sardana, son of Mr. Baldev Kumar Sardana</p> <p>2) Mr. Satish Rangnekar, son of Mr. Balwant Gunaji Rangnekar</p>

3.	<b>Particulars of Trust.</b>	<b>Name of the Trust:</b> Indoco Employees Welfare Trust <b>Address of the Trust:</b> Indoco House, 166 CST Road, Kalina, Santacruz (E), Mumbai 400 098.
4.	<b>Name, Address, Occupation and Nationality of Trustees.</b>	<p><b>1. Name:</b> Mr. Rajiv Sardana <b>Address:</b> A 1501, Hetali Blessing, Off Aarey Road, Vishweshwar Nagar, Goregaon East, Mumbai 400063 <b>Occupation:</b> Retired <b>Nationality:</b> Indian</p> <p><b>2. Name:</b> Mr. Satish Rangnekar <b>Address:</b> B Block, Ground Floor, 43 Vasudev Bhuvan, Manorama Nagarkar Marg, Mahim, Mumbai 400016 <b>Occupation:</b> Retired <b>Nationality:</b> Indian</p>
5.	<b>Relationship of Trustees with Promoters, Directors or Key Managerial Personnel, if any.</b>	None
6.	<b>Any interest of Key Managerial Personnel, Directors or Promoters in such Plan or Trust and effect thereof.</b>	Promoters are not eligible to participate in the Plan and do not have any interest in the Plan or in the Trust. The Key Managerial Personnel and Non-promoter Directors (other than the Independent Directors) may be covered under the Plan in accordance with the SEBI SBEB and SE Regulations and, therefore, may be considered to be interested in the Plan or the Trust to the extent of Options/RSUs which may be granted to them under the Plan.
7.	<b>The detailed particulars of benefits which will accrue to the Employees from the implementation of the Plan</b>	<p>a) To motivate the employees to contribute to the growth and profitability of the Company.</p> <p>b) To recognize and reward the efforts of employees and their continued association with the Company.</p> <p>c) To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company.</p> <p>d) To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.</p> <p>e) To create a sense of ownership and participation amongst the employees to share the value they create for the Company in the years to come.</p> <p>f) To provide the employees an incentive to continue and strengthen their association with the Company so as to result in long term benefits to the Company as well as the employee.</p> <p>g) To provide additional deferred rewards to employees.</p> <p>Further, the Employees will be entitled to exercise the Options/RSUs granted to them at the exercise price during the exercise period pursuant to Plan.</p>

8.	<b>The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the Plan would be exercised</b>	<p>The Trust would be considered as the registered Shareholder of the Company till the date of transfer of Shares to the Employees.</p> <p>However, the Trustees will not have any right to vote on the Equity Shares held by the Trust.</p> <p>Once the shares are transferred to the Employees upon their Exercise, then the Employees will be treated as the Shareholder of the Company and shall exercise the right to vote in respect of such shares.</p>
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In terms of the Companies Act, 2013, read with Rule 16 of Chapter IV of the Companies Act, 2013, the approval of the Shareholders is sought by way of Special Resolution for the approval for the provisioning of money to the Trust to fulfil the requirements of Indoco Remedies Limited Employee Stock Option Plan – 2022.

Therefore, your Board of Directors recommends the Resolutions as set out at Item No. 9 for your approval by way of Special Resolution.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Options/RSUs that may be granted under the said Plan.

#### **Item No. 10**

The Company is required to have the Audit of its Cost Records conducted by a Cost Accountant in practice under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (“the Rules”).

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Joshi Apte and Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 on a remuneration of ₹ 1,80,000/- plus actual out of pocket expenses plus applicable Taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

The Board, based on the recommendation of the Audit Committee, unanimously, recommends the ordinary resolution as set out in Item No. 10 of this notice.

None of the directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in Item No. 10 of this notice.



### **Item No. 11**

In terms of the provisions of Section 177, 188 and other applicable provisions of the Companies Act, 2013 (the 'Act'), the Audit Committee, Nomination and Remuneration Committee and the Board of Directors of the Company at their meetings held on June 07, 2022 have recommended the appointment and remuneration of Ms. Madhura Ramani, relative of Managing Director and Chairman of the Company to an Office or Place of Profit.

Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3) (i) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party's appointment to any office or place of profit in the Company carrying monthly remuneration exceeding ₹ 2,50,000/- shall be subject to approval by the Board of Directors of the Company and the Members of the Company. Further, fourth proviso to Section 188(1) of the Act prescribes that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis. Although, the above transaction is at arms' length basis and in ordinary course of business for the Company, approval of shareholders is sought by way of Ordinary Resolution as a good governance practice.

#### **Brief Profile**

Ms. Madhura Ramani is a qualified Chartered Accountant having over 20 years working experience in various fields including Exports.

**Given below is a statement of disclosures as required under the Companies (Meetings of Board and its Powers) Rules, 2014:**

- a. Name of the related party:** Ms. Madhura Ramani.
- b. Name of the director or key managerial personnel who is related, if any:** Ms. Aditi Panandikar and Mr. Suresh G Kare.
- c. Nature of relationship:** Ms. Madhura Ramani is sister of Ms. Aditi Panandikar and daughter of Mr. Suresh G Kare.
- d. Nature, material terms, monetary value and particulars of the contract or arrangement:**

In line with the Policy of the Company, Ms. Madhura Ramani to hold the Office or Place of Profit as Associate Vice President with effect from June 01, 2022 on a remuneration payable upto maximum limit of ₹ 1,00,00,000/- (Rupees One Crore Only) per annum, as may be approved by the Board or any committee thereof as may be authorised by the Board.
- e. Brief Profile and any other information relevant or important for the members to take a decision on the proposed resolution:**

Covered above

The Board, based on the recommendation of the Audit Committee and Nomination and Remuneration Committee, unanimously, recommends the ordinary resolution as set out in Item No. 11 of this notice.

None of the Directors or Key Managerial Personnel or their relatives, other than Ms. Aditi Panandikar Managing Director and Mr. Suresh Kare, Chairman and their relatives, are deemed to be concerned or interested financially or otherwise, in the resolution set out at Item No. 11 of this Notice.

By Order of the Board

Sd/-

**JAYSHANKAR MENON**

*Company Secretary & AVP Legal*

Place : Mumbai.

Date : June 07, 2022

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Company's **Seventy Fifth Annual Report** on the business and operations of Indoco Remedies Limited, along with the summary of the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2022.

### FINANCIAL PERFORMANCE:

The highlights of the performance of the Company for the year ended March 31, 2022 is summarized below:

*in ₹ crore, except Earning per equity share*

<i>Particulars</i>	<i>Financial Year ended March 31, 2022</i>	<i>Financial Year ended March 31, 2021</i>
Revenue from Operations (Gross)	<b>1,539.72</b>	1,240.30
Add: Other Income	<b>2.32</b>	3.12
<b>Total Income</b>	<b>1,542.04</b>	1,243.42
Profit Before Finance Cost, Depreciation, Amortization, Impairment & Tax	<b>329.32</b>	226.69
Less: Finance Cost	<b>14.14</b>	22.22
Less: Depreciation, Amortization & Impairment Expenses	<b>78.95</b>	73.12
<b>Profit Before Tax</b>	<b>236.23</b>	131.35
Less: Provision for Taxation		
- Current	<b>93.23</b>	38.47
- Deferred	<b>(11.52)</b>	0.49
<b>Net Profit After Tax</b>	<b>154.52</b>	92.39
Add: Other Comprehensive Income	<b>(5.33)</b>	(0.86)
Total Comprehensive Income	<b>149.19</b>	91.53
Earning per Equity Share	<b>16.77</b>	10.03

### RESULTS FROM OPERATIONS:

It has been two years since COVID-19 was declared a pandemic. Given the difficult times and circumstances, your Company has risen to the challenges and has performed very well during the Financial year under consideration. While the International business saw a growth of 26% over the previous year, Domestic business saw a growth of 29.7%. Your company ended the year with a growth of 23.4% as compared to previous year. During the year, your company achieved a Total Income of ₹ 1,542.04 crores as compared to ₹ 1,243.42 crores in the previous year. The Profit before tax (PBT) was ₹ 236.23 crores as against ₹ 131.35 crores in the previous year. The Net Profit after provision for Tax (PAT) was ₹ 154.52 crores as against ₹ 92.39 crores in the previous year.

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

- In March'22, approval of its ANDA for Lacosamide Tablets USP 50 mg, 100 mg, 150 mg and 200 mg.
- In April'22 approval of its ANDA for Lacosamide Injection USP, 200 mg/20 ml (10 mg/mL) single-dose vials.

The above are used for the prevention and control of seizures. It is an anticonvulsant / antiepileptic drug.

In August'21, your Company received GCP & GLP Accreditation from the UK-MHRA (Medicines and Healthcare Products Regulatory Agency) for its Clinical Research Division - AnaCipher, located at Hyderabad.

Your Company is optimistic of the growth in business 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.

Though the spread of Covid has reduced, 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. Your Company continues to ensure 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.

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is provided in a separate section and forms part of this Report.

### **CONSOLIDATED ACCOUNTS**

The Consolidated financial statements for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

### **DIVIDEND**

The Company's Dividend Policy, which is uploaded on the Company's website, is based on the need to balance the twin objectives of appropriately rewarding its shareholders with dividend and of conserving resources to meet its future needs.

Based on the Company's performance and on the occasion of the Company's 75<sup>th</sup> year, the Directors recommend a dividend of ₹ 2.25 per equity share of ₹ 2 each (112.50%) for the year 2021-2022, (including a special dividend of ₹ 0.75 per equity share). The dividend would result in a cash outflow of ₹ 20.73 crores. Dividend for the FY 2020-2021 was ₹ 1.50 per equity share (75%).

The dividend on Equity Shares is subject to the approval of the Shareholders at the Seventy-Fifth Annual General Meeting ('AGM') scheduled to be held on Thursday, September 22, 2022. The Register of Members and Share Transfer Books of the Company will remain closed from September 16, 2022 to September 22, 2022 (both days inclusive) for the purpose of payment of the dividend for the financial year ended March 31, 2022.

## TRANSFER TO RESERVES

During the year under review, no amount was transferred to General Reserves.

## SHARE CAPITAL

During the year under review there was no change in the paid-up share capital of the Company. The paid-up Equity Share Capital as on March 31, 2022 is ₹ 18,43,00,710/-.

## CHANGE IN THE NATURE OF BUSINESS ACTIVITIES

During the year under review, there is no change in the nature of the business of the Company.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

As on March 31, 2022, the Company has 3 Subsidiary Companies

- Xtend Industrial Designers and Engineers Private Limited
- Indoco Remedies Czech SRO
- Indoco Remedies UK Limited

Further during the year under review, the Company did not have any joint venture or associate company.

Pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the names of the companies which have become and ceased to be associates/subsidiary/joint venture companies during the year are provided below.

Sr. No.	Companies which became associates/subsidiary/joint venture during the year under review
1.	Indoco Remedies UK Limited (Wholly Owned Subsidiary)

Sr. No.	Companies which ceased to be associates/subsidiary/joint venture during the year under review
Nil	

The statement containing the salient features of the financial statement of the Company's Subsidiaries in the prescribed format AOC-1 is appended as "Annexure A" to the Board's report.

The highlights of performance of the Subsidiaries and their contribution to the overall performance of the Company during the financial year under review is given under Note No. 43 to the Consolidated Financial Statements forming part of the Annual Report.

Further, pursuant to Section 136 of the Companies Act, 2013 ("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 2021-2022.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on November 02, 2021, approved the re-appointment of Ms. Aditi Panandikar (DIN: 00179113) as Managing Director and Mr. Sundeep V Bambolkar (DIN: 00176613) as Jt. Managing Director for a further period of five years with effect from February 15, 2022. The re-appointment is subject to the approval of the shareholders of the Company at the 75<sup>th</sup> Annual General Meeting.

The Board of Directors recommend their re-appointment for further period of five years with effect from February 15, 2022. The approval of the Members through a Special Resolution is being sought at this AGM and forms part of the Notice.

In terms of provisions of the Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anand M Nadkarni (DIN: 06881461), Non-Executive, Non Independent Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommend his 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.

Mr. Mandar Borkar resigned as the Chief Financial Officer of the Company w.e.f. June 18, 2021. The Board places on record its sincere appreciation for his valuable guidance and contribution to the Company. The Board has appointed Mr. Pramod Ghorpade as the Chief Financial Officer of the Company w.e.f. November 02, 2021, to fill in the vacancy caused due to resignation of Mr. Mandar Borkar.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134(5) read with Section 134(3)(c) of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis;

- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DISCLOSURE RELATED TO BOARD AND COMMITTEES**

### **Board Meetings**

The Board met Six (6) times during the financial year 2021-22 on May 25, 2021, June 11, 2021, August 11, 2021, November 02, 2021, February 01, 2022 and March 29, 2022. The particulars of attendance of the Directors at the said meetings are provided in detail in the Corporate Governance Report, which forms a part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and Listing Regulations.

### **Board & Committees of the Board**

As on March 31, 2022, the Board had 6 (Six) Committees viz: Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Executive Committee of Directors. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report that forms part of this Annual Report.

### **Evaluation of Performance of the Board, its Committees and Individual Directors**

During the year, the evaluation of the annual performance of individual Directors including the Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act, relevant Rules, and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations and based on the circular issued by SEBI dated January 5, 2017 with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the criteria for the performance evaluation of the Board, its Committees and individual Directors as per the SEBI Guidance Note on Board Evaluation.

The Chairman of the Company interacted with each Director individually, for evaluation of performance of the individual Directors. The evaluation for the performance of the Board as a whole and of the Committees were conducted by way of questionnaires.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as qualification, experience, knowledge and competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution and commitment etc., and the Independent Directors were additionally evaluated on the basis of independence, independent views and judgement etc. Further the evaluation of Chairman of the Board, in addition to the above criteria for individual Directors, also included evaluation based on effectiveness of leadership and ability to steer the meetings, impartiality, etc.

The Chairman and other members of the Board discussed upon the performance evaluation of every Director of the Company and concluded that they were satisfied with the overall performance of the Directors individually and that the Directors generally met their expectations of performance.

The summary of the feedback from the members were thereafter discussed in detail by the members. The respective Director, who was being evaluated, did not participate in the discussion on his/her performance evaluation.

The Board also assessed the fulfilment of the independence criteria as specified in Listing Regulations, by the Independent Directors of the Company and their independence from the management.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as diversity in the Board, competency of Directors, strategy and performance evaluation, evaluation of performance of the management and feedback, independence of the management from the Board etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as mandate and composition, effectiveness of the committee, independence of the committee from the Board, contribution to decisions of the Board, etc.

### **Declaration by Independent Directors**

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16 (1) (b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed about their enrolment in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

### **Familiarisation Programme for the Independent Directors**

In compliance with the requirements of Regulation 25(7) of the Listing Regulations, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, etc. The details of the Familiarisation Programme conducted are available on the website of the Company: [www.indoco.com](http://www.indoco.com) and can be accessed through the web link: [https://www.indoco.com/policies/Familiarization\\_programme\\_for\\_independent\\_directors.pdf](https://www.indoco.com/policies/Familiarization_programme_for_independent_directors.pdf).

### **REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT OF DIRECTORS**

The Nomination & Remuneration Policy is intended to achieve the following objectives:

1. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company;
2. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
3. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

4. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Nomination & Remuneration Policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at [https://www.indoco.com/policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.indoco.com/policies/Nomination_and_Remuneration_Policy.pdf).

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Information as per Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in "Annexure – B" to this Report. Further, the information pertaining to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Registered office of the Company during business hours and pursuant to the second proviso to Section 136(1) of the Act, the Report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/ Compliance Officer either at the Registered address or by email to [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com).

#### **CORPORATE POLICIES**

The details of the various policies approved and adopted by the Board as required under the Companies Act, 2013 and SEBI Regulations are provided below. The policies are reviewed periodically by the Board and updated as needed. The details of the Policies are available on the website of the Company: [www.indoco.com](http://www.indoco.com) and can be accessed through the web link: <https://www.indoco.com/inv-corp-policies.asp>.

#### **CORPORATE SOCIAL RESPONSIBILITY**

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Annual Report. The CSR Policy of the Company is available on the website of the Company and can be accessed through the web link: [https://www.indoco.com/policies/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.indoco.com/policies/Corporate_Social_Responsibility_Policy.pdf).

The Annual Report on CSR activities containing details of expenditure incurred by the Company and brief details on the CSR activities are provided in 'Annexure C' to this Report.

The Board has accorded its consent to set off the excess amount spent by the Company on its CSR Activities against the requirement to spend in any subsequent year(s) in terms of Section 135 of the Act.

#### **INTERNAL FINANCIAL CONTROLS**

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 of Directors has constituted a Risk Management Committee which reviews key risk elements of the Company's business, finance, operations & compliance. The Risk Management Committee also assesses the adequacy of mitigation plans to address such risks. The Corporate Governance Report, which forms part of this report, contains the details of Risk Management Committee of the Company.

Risk Management Committee has formulated and implemented Risk Management Policy in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy helps to identify the various elements of risks faced by the Company, which in the opinion of the Board threatens the existence of the Company. The Risk Management Policy can be accessed on the company's website at [https://www.indoco.com/policies/Risk\\_Management\\_Policy.pdf](https://www.indoco.com/policies/Risk_Management_Policy.pdf).

### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted a Whistle Blower & Vigil Mechanism Policy. Further details on vigil mechanism of the Company are provided in the Corporate Governance Report, forming part of this Report.

### **LOANS, GUARANTEES & INVESTMENTS**

During the year under review, the Company has not given any loan to any person or other body corporate or given any guarantee or provided any security in connection with a loan to any other person or body corporate pursuant to section 186 of the Companies Act, 2013. The particulars of investments covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the Financial Statements.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS**

All contracts/ arrangements/ transactions entered by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis.

There were no materially significant related party transactions entered by the Company which may have a potential conflict with the interest of Company.

All related party transaction(s) are first placed before Audit Committee for approval and thereafter such transactions are also placed before the Board for seeking their 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.

Particulars of contracts or arrangements or transactions with related party referred to in section 188 of the Companies Act, 2013, in the prescribed form AOC-2, is provided as "**Annexure D**" to this Report.

The details of Related Party Transactions, as required pursuant to respective Indian Accounting Standards, have been stated in Note No. 51 to the Standalone Audited Financial Statement of Company forming part of this Annual Report.

## **EMPLOYEE STOCK OPTION PLAN**

The Board of Directors of the Company, at its meeting held on May 17, 2022 formulated the Indoco Remedies Limited Employee Stock Option Plan – 2022 (“**Plan**”), to be implemented through the Indoco Employees Welfare Trust (Trust), with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect their efforts in building the growth and the profitability of the Company. A total of 13,82,255 (Thirteen lacs Eighty Two thousand Two Hundred and Fifty Five) Options is proposed to be made available for grant to the eligible employees of the Company and its Director(s), excluding Independent Directors. The Plan details which is subject to the approval of the shareholders at the forthcoming Annual General Meeting, is given in the Explanatory Statement which forms part of the Notice of the Annual Report.

## **DISCLOSURE RELATING TO EQUITY SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## **DISCLOSURE RELATING TO SWEAT EQUITY SHARES**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## **SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards as amended from time to time.

## **DEPOSITS**

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as ‘Deposits’ in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

## **ANNUAL RETURN**

The Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 (‘the Act’) in form MGT-7 is made available on the website of the Company and can be accessed at <https://www.indoco.com/inv-extract-of-annual-return.asp>.

## **CORPORATE GOVERNANCE REPORT**

Report on Corporate Governance and Certificate of the Statutory Auditor of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, are provided in a separate section and forms part of this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as “**Annexure E**” to this Report.

### **AUDITORS**

#### **Statutory Auditor**

M/s Gokhale & Sathe, a Firm of Chartered Accountants, (Firm Registration No. 103264W), were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at the 70th Annual General Meeting of the Company to hold office till the conclusion of the 75th Annual General Meeting of the Company.

Accordingly, the current term of M/s Gokhale & Sathe is expiring and as per the provision of Section 139 of the Companies Act, 2013 read with Rule 3(7) of Companies (Audit and Auditors) Rules 2014, they are eligible to be reappointed for a further period of 5 years from the conclusion of 75th Annual General Meeting till the Conclusion of 80th Annual General Meeting. Accordingly, the Board approved and recommended their reappointment for further period of 5 years beginning from Financial Year 2022-23 to Financial Year 2026-2027 subject to the approval of the shareholders in this Annual General Meeting.

#### **Statutory Audit Report**

During the financial year 2021-22 no fraud has occurred, noticed and/or reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time).

The Auditor’s Report for the financial year ended March 31, 2022, has been issued with an unmodified opinion, by the Statutory Auditors.

#### **Secretarial Auditor**

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 financial year 2022-2023.

#### **Secretarial Audit Report**

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 2021-2022. The Report given by the Secretarial Auditor is annexed as ‘**Annexure F**’ and forms integral part of this Report. During the year under review, the Secretarial Auditor 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.

There has been no qualification, reservation or adverse remark or disclaimer in their Report other than the following:-

- a. The Company has wrongly mentioned the period as 01/01/2021 to 31/03/2021 instead of 01/10/2020 to 31/03/2021 in the Compliance Certificate as required under Regulation 7(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- b. The Company has not disclosed web-link of Dividend Distribution Policy in the Annual Report for the Financial Year ended 31/03/2021 as required under Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management responses to the observations made by the Secretarial Auditor in the Secretarial Audit Report are dealt as under:

- a. The complete fact has been disclosed in the observation, which is self-explanatory and does not call for any further comments from the Management.
- b. The company has paid penalty to National Stock Exchange of India Limited and BSE Limited during the financial year 2021-22 in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, for non-compliance of Regulation 43A of Listing Regulations i.e. Non-disclosure of Dividend Distribution Policy in the Annual Report of financial year 2020-2021.

#### **Cost Auditor**

The Company is required to maintain Cost Records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records are made and maintained by the Company. The Board has re-appointed M/s Joshi Apte & Associates, Cost Accountants, (Firm's Registration No. 00240) as Cost Auditor of the Company for conducting Cost Audit of your Company for the financial year 2022-23 at a remuneration of ₹ 1,80,000/- per annum. 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 2022-2023 is included at Item No. 10 of the Notice convening the Annual General Meeting.

#### **BUSINESS RESPONSIBILITY REPORTING**

The Business Responsibility Report of the Company for the year ended March 31, 2022, is provided as "**Annexure G**" to this Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

#### **PREVENTION OF SEXUAL HARASSMENT**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided in the Report on Corporate Governance, which forms part of this Report.

## CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis Report, 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.

## ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders, employees and business partners, Company's bankers, medical professionals and business associates for their continued support and valuable cooperation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board of Directors

Sd/-

**SURESH G KARE**

*Chairman*

DIN: 00179220

Place : Mumbai

Date : May 17, 2022

## Annexure A 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

(₹ in Lakhs)

CIN / Registration #	U93000MH1995PTC086174	4472152	13906909
Name of the Subsidiary	Xtend Industrial Designers and Engineers Private Limited	Indoco Remedies Czech sro	Indoco Remedies UK Limited*
The date since when subsidiary was acquired/ incorporated	March 19, 2018	March 26, 2019	February 10, 2022
Reporting period for the subsidiary	April 01, 2021 to March 31, 2022	April 01, 2021 to March 31, 2022	February 10, 2022 to March 31, 2022
Reporting Currency	<b>INR (₹)</b>	<b>Czech Crown</b>	<b>GBP</b>
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	1Rs = 0.30 Czech crown	1Rs = 99.82 GBP
Equity Share Capital	202.70	0.000	0.10
Reserves and Surplus	74.06	(1.06)	Nil
Total Assets	309.72	1.66	0.10
Total Liabilities	309.72	1.66	0.10
Investments	Nil	Nil	Nil
Turnover	103.86	0.24	Nil
Profit / (Loss) before Taxation	34.08	(0.07)	Nil
Less: Provision for Taxation	6.59	0	Nil
Profit / (Loss) after Taxation	27.49	(0.07)	Nil
Proposed Dividend	0	0	0
% of shareholding	100%	100%	100%

\*Incorporated effective February 10, 2022

- Reporting period of the subsidiaries is the same as that of the Company.
- Names of subsidiaries which are yet to commence operations: Indoco Remedies UK Limited
- Names of subsidiaries which have been liquidated or sold during the year: None
- Part B of the Annexure is not applicable as there are no Associate Companies/Joint Ventures of the Company as on March 31, 2022.

For and on behalf of the Board of Directors

Sd/-

**Aditi Panandikar**

*Managing Director*

DIN: 00179113

Place : Mumbai

Date : May 17, 2022

Sd/-

**Sundeep V Bambolkar**

*Jt. Managing Director*

DIN: 00176613

Sd/-

**Pramod Ghorpade**

*Chief Financial Officer*

Sd/-

**Jayshankar Menon**

*Company Secretary & AVP Legal*

## Annexure-B to the Directors' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

Sr. No	Name of Director and Key Managerial Personnel	Designation	Ratio of Remuneration (a) of each Director to median remuneration of employees	Increase/ (decrease) in Remuneration(a) in the FY22 (in percentage)
1	Mr. Suresh G Kare	Chairman & Whole-time Director	149.88	40.41
2	Ms. Aditi Panandikar	Managing Director	149.58	62.73
3	Mr. Sundeep V Bambolkar	Jt. Managing Director	140.19	64.56
4	Dr. Anand M Nadkarni	Non-executive and Non-Independent Director	Not Applicable	Not Applicable
5	Mr. Rajiv P Kakodkar	Non-executive Independent Director	Not Applicable	Not Applicable
6	Mr. Divakar M Gavaskar	Non-executive Independent Director	Not Applicable	Not Applicable
7	Mr. Abhijit Y Gore	Non-executive Independent Director	Not Applicable	Not Applicable
8	Dr. (Ms.) Vasudha V Kamat	Non-executive Independent Director	Not Applicable	Not Applicable
9	Mr. Mandar Borkar	Chief Financial Officer	Not Applicable	Refer Note 1
10	Mr. Pramod Ghorpade	Chief Financial Officer	Not Applicable	Refer Note 2
11	Mr. Jayshankar Menon	Company Secretary & Compliance Officer	Not Applicable	39.17

- (a) Remuneration to Non-Executive Directors consists only of sitting fees and is based on the number of meetings attended during the year.
- (b) Mr. Mandar Borkar resigned as the Chief Financial Officer of the Company w.e.f. June 17, 2021
- (c) Mr. Pramod Ghorpade was appointed as the Chief Financial Officer of the Company w.e.f. November 02, 2021

**Note:-**

- Details not given as Mr. Mandar Borkar was a Chief Financial Officer only for part of the financial year 2021-22 i.e upto June 17, 2021.
- Details not given as Mr. Pramod Ghorpade was appointed as Chief Financial Officer w.e.f. November 02, 2021.

- ii. **The percentage increase in the median remuneration of employees in the FY22:- 10.16%**
- iii. **The number of permanent employees on the rolls of the Company (on standalone basis) as on March 31, 2022:- 5,927**
- iv. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year ending March 31, 2022 was 7.81% and the average increase in the managerial personnel remuneration was 8.26%.

- v. **It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.**

For and on behalf of the Board of Directors

Sd/-

**SURESH G KARE**

*Chairman*

DIN: 00179220

Place : Mumbai

Date : May 17, 2022



## Annexure-C to the Directors' Report

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

#### 1. 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 the Company's profits.

Indoco Remedies Limited (IRL), strongly 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.

#### 2. 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	Chairperson	Managing Director	2	2
2.	Dr.(Ms.) Vasudha V Kamat	Member	Independent Director	2	2
3.	Mr. Sundeep V Bambolkar	Member	Jt. Managing Director	2	2

#### 3. Web-Link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

The details and the web-links, where such details can be accessed are given hereunder:

Details	Web-Links
Composition of CSR committee	<a href="https://www.indoco.com/aboutus-committee-directors.asp">https://www.indoco.com/aboutus-committee-directors.asp</a>
CSR Policy	<a href="https://www.indoco.com/policies/Corporate_Social_Responsibility_Policy.pdf">https://www.indoco.com/policies/Corporate_Social_Responsibility_Policy.pdf</a>
CSR projects	<a href="https://www.indoco.com/csr-project.asp">https://www.indoco.com/csr-project.asp</a>

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

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set off for the financial year, if any
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	Nil	Nil

6. **Average net profit of the company as per section 135(5): ₹ 5,027 Lakhs**

7. (a)	Two percent of average net profit of the company as per section 135(5) (₹ in Lakh)	100.54
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any.	7.67
(d)	Total CSR obligation for the financial year (7a+7b-7c). (₹ in Lakh)	92.87

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
92.87	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:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project. (₹ in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	The Goa Hindu Association-Sneha Mandir	Promoting Healthcare	Yes	Goa	Goa	31.25	Yes	-	-
2.	Ramakrishna Mission Ashrama	Contribution towards free medicines	No	Assam	Assam	16.78	Yes	-	-
3.	Institute for Psychological Health (IPH)	Preventive Healthcare	Yes	Maharashtra	Mumbai	14.00	Yes	-	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project. (₹ in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
4.	Vivekananda Kendra Arun Jyoti	Contribution towards free medicines	No	Assam	Assam	8.58	Yes	-	-
5.	Kelus gram hitawardhak Mandal	Promoting Education	No	Maharashtra	Sindhudurg	6.26	Yes	-	-
6.	Sevalaya	Contribution towards free medicines	No	Tamil Nadu	Chennai	3.98	Yes	-	-
7.	Centre for Spine Care	Preventive Healthcare	Yes	Maharashtra	Mumbai	3.48	Yes	-	-
8.	Dr. Vallabh Daimodkar	Preventive Healthcare	Yes	Goa	Goa	2.46	Yes	-	-
9.	Rotary Club of Mumbai Kandivali West Charitable Trust	Promoting Education	No	Maharashtra	Mumbai	2.00	Yes	-	-
10.	Chetana Apangmati Vikas Sanstha	Promoting Education	No	Maharashtra	Kolhapur	2.00	Yes	-	-
11.	Bharat Sevashram Sangha	Contribution towards free medicines	No	West Bengal	Kolkata	1.77	Yes	-	-
12.	Lions Club of Byculla	Contribution towards free medicines	Yes	Maharashtra	Mumbai	0.30	Yes	-	-

- (d) **Amount spent in Administrative Overheads:-** Nil
- (e) **Amount spent on Impact Assessment, if applicable:-** Not Applicable
- (f) **Total amount spent for the Financial Year (8b+8c+8d+8e):-** ₹ 92.87 Lakhs
- (g) **Excess amount for set off, if any**

Sl. No	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	100.54
(ii)	Amount Available for set off from previous Financial year (2020-2021)	17.44
(iii)	Amount required to be set off for this financial year, if any.	7.67
(iv)	Total CSR obligation for the financial year [(i)-(iii)]	92.87
(v)	Total amount spent for the Financial Year	92.87
(vi)	Excess amount spent for the financial year [(iii)-(i)]	Nil
(vii)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(viii)	Amount available for set off in succeeding financial years [(ii)-(iii)]	9.77

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
1.	2018-19	NA	43.42	NA	NA	NA	NA
2.	2019-20	NA	92.91	NA	NA	NA	NA
3.	2020-21	NA	62.70	NA	NA	NA	NA
	<b>Total</b>		<b>199.03</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

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: Nil

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):- Not Applicable

Sd/-  
**Suresh G Kare**  
Chairman

Sd/-  
**Aditi Panandikar**  
Managing Director  
& Chairperson of  
CSR Committee

Sd/-  
**Pramod Ghropade**  
Chief Financial Officer

Place : Mumbai  
Date : May 17, 2022

## 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 contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name (s) of the Related Party	Nature of Relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ Arrangements/ Transaction	Salient terms of the Contracts or Arrangements or Transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Suresh G Kare (HUF)	Mr. Suresh Kare, Chairman of the Company is Karta of Suresh G Kare (HUF)	Payment of Godown Rent	Yearly	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY 22 was ₹ 3,00,000	26-03-2021	NIL
2	A K Services	Ms. Aditi Panandikar, Managing Director of the Company is Partner of the Firm "A.K.Services"	Payment of Commission & Brokerage	Yearly	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY 22 was ₹ 96,26,821	26-03-2021	NIL
			Payment of Export Godown Operating Expenses	Yearly	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY 22 was ₹ 25,48,800	26-03-2021	NIL
			Payment of Interest on Security Deposit	Yearly	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY 22 was ₹ 70,000	26-03-2021	NIL

Sr. No.	Name (s) of the Related Party	Nature of Relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ Arrangements/ Transaction	Salient terms of the Contracts or Arrangements or Transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
3	Xtend Industrial Designers and Engineers Pvt. Ltd.	Wholly owned Subsidiary	Availing of Consultancy Services	Yearly	The related party transactions entered during the year were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the FY 22 was ₹ 2,12,83,149	26-03-2021	NIL

For and on behalf of the Board of Directors

Sd/-

**SURESH G KARE**

*Chairman*

DIN: 00179220

Place : Mumbai

Date : May 17, 2022

## Annexure-E 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 Rule 8(3) of the Companies (Account) Rules, 2014.

- (a) Steps taken or impact of conservation of energy
- 1) Automated high-speed machines with electrical efficient motors installed in plant to save electricity with higher output.
  - 2) Replacement of Reciprocating and vapour absorption chiller to screw chiller to save Electricity and maintenance cost.
  - 3) Installation of LED lamps in various departments to save electricity.
  - 4) Installation of 5 star rating motors to major plant machineries and AHU motors to save Electricity.
  - 5) Implementation of pressure impedance balancing control valve to all air handling systems to control chilled water and utility.
- (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 rainwater.
  - 3) Feasibility of gas as a fuel for boiler to reduce stack emission and cost benefit.
  - 4) Installation of SCADA for various utility equipments for effectively monitoring and controlling consumption of steam air and electricity.
- (c) The Capital investment on energy conservation equipment (approx.): ₹ 3 Crores
- (d) Total energy consumption and energy consumption per unit of production:

#### 1. Power and Fuel Consumption

<i>Particulars</i>	<i>2021-2022</i>	<i>2020-2021</i>
1) Electricity		
a) Purchased Units (₹ lakhs)	<b>452.74</b>	421.08
Total Amount (₹ lakhs)	<b>3,160.43</b>	2,880.12
Rate/Unit (₹)	<b>6.98</b>	6.84
b) Own generation		
i) Through diesel generator		
Units (KWH'000)	<b>2,033.57</b>	1,863.46
Units per litre of diesel oil (KWH)	<b>2.84</b>	3.01
Rate/Unit (₹)	<b>31.38</b>	23.49
ii) Through steam turbine/generator		
Units	<b>92.82</b>	77.24
Units per litre of fuel oil/gas	<b>51.05</b>	40.52
Cost/Unit (₹)	<b>55.00</b>	52.46
iii) Through Boiler generator		
Cost/Unit (₹)	<b>68.04</b>	Nil
2) Coal		
Qty	<b>Nil</b>	Nil
Total cost		
Average rate (₹)		
3) Furnace Oil		
Qty (Kilo litres)	<b>1,218.18</b>	1,017.07
Total Amount (₹ lakhs)	<b>551.01</b>	358.59
Average rate (₹)	<b>45.23</b>	35.26
4) Others/internal generation (briquettes, cashew seeds etc.)		
Quantity	<b>Nil</b>	Nil
Total Cost (₹ lakhs)	<b>339.91</b>	336.15
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:

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

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

**‘Research and development is an expression of our 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 speciality products for strengthening our global speciality pipeline. It is a key determinant of the future growth and profitability of the specialty initiative. Aim of the Company's R&D strategy is to pursue new discovery and development approaches in its core disease segments, to provide effective, quality and affordable treatment options for patients.

Indoco's R&D Centre located at Rabale, Navi Mumbai has a team of 400+ experienced young enthusiastic Doctorates, Post Graduates and Graduates in Pharmacy and Chemistry involved 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 Research (F&D) is currently involved in 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 injectables.

Innovative products for domestic market were introduced in oral care category with unique features.

Indoco continues to file many patents every year to protect its intellectual property in markets of interest. The Intellectual Property Rights (IPR) Cell is actively involved in filing and processing of Patent applications in different territories. It is well equipped with different patent search tools and has access to various scientific journals. Indoco received best Composition Patent Awards in 2021-22 for 4 Indian formulation Patents and for one International Patent.

Regulatory submissions are done in highly regulated as well semi-regulated countries like US, Europe, Canada, Australia, South Africa, New Zealand and WHO-Geneva. Indoco has secured ANDA Approval for Lacosamide Tablets on the Day of patent expiry enabling a Day 1 launch in the US market. The ANDA for Lacosamide Injection is the first generic of Vimpat® Injection of UCB Inc., approved in the United States. Post approval of the ANDA for Lacosamide Injection, the product has been launched immediately in the US market. A total of 5 ANDAs in US have been approved and 8 Marketing Authorizations have been granted in EU and UK.



The Company has successfully developed bioequivalent formulations for anti-malarial combination products with very high in-vivo variability and has several more anti-malarial products under development pipeline. Two dossiers for anti-malarial drug products have been submitted to WHO Geneva.

The state-of-the-Art R&D infrastructure is equipped with latest and sophisticated analytical instrumentation and software. Several studies on Extractable and Leachable for injectable 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 instrumentation. Identification of unknown impurities and its characterization is also routinely performed in the analytical laboratory.

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

2. Benefits derived as a result of above efforts are

- Creation of the Company's own intellectual property, which can be exploited commercially.
- Preventing competitors from blocking ideas for Novel manufacturing processes.
- R&D efforts give an edge over competitors in the market place in terms of early entry and better pricing.
- The ability to develop difficult-to-make, complex APIs by using the latest technologies is the key differentiating factor of the Company's research.
- The Company's patent portfolio consists of

<i>Particulars</i>	<i>Granted Patents</i>	<i>Patent Application</i>
Formulation	20	39
API	28	71
Total	48	110

3. Future plan of action

- Development of APIs for vertically integrated products.
- Development of complex injectables and ophthalmic products.
- Indoco is actively working on 505 (b)(2) products.
- Commercialization of several generic injectable and solid orals for the US and EU market.
- Indoco's CRO supports many pharmaceutical companies in conducting BA/BE studies. It aims to conduct Clinical end point studies going forward.
- Indoco Analytical Services intends to expand its base in Southern part of India supporting other Pharma companies by offering value added services for Isolation and Characterization of Impurities, extractable & leachable studies, XRD studies.



### 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 in expanding the Company's 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:

<i>Sr. No.</i>	<i>Particulars</i>	<i>2021-2022 (₹ crores)</i>	<i>2020-2021 (₹ crores)</i>
1.	Total foreign exchange earned	<b>656.45</b>	542.64
2.	Total foreign exchange outgo	<b>161.27</b>	126.96

For and on behalf of the Board of Directors

Sd/-

**SURESH G KARE**

*Chairman*

DIN: 00179220

Place : Mumbai

Date : May 17, 2022

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 – 400098, Maharashtra, India

I, Ajit Y Sathe, Proprietor of A Y Sathe & Co., Practicing 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 well as physical verification.

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 during the relevant period of 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, 2022 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** 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, 2018 **[Not Applicable as the Company has not issued any further capital under the regulations during the financial year under review];**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;**(Not Applicable to the Company during the Audit Period);**
- (e) 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];**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
- (g) 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
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review];**
- (vi) 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 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.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

1. The Company has wrongly mentioned the period as 01/01/2021 to 31/03/2021 instead of 01/10/2020 to 31/03/2021 in the Compliance Certificate as required under Regulation 7(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The Company has not disclosed web-link of Dividend Distribution Policy in the Annual Report for the FY ended 31/03/2021 as required under Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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 1 and forms an integral part of this report.

**For A Y Sathe & Co.**

*Company Secretaries*

Sd/-

**CS Ajit Sathe**

*(Proprietor)*

**FCS No. 2899**

**COP No. 738**

**PR 1585/2021**

**UDIN: F002899C000331535**

Date : May 17, 2022

Place : Mumbai

## **Annexure 1**

**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*

Sd/-

**CS Ajit Sathe**

*(Proprietor)*

**FCS No. 2899**

**COP No. 738**

**PR 1585/2021**

**UDIN: F002899C000331535**

Date : May 17, 2022

Place : Mumbai

## Annexure-G to the Directors' Report

### Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Indoco Remedies Limited (Indoco) is a manufacturer of Pharmaceutical products and Active Pharmaceutical Ingredient (API). As the Company moves forward to a brighter future, it intends to tread on a sustainable, innovative, and insights-driven pathway. To summarise the various initiatives under three primary areas – Community, Environment and Business, the Business Responsibility (BR) Report has been prepared by Indoco in accordance with Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 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, 2021 to March 31, 2022
7	Sector(s) that the Company is engaged in	<b>Industrial Group: 210</b> <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. Cyclopam 3. Sensodent-K
9	Total Number of locations where business activity is undertaken by the Company	<b>Manufacturing Locations</b> at Goa, Baddi (Himachal Pradesh), Waluj, Rabale, Patalganga (all in Maharashtra). <b>R&amp;D Centre</b> - Rabale- Navi Mumbai, Maharashtra. <b>Clinical Research</b> at Hyderabad.
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 (INR)	₹ 18.43 crores
2	Total Turnover (INR)	₹ 1,539.72 crores
3	Total Profit after Taxes (INR) (Standalone)	₹ 154.52 crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) is 0.60%.



5	List of activities in which expenditure in 4 above has been shown	Indoco's CSR Policy is strongly connected with the principles of sustainability. The Company's core corporate responsibility is to practice its corporate values through commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.
		Indoco lends a helping hand to the underprivileged in society through the support of women, children and the aged in the areas of health, education and public sanitation.
		The CSR activities are carried out under the following areas: good health and wellbeing, education, clean water and sanitation, sustainable energy, climate change.

### Section C: Other Details

1	Does your Company have subsidiary Companies.	Yes. The Company has 3 subsidiaries (1 in India and 2 overseas).
2	Does the subsidiary companies participate in BR Initiatives of the parent company.	No. The subsidiary companies do not participate in the BR initiatives of the parent company. They take up BR initiatives in their own capacity, if applicable.
3	Does any other entity that the Company does business with participate in the BR initiatives of the Company.	No. The other entities, currently do not participate in the BR initiatives of the Company.

### Section D: BR Information

1.	Details of Director/Directors responsible for BR	
a.	Details of the Director/Director responsible for implementation of the BR policy/policies	
	1	DIN Number
		00176613
	2	Name
		Mr. Sundeep V Bambolkar
	3	Designation
		Jt. Managing Director
b.	Details of the BR head	
	1	DIN Number (if applicable)
		00176613
	2	Name
		Mr. Sundeep V Bambolkar
	3	Designation
		Jt. Managing Director
	4	Telephone number
		022-68321400
	5	E-mail id
		compliance.officer@indoco.com
2	Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)	
	The National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business (NVG) released by the Ministry of Corporate affairs are based on Nine Principles in the realm of Business Responsibility. They are as under	
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	

P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policy for ...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any National? / International standards. If Yes, specify	Y	Y	Y	Y	Y	Y	Y	Y	Y
Industry Benchmarks										
4	Has the policy been approved by the Board? If yes, has it been signed by MD J/Jt. MD	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.indoco.com/inv-corp-policies.asp">https://www.indoco.com/inv-corp-policies.asp</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	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 or external agency?	All policies applicable to Indoco are evaluated internally								
<b>3</b>	<b>Governance related to BR</b>									
a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:- <b>The CSR Committee reviews BR performance of the Company on an annual basis.</b>									
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? <b>The BR report for FY22 is a part of the Annual Report and can also be accessed through the link: <a href="https://www.indoco.com/inv-fin-qr-ar.asp">https://www.indoco.com/inv-fin-qr-ar.asp</a> It is published annually.</b>									

## Section E: Principle-wise performance

### Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company?  
**No, the policy relating to ethics, bribery and corruption is extended to all stakeholders as the Company is committed to building a strong ethical organisation. The Company has adopted a Code of Conduct policy which is applicable to all supervisory, executive and managerial employees of the Company including the board members and also covers subsidiaries.**
2. How many stakeholder complaints have received in the past financial year and what percentage was satisfactory 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. **Chlorhexidine with Fluoride and Triclosan Oral Rinse with stain resistant System:**  
**This is a unique value addition for daily use oral rinse products that will help to maintain oral hygiene and fluoride replenishment. Its unique stain resistant mechanism incorporated by using orally safe ingredients across the age group, makes this product unique in nature in view of increased Oral hygiene awareness, as well as demand post COVID scenario. The product has been introduced in a pleasant flavour and light green, visually appealing colour. The product is marketed in India under the brand name Rexitin Plus Oral Mouthwash.**
  - b. **Ozenoxacin Cream:**  
**Indoco has introduced a New Drug Formulation in the Indian market under the brand name 'Noxa Cream'. Ozenoxacin has been recently approved by the US FDA and the same was approved by DCGI in April 2021. Ozenoxacin is effective in treating Impetigo (A bacterial infection requiring longer treatment duration).**
  - c. **Lacosamide Injection :**  
**Indoco has received US FDA approval as the first generic product post patent expiry of Innovator. Approval on the day of the innovator's patent expiry indicates significant business potential and high quality of Regulatory submission by Indoco, Indoco's product is qualitatively and quantitatively similar to the Innovator Product, 'VIMPAT Injection', manufactured by UCB, Inc.**  
**Lacosamide is indicated for the treatment of seizures, which is an important therapeutic category.**
  - d. **Lacosamide Tablets:**  
**Indoco has also received US FDA approval for Lacosamide Tablets developed by Indoco. The product is Bioequivalent with the Innovator product, VIMPAT Tablets. This again, is a significant achievement in terms of therapeutic equivalence in view of the molecule being in the category of anti convulsant.**

2. For each 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 also enters 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 it is used for Gardening, Toilet Flushing and Cooling Towers.**

### Principle 3

1 Please indicate the Total number of employees.

**5,927 permanent employees as on March 31, 2022.**

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

**1,257 employees hired on temporary/contractual/casual basis as on March 31, 2022.**

3 Please indicate the Number of permanent women employees.

**490 Permanent employees as on March 31, 2022.**

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 an 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 1.50% 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.**

**The Company makes no discrimination while imparting training to women employees vis-à-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. Indoco 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.

**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**
  - **Installation of solar system to generate electricity for plant operation & lighting purpose.**
  - **Installation of SCADA for various utility equipment for effectively monitoring and controlling consumption of steam air and electricity.**
  - **Installation of High Efficiency Centrifugal Chillers for Chilling requirements.**
  - **Introduction of Heat Pumps technology in Refrigeration Systems.**
  - **Installation of Fuel Saver for Boiler.**
  - **Installation of Condensate Recovery System.**
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 undertakes the CSR activities through its in-house team.**

3. Have you done any impact assessment of your initiative?

**No.**

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 C 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, 2022**

### **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.

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the report contains the details of Corporate Governance systems and processes at Indoco Remedies Limited. There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

### **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, 2022 in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), 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 the Listing 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 ("Act"), 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, 2022 is as under:**

Name of Director	Category of Directorship	Number of other Directorship		Number of Chairmanship/ Membership 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	Nil	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	3	Nil	Nil
Dr. Anand M Nadkarni	Non-Executive	Nil	1	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.

**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 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.
- None of the Whole Time Director / Managing Director serves as an Independent Director in more than 3 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 **Six (6)** times on May 25, 2021, June 11, 2021, August 11, 2021, November 02, 2021, February 01, 2022 and March 29, 2022. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 (Act) and Listing Regulations. All material information was circulated to the Directors before the meeting, including minimum information required to be made available to 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 Quarterly basis.

The following Independent Non-executive Directors held equity shares of the Company as on March 31, 2022.

Mr. Rajiv P Kakodkar	12,000
Mr. Abhijit Y Gore	5,000

**Attendance of each Director at the Board Meetings held in financial year 2021-2022 and at the last Annual General Meeting of the Company:**

<i>Name of the Director</i>	<i>No. of Board Meetings held during the year</i>	<i>No. of Board Meetings attended</i>	<i>Attendance at the last AGM held on 23.09.2021</i>
Mr. Suresh G Kare	6	6	Present
Ms. Aditi Panandikar	6	6	Present
Mr. Sundeep V Bambolkar	6	6	Present
Mr. Divakar M Gavaskar	6	6	Present
Mr. Rajiv P Kakodkar	6	6	Present
Dr. Anand M Nadkarni	6	6	Present
Dr. (Ms) Vasudha V Kamat	6	6	Present
Mr. Abhijit Y Gore	6	6	Present

**SKILLS/EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS OF THE COMPANY**

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.

**COMMITTEES OF THE BOARD:**

Currently, the Board has the following Committees

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

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. Sundeeep 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 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.

### **Recommendations by the Audit Committee**

All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors.

### **Meetings and Attendance:**

During the financial year the Audit Committee met Six (6) times on May 25, 2021, June 11, 2021, August 11, 2021, November 02, 2021, February 01, 2022 and March 29, 2022. 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	6	6
Mr. Rajiv P Kakodkar	6	6
Dr (Ms) Vasudha V Kamat	6	6
Mr. Abhijit Y Gore	6	6
Mr. Sundeep V Bambolkar	6	6

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

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 Stakeholder Relationship 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)** Stakeholder Relationship Committee Meetings were held on May 25, 2021, August 11, 2021, November 02, 2021 and February 01, 2022. 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.

Mr. Rajiv P Kakodkar, Non-Executive Independent Director is heading the Committee and Mr. Jayshankar Menon, the Company Secretary, is the Compliance Officer under the Listing Regulations.

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

### Details of Shareholders Complaints:

<i>Particulars</i>	<i>No. of complaints</i>
Investor complaints pending as at April 01, 2021	–
Investor complaints received during the year ended on March 31, 2022	–
Investor complaints resolved during the year ended March 31, 2022	–
Investor complaints pending as on March 31, 2022	–

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

The Corporate Social Responsibility 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 Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. 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 May 25, 2021 and March 29, 2022. 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	2

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

**d) NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration 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 & Senior Management.
- g. To approve formulating the compensation plans, policies and programs of the Company.
- h. To devise a policy on diversity of Board of Directors;
- i. To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- j. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

**Performance Evaluation Criteria for Independent Directors:**

The Nomination and Remuneration Committee has adopted the criteria as provided in the Guidance Note on Board Evaluation by Securities and Exchange Board of India vide its notification no. SEBI/HO/CFD/CMD/CIR/P2017/004 dated January 5, 2017 for evaluation of the Individual Directors including Independent Directors. The said criteria provides certain parameters like knowledge, competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgment.

**Meetings and Attendance:**

During the financial year, Three (3) Nomination and Remuneration Committee Meetings were held on May 25, 2021, November 02, 2021 and March 29, 2022.

<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	3	3

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting.

**e) RISK MANAGEMENT COMMITTEE:**

The Risk Management 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. Mr. Sundeep V Bambolkar, Member (Jt. Managing Director)
5. Dr. Anand M Nadkarni, Member (Non-Executive 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, Three (3) Risk Management Committee Meetings were held on August 11, 2021, February 01, 2022 and March 29, 2022.

<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
Ms. Aditi Panandikar	3	3
Mr. Sundeep V Bambolkar	3	3
Dr. Anand M Nadkarni	3	3

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

**f) EXECUTIVE COMMITTEE OF DIRECTORS:**

The Executive Committee of Directors 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, Five (5) Executive Committee Meetings were held on April 12, 2021, June 23, 2021, September 08, 2021, November 23, 2021 and February 21, 2022.

All the directors were present at all the aforesaid Meetings.

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

**g) INDEPENDENT DIRECTORS MEETING**

During the financial year, separate meetings of the Independent Directors were held on November 02, 2021 and March 29, 2022 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	2	2

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 time lines of flow of information between the Management and Board that is necessary for the Board to effectively and reasonably perform its duties.

The observations made by the Independent Directors have been adopted and put into force.

**Familiarization Programme for Independent Directors**

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarized with the Company, their roles, rights and responsibilities in the Company, the code of conduct to be adhered, nature of the industry in which the Company operates, business model of the Company, meeting with the Senior Management team members, etc. 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 etc.



The detail of such familiarization programme conducted during the financial year 2021-22 can be accessed on the Company's website at [https://www.indoco.com/policies/familiarization\\_programme\\_for\\_independent\\_directors.pdf](https://www.indoco.com/policies/familiarization_programme_for_independent_directors.pdf).

### Recommendations of Committees of Board of Directors:

During the year ended, March 31, 2022, all recommendations made by the Committees of the Board of Directors (viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Executive Committee of Board of Directors, Risk Management Committee, Independent Director Meeting) were accepted by the Board of the Company.

### REMUNERATION TO DIRECTORS:

The remuneration of the Chairman, Managing Director and Jt. Managing Director (s) is approved by the Board, as per recommendation of the Nomination and Remuneration Committee within the overall limit fixed by the shareholders at their meetings.

The Non-Executive Directors of the Company are entitled to sitting fees for attending each meeting of the Board and/or of Committee thereof.

#### i. The details of Remuneration paid to the Directors of the Company for the year ended March 31, 2022 are given below:-

##### 1) Executive Directors:

(₹ in Lakh)

Name of Director	Salary	Perquisites	Others- PF & super-annuation	Commission/ Performance Linked Incentives	Stock Options	Total
Mr. Suresh G Kare	360.00	0.40	–	100.00	Nil	<b>489.20</b>
Ms. Aditi Panandikar	321.51	2.90	63.83	100.00	Nil	<b>488.24</b>
Mr. Sundeep V Bambolkar	297.35	2.90	57.34	100.00	Nil	<b>457.59</b>

##### 2) Non-Executive Directors:

Name of Director	Sitting fees (₹ in Lakhs)
Mr. Rajiv P Kakodkar	7.20
Mr. Divakar M Gavaskar	6.40
Dr.(Ms) Vasudha V Kamat	5.60
Mr. Abhijit Y Gore	5.20
Dr. Anand M Nadkarni	3.60

#### ii. Details of fixed component and performance linked incentives, along with the performance criteria

The remuneration to Mr. Suresh Kare, Chairman, Ms. Aditi Panandikar, Managing Director and Mr. Sundeep Bambolkar, Jt. Managing Director consists of both Fixed and Performance Linked Incentives. Performance Incentive / Commission to these Directors will be paid annually at the discretion of the Board based on certain performance criteria and such other parameters as may be considered appropriate from time to time. The Board on the recommendation of the NRC will take appropriate decision on the payment of Performance Incentive or Commission after taking into consideration the performance of the Company on certain defined qualitative and quantities parameters (as decided by the Board from time to time), industry benchmarks of remuneration and performance of the Director.

**iii. Service Contracts, Notice Period**

The Company has entered into a service agreement with Mr. Suresh G Kare, Chairman, Ms. Aditi Panandikar, Managing Director and Mr. Sundeep V Bambolkar, Jt. Managing Director. The appointment may be terminated by either party by giving to the other party, six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any Commission (paid at the discretion of the Board), in lieu of such notice.

**iv. There is no provision for payment of severance fees.**

**v. The Company has not granted any stock option to any of its Directors.**

**vi. Criteria of making payment to Non- Executive Directors.**

Criteria of making payments of sitting fees or commission to non-executive directors can be accessed on the Company's website  
[https://www.indoco.com/policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.indoco.com/policies/Nomination_and_Remuneration_Policy.pdf).

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

**DISCLOSURES:**

**Details of establishment of Vigil Mechanism, Whistle Blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Company has formulated Whistle Blower Policy and established Vigil Mechanism with a view to provide a mechanism for Directors, employees, other stakeholders of the Company as well as Anonymous Whistle Blowers (in exceptional cases) to approach the Ombudsperson / Chairman of the Audit Committee of the Company to report, serious and genuine unethical behavior, actual or suspected fraud and violation of the Company's code of conduct or ethics policy. During the year under review no personnel have either approached the Audit Committee or been denied access to the Audit Committee.

The Whistle Blower & Vigil Mechanism Policy can be accessed on the Company's website at [https://www.indoco.com/policies/Whistle\\_Blower\\_and\\_Vigil\\_Mechanism.pdf](https://www.indoco.com/policies/Whistle_Blower_and_Vigil_Mechanism.pdf).

**Subsidiary Companies:**

Following Companies are subsidiaries of the Company.

<i>Name</i>	<i>Percentage of Holding</i>
Xtend Industrial Designers and Engineers Pvt. Ltd	100%
Indoco Remedies Czech S.R.O	100%
Indoco Remedies UK Ltd	100%

**The policy for determining material subsidiaries of the Company is available on the website of the Company and can be accessed at [https://www.indoco.com/policies/Policy\\_for\\_Determining\\_Material\\_Subsidiaries.pdf](https://www.indoco.com/policies/Policy_for_Determining_Material_Subsidiaries.pdf).**

### **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees, etc.) are covered under this Policy. The Policy is gender neutral. During the year under review, no complaint of sexual harassment was filed with the Internal Complaints Committee. The policy for Prevention of Sexual Harassment of Women at Workplace can be accessed at <https://www.indoco.com/policies/Policy-on-Prevention-of-Sexual-Harassment-at-the-Workplace.pdf>.

### **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:**

<i>Payment to Statutory Auditors FY 2021-2022</i>	<i>₹ in Lakhs</i>
Audit Fees	9.00
GST Audit Fees	4.25
Other Services	3.29
Reimbursement of expenses	0.30
<b>Total</b>	<b>16.84</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 arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The particulars of transactions with related parties in the prescribed form AOC-2, is enclosed with the Directors Report as "Annexure D". The disclosure of related party transactions of the Company in the format prescribed in the Indian Accounting Standard is mentioned in Note No. 51 of the Standalone Audited Financial Statement of the Company forming part of this Annual Report. Pursuant to Regulations 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Related Party disclosures as specified in Para A of Schedule V is not applicable to the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website: [https://www.indoco.com/policies/Policy\\_on\\_Materiality\\_of\\_Related\\_Party\\_Transactions.pdf](https://www.indoco.com/policies/Policy_on_Materiality_of_Related_Party_Transactions.pdf).

### **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.**

There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years, other than the penalty levied by National Stock Exchange of India Limited and BSE Limited during the financial year 2021-22 in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020, for non-compliance of Regulation 43A of Listing Regulations i.e. Non-disclosure of Dividend Distribution Policy in the Annual Report of financial year 2020-2021.

**Disclosure of Accounting Treatment:**

The Company follows Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements and there are no statutory audit qualifications in this regard.

**Details of utilization of funds:**

During the year under review the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:**

The Company and its subsidiaries has not given any Loans and advances in the nature of loans to firms/ companies in which directors of the Company are interested.

**GENERAL BODY MEETINGS:****i. Location and time of the last three Annual General Meetings**

<i>Financial Year</i>	<i>AGM</i>	<i>Date</i>	<i>Time</i>	<i>Location of the AGM</i>
2020-2021**	74 <sup>th</sup>	September 23, 2021	10.30 am	Through VC/OAVM
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 am	MIG Cricket Club. MIG Colony, Bandra East, Mumbai 400051

**ii. Special Resolutions passed at the last three Annual General Meetings:**

- a) **At the Seventy Fourth Annual General Meeting:**  
Appointment of Mr. Abhijit Y Gore (DIN 00301688) as an Independent Director for Five years w.e.f. 03/10/2020.
- b) **At the Seventy Third Annual General Meeting:**  
Appointment of Dr. (Ms) Vasudha V Kamat as an Independent Director for Five years w.e.f. 24/09/2020.
- c) **At the Seventy Second Annual General Meeting:**  
None

**iii. Special Resolution Passed Through Postal Ballot:**

No resolution was passed through postal ballot during the year under review.

**iv. Details of special resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

**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. The transcripts are available on the Company website <https://www.indoco.com/inv-fin-concall-transcripts.asp>.

## GENERAL SHAREHOLDER INFORMATION:

### 75th Annual General Meeting:

Date & Time	Thursday, September 22, 2022 at 10.30 A.M.
Venue	Through Video Conferencing / Other Audio Visual Means ("OAVM")

### Financial Year of the Company:

The financial year of the Company starts from April 1st and ends on March 31st of the succeeding year.

### Date of Book Closure and Dividend Payment Date

Book Closure for the purpose of AGM and payment of Dividend will be from September 16, 2022 to September 22, 2022 (both days inclusive) and the Dividend would be paid on or after September 27, 2022.

**Corporate Identification Number:** L85190MH1947PLC005913

**Registered Office Address:** Indoco House, 166 CST Road, Santacruz (East), Mumbai – 400098.

### Dividend Policy

The Company's Dividend Policy, which is uploaded on the Company's website, is based on the need to balance the twin objectives of appropriately rewarding its shareholders with dividend and of conserving resources to meet its future needs. The Dividend Policy can be accessed through the web link: [https://www.indoco.com/policies/IRL\\_dividend\\_distribution\\_policy.pdf](https://www.indoco.com/policies/IRL_dividend_distribution_policy.pdf).

### Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Revised "Code of Conduct for Prevention of Insider Trading". The Company keeps the Code updated as per the requirements of SEBI from time to time.

The "Code of Conduct for Prevention of Insider Trading" can be accessed through the web link [https://www.indoco.com/policies/Insider\\_Trading\\_Code.pdf](https://www.indoco.com/policies/Insider_Trading_Code.pdf).

### Listing on Stock Exchanges:

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. The annual listing fees have been paid upto March 31, 2023 and there is no outstanding payment towards the Exchanges, as on date.

### Stock Code

BSE Limited	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, 2021 till March, 2022 are as below:

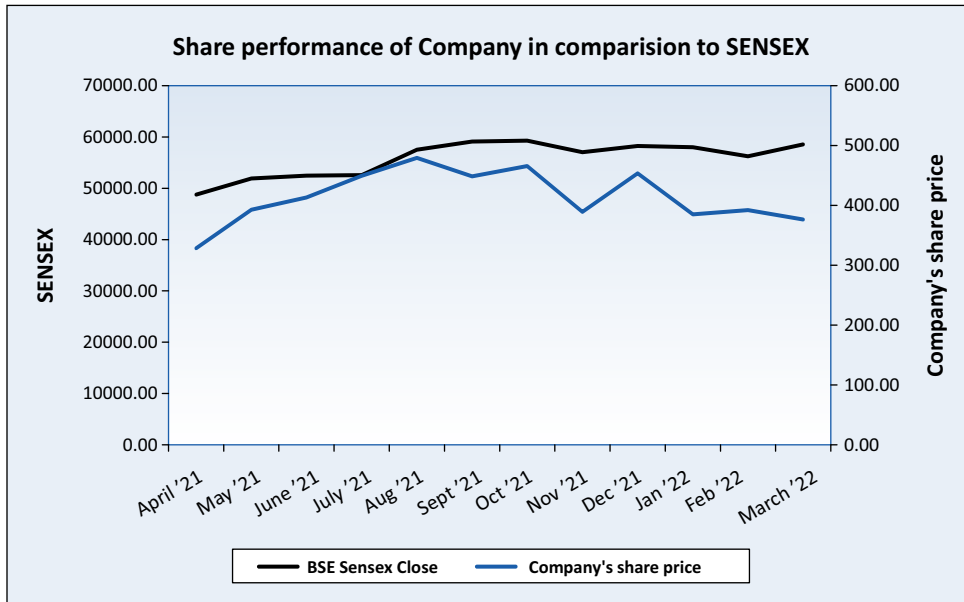
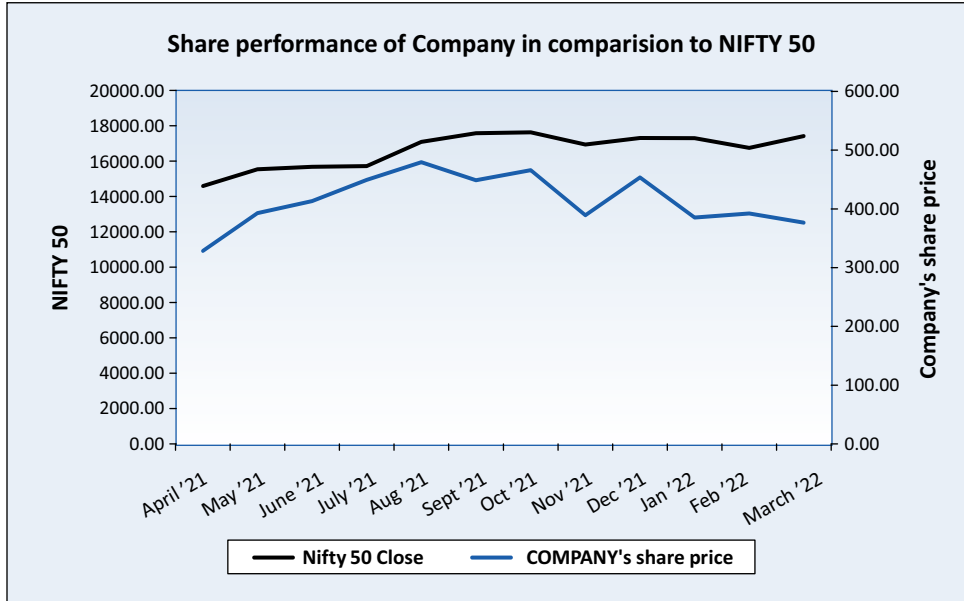
### National Stock Exchange of India Limited (NSE)

Month	Share Price (₹)			No. of Shares Traded	Total Turnover (₹ in Lakhs)
	High	Low	Close		
April 2021	348.00	285.25	328.50	47,19,712	15,121.63
May 2021	425.50	320.25	393.10	1,58,37,693	60,277.90
June 2021	433.90	371.00	412.70	68,45,166	27,732.93
July 2021	494.70	411.90	449.70	1,22,49,144	56,974.11
August 2021	530.25	424.60	479.75	2,38,84,876	1,16,656.31
September 2021	496.00	436.00	449.25	48,99,676	22,952.21
October 2021	513.65	433.35	465.90	72,33,061	34,164.21
November 2021	498.00	384.00	388.20	40,66,181	17,788.54
December 2021	459.25	376.35	454.30	32,00,936	13,573.29
January 2022	458.90	380.00	385.35	16,67,689	7,076.36
February 2022	429.00	344.05	392.20	47,39,197	18,321.65
March 2022	426.20	350.15	377.05	20,38,727	7,865.64

### BSE Limited (BSE)

Month	Share Price (₹)			No. of Shares Traded	Total Turnover (₹ in Lakhs)
	High	Low	Close		
April 2021	348.10	285.05	328.35	13,144	693.70
May 2021	425.00	320.00	392.80	45,566	5,921.44
June 2021	433.70	371.00	413.20	27,935	1,895.92
July 2021	495.00	413.30	449.50	37,039	3,303.39
August 2021	529.70	425.00	479.50	52,308	4,922.28
September 2021	495.55	436.10	448.70	20,529	1,439.63
October 2021	513.00	433.55	465.90	33,790	2,298.14
November 2021	497.95	384.05	389.30	22,501	1,635.94
December 2021	458.70	378.05	453.75	21,275	1,137.43
January 2022	459.20	380.30	385.15	14,106	544.03
February 2022	428.70	344.65	392.15	15,789	844.35
March 2022	426.00	344.85	376.55	13,248	607.23

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



### Distribution of Shareholding as on March 31, 2022 of Equity Shares

Share Range	Number Of Shareholders	% Of Total Shareholders	Total Shares For The Range	% Of Issued Capital
1-500	34,960	90.68	28,68,428	3.11
501-1000	1,795	4.66	13,58,556	1.47
1001-2000	871	2.26	12,49,956	1.36
2001-3000	288	0.75	7,32,829	0.80
3001-4000	115	0.30	4,07,317	0.44
4001-5000	99	0.26	4,57,681	0.50
5001-10000	173	0.45	12,74,289	1.38
10001 and above	254	0.66	8,38,01,299	90.94
<b>Total</b>	<b>38,555</b>	<b>100.00</b>	<b>9,21,50,355</b>	<b>100.00</b>

### Category-wise Shareholding as on March 31, 2022 of Equity Shares

Particulars	No. of Shares	Percentage
<b>Promoter &amp; Promoter Group</b>		
<b>Indian</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>		
Mutual Funds/UTI	1,61,41,404	17.52
Alternate Investment Funds	5,78,805	0.63
Foreign Portfolio Investors	10,58,779	1.15
Insurance Companies	1,17,593	0.13
<b>Total (B)</b>	<b>1,78,96,581</b>	<b>19.43</b>
<b>Non Institutions</b>		
Other Bodies Corporate	23,35,420	2.53
NRI & Foreign National	5,91,835	0.64
Clearing Members	49,175	0.05
Investor Education & Protection Fund	1,00,638	0.11
Public & Others	1,70,95,560	18.55
<b>Total (C)</b>	<b>2,01,72,628</b>	<b>21.88</b>
<b>Total (A + B+ C)</b>	<b>9,21,50,355</b>	<b>100.00</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, 2022:**

<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	Ms. Aditi Milind Panandikar	55,59,013	6.03
4	Ms. Madhura Ramani	51,84,079	5.63
5	Ms. Aruna Suresh Kare	47,94,714	5.20
6	Mr. Suresh Govind Kare	40,60,408	4.41
7	Nippon Life India Trustee Ltd- A/C Nippon India Small Cap Fund	27,44,559	2.98
8	ICICI Prudential Pharma Healthcare and Diagnostics (P.H.D.) Fund	24,75,339	2.69
9	Nippon Life India Trustee Ltd- A/C Nippon India Pharma Fund	23,33,083	2.53
10	ICICI Prudential Smallcap Fund	16,73,376	1.82
11	Mangeshi Investment Pvt. Ltd.	11,67,300	1.27
12	DSP Healthcare Fund	11,23,464	1.22

**Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

**Disclosure of commodity price risk or foreign exchange risk and hedging activities**

The Company is exposed to foreign exchange risks emanating from our business, assets and liabilities denominated in foreign currency. In order to hedge this risk, the Company proactively uses hedging instruments e.g. forward contracts, options and other simple derivatives from time to time. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

**Dematerialization of shares:**

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

As on March 31, 2022, 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	9,14,38,966
% of No. of Shares of the Company in demat mode	99.23%
<b>Total No. of Shareholders of the Company</b>	<b>38,555</b>
No. of Shareholders with dematerialized shares	38,518
% of No. of Shareholders of the Company holding shares in demat mode	99.90

Shareholders, who continue to hold shares in physical form, are requested to dematerialize their shares and avail various benefits of dealing in securities in electronic/dematerialized 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, 2022 is given below:

<i>Particulars</i>	<i>No. of Shares</i>	<i>% of Total Shares</i>
No. of shares in physical form	7,11,389	0.77
No. of shares in demat form	9,14,38,966	99.23
(1) With NSDL	8,39,29,649	91.08
(2) With CDSL	75,09,317	8.15
<b>Total No. of Shares</b>	<b>9,21,50,355</b>	<b>100.00</b>

#### **Liquidity:**

Company's equity shares are fairly liquid and are actively traded on National Stock Exchange of India Ltd. and the BSE Ltd.

#### **Share Transfer System:**

In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participant ("DP") with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers. Shareholders should communicate with Link Intime India Pvt. Ltd, the Company's Registrars and Transfer Agents ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

#### **Suspension of trading in securities:**

There was no suspension of trading in securities of the Company during the year under review.

#### **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:

- |  |  |
|--|--|
| <p>(1) <b>Link Intime India Private Limited</b><br/>Unit: Indoco Remedies Limited<br/>C-101, 247 Park<br/>L.B.S. Marg, Vikhroli (West),<br/><u>Mumbai – 400083</u><br/>Contact Person: <b>Mr. Devang Mehta</b><br/>Tel. No.: +91 -22-49186000<br/>Email id: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p> | <p>(2) <b>Secretarial Department</b><br/>Indoco Remedies Limited<br/>Indoco House, 166 CST Road,<br/>Kalina, Santacruz (East),<br/><u>Mumbai – 400098</u><br/>Contact Person: <b>Mr. Jayshankar Menon</b><br/>Tel No.: +91- 22-68321400<br/>Email id: <a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a></p> |
|--|--|

### 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 2014-2015 are given below:

<i>Financial year</i>	<i>Unclaimed dividend amount as on 31.03.2022 (in ₹)</i>	<i>Due date for transfer to IEPF</i>
2014-2015 – Final	3,83,088.00	04-Oct-22
2015-2016 - Interim	6,95,277.80	15-May-23
2015-2016 - Final	73,853.20	03-Oct-23
2016-2017 - Final	4,46,904.00	14-Oct-24
2017-2018 - Final	3,26,677.00	17-Nov-25
2018-2019 - Final	1,10,821.40	04-Nov-26
2019-2020 – Final	1,13,549.23	30-Nov-27
2020-2021 - Final	6,23,791.77	03-Dec-28

### Transfer To Investor Education And Protection Fund (IEPF) :

#### Transfer of Equity Shares

During the year the Company has transferred 44,620 shares to the IEPF Account. Details of the shareholders whose shares have been transferred to the IEPF Account can be accessed through the web link <https://www.indoco.com/inv-IEPF.asp>.

#### Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

The details of Indoco Remedies Limited unclaimed suspense account are as follows: -

<i>Sr. No.</i>	<i>Particulars</i>	<i>Demat</i>	
		<i>Number of Shareholders</i>	<i>Number of Unclaimed Equity shares</i>
<b>1</b>	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2021	<b>Nil</b>	<b>Nil</b>
<b>2</b>	Unclaimed shares transferred to unclaimed suspense account during the financial year 2021-22	<b>1</b>	<b>27,000</b>
<b>Total (1+2)</b>		<b>1</b>	<b>27,000</b>
<b>3</b>	Number of shareholders to whom shares were transferred from suspense account during the financial year 2021-22	<b>Nil</b>	<b>Nil</b>
<b>4</b>	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022 (1+2-3)	<b>1</b>	<b>27,000</b>
<b>Number of shareholders who approached listed entity for transfer of shares from suspense account during the financial year 2021-22</b>		<b>Nil</b>	<b>Nil</b>

The voting rights on the shares in the unclaimed suspense account as on March 31, 2022 shall remain frozen till the rightful owners of such shares claim the shares.

**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

**Credit Rating:**

The Company's working capital facilities are rated as [ICRA] '**A1+**' and long term borrowings are rated as [ICRA] '**AA-(Stable)**'. 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] 'AA' rating instruments are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

### **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

- The Company complies with all the mandatory requirements specified under Listing Regulations.
- Presently the Company complies with the following discretionary requirements of Regulation 27(1), specified in **“Part E”** of Schedule II of the Listing Regulations:
  - Internal Auditor reports directly to the Audit committee.

### **Independent Director Confirmation**

In terms of Schedule V(C)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the declaration of independence received from the Independent Directors of the Company, we are of the opinion that the Independent Directors of the Company fulfill the conditions specified under Regulation 16(b) of Listing Regulations and are independent of Management.

### **Compliances with Corporate Governance Requirements as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has complied with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed hereto marked as **“Annexure A”** and forms part of this report.

### **CEO and CFO Certification**

The Managing Director and CFO of the Company have given the certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The requisite certificate from the Managing Director and CFO of the Company is annexed hereto marked as **“Annexure B”** and forms part of this report.

### **Certificate on Compliance with Code of Conduct**

This Code of Conduct has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code can be accessed on the Company’s website at

[https://www.indoco.com/policies/Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Senior\\_Management.pdf](https://www.indoco.com/policies/Code_of_Conduct_for_Board_of_Directors_and_Senior_Management.pdf).

The Declaration of compliance of the Code of Conduct in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto marked as **“Annexure C”** and forms part of this report.

### **Certification from Company Secretary in Practice**

M/s A.Y.Sathe & Co., Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as **“Annexure D”**.

## **Annexure: A**

# **Certificate of Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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, 2022.

### **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 & Sathe**

*Chartered Accountants*

Firm's Registration No: 103264W

Sd/-

**Tejas Parikh**

*Partner*

Membership No: 123215

UDIN : 22123215AJTBHT2467

Place : Mumbai

Date : May 17, 2022

## **Annexure: B**

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

We, Aditi Panandikar, Managing Director and Pramod Ghorpade, 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, 2022 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,
  - b) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, and
  - c) instances of significant fraud of which we are aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**Ms. Aditi Panandikar**

*Managing Director*

DIN: 00179113

Sd/-

**Pramod Ghorpade**

*Chief Financial Officer*

Place : Mumbai

Date : May 17, 2022



## **Annexure: C**

### **Declaration of Compliance of the Code of Conduct**

*in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given hereunder:*

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management during the financial year 2021-22.

Place : Mumbai  
Date : May 17, 2022

Sd/-  
**Ms. ADITI PANANDIKAR**  
*Managing Director*  
DIN: 00179113

## Annexure: D

### 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 – 400098, Maharashtra, India

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, 2022 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>Director Identification Number (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	Dr. 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*  
Sd/-

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

FCS No.2899

COP No. 738

PR: 1585/2021

UDIN: F002899C000331491

Place : Mumbai

Date : May 17, 2022

## Management Discussion and Analysis

### a) Indian Pharmaceutical Industry

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. In the last ten years, Indian Pharma sector has grown steadily by CAGR of 8.5%. The Pharma sector has been consistently earning trade surplus. During 2020-21, total pharma export were ₹ 1,80,555 crores (US\$ 24.35 Bn) against the total pharma imports of ₹ 49,436 crores (US\$ 6.66 Bn), thereby generating trade surplus of US\$ 17.68 Bn. Till end September 2021, total pharma exports were ₹ 87,864 crores (US\$ 11.88 Bn) as against total imports of ₹ 33,636 crores (US\$ 4.66 Bn), thereby generating a trade surplus of ₹ 54,228 crore (US\$ 7.22 Bn). Currently, the Indian pharmaceutical sector contributes to 1.72 per cent of the country's Gross Domestic Product (GDP). Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, Active Pharma Ingredients, vaccines, biosimilars and biologics.

The Indian pharmaceutical industry plays a significant role globally. India has the highest number of United States Food and Drug Administration (USFDA) approved Pharma manufacturing facilities. There are over 500 API manufacturers in India contributing about 8% in the global API Industry. India is the largest supplier of generic medicines with 20% share in the global supply by manufacturing 60,000 different generic brands across 60 therapeutic categories. Access to affordable HIV treatment from India is one of the greatest success stories. India is one of the biggest suppliers of low cost vaccines in the world. Because of the low price and high quality, Indian medicines are preferred worldwide, thereby rightly making the country the “pharmacy of the world”.

The Indian pharma industry has also played an important role in mitigation of the infection in COVID-19 pandemic. The industry worked in close collaboration with the government, academic and other institutes to quickly develop and refine manufacturing processes which helped to ensure a consistent supply of medicines needed for the management of COVID-19. Indian drug supplies throughout the COVID-19 pandemic period have provided relief to over 120 countries for Hydroxychloroquine (HCQ), 20 countries for paracetamol and about 96 countries for vaccines across the world.

### b) Opportunities & Threats:

The pandemic highlighted the need for a robust and expanded Indian manufacturing base. Pharmaceutical pricing is an important consideration for all countries, especially in the context of manufacturing essential medicines, affordable to the entire population. The Government support through introduction of new initiatives and policies has helped create an enabling environment for R&D, manufacturing, and marketing of safe, quality and affordable medical products. Indian companies now have an unprecedented opportunity to partner with global players across a wide range of activities, from contract manufacturing and licensing arrangements to franchising and joint venture opportunities.

Today, digitization is causing a quantum shift in India's healthcare ecosystem. It has also played a crucial role in bringing about operational efficiencies, managing supplies and enabled more meaningful and convenient engagements with stakeholders. From a value-added point of view, we see digital as a tool that will empower every stakeholder in the healthcare ecosystem.

The unfolding of the consumerization story in India has revealed a paradigm shift in the mindset from illness to wellness and self-care among patients. Pharma companies need to play a significant role in this curative-behavioural change by equipping patients with the right set of tools, devices and treatment options to guide from awareness to their adherence journey.

From an overall innovation perspective, pharma companies are looking at innovation from various lenses to play a more valuable role within the healthcare ecosystem moving forward. As an industry that has the patient at the center of 'care', one we can improve access to healthcare with the use of analytics and big data. The industry can shift the paradigm of innovation, creating optimized business models to benefit patients.

Some of the major concerns that the Indian Pharmaceutical industry is facing in today's world are the menace of Counterfeit Drugs, Patent Cliffs, data breaches and other cybersecurity threats.

There is a strong need to create collaborative synergy between academia, industry, research laboratories and regulators along with a conducive policy framework to foster innovations. Through the collective effort of the stakeholders and supportive policy changes, India is well poised to position itself as a provider of safe and high quality medicines across the globe.

**c) Risks & concerns:**

Indian Pharmaceutical Industry is facing several challenges which have evolved over the years and some have evolved at an accelerated pace post Covid. In addition, keeping up with the technology, growing competition from generic pharmaceuticals, supply chain disruptions globally, reduced demand for prescription medicines are some of the fast changing scenarios that is being witnessed by the Indian Pharmaceutical industry.

**d) Internal control system 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.

**e) Discussion on Financial performance with respect to Operational performance :**

Net revenues for the year are at ₹ 1,502.70 crores, as against ₹ 1,217.38 crores last year. Other operating income in the current year is at ₹ 37.02 crores, as compared to ₹ 22.92 crores in the previous year. Material consumption to sales is 30.39 % at ₹ 456.75 crores, as compared to 29.08 % at ₹ 354.07 crores in the previous year. Staff cost to sales is 19.46 % at ₹ 292.41 crores, as compared to 22.41 % at ₹ 272.88 crores in the previous year. Recurring R&D expenses to net sales are 4.97 %

at ₹ 74.64 crores, as compared to 4.90 % at ₹ 59.70 crores in the previous year. Other expenses to sales are at 25.88% at ₹ 388.92 crores, as compared to 27.11% at ₹ 330.08 crores in the previous year. Finance cost to sales is at 0.94% at ₹ 14.14 crores, as compared to 1.82 % at ₹ 22.22 crores in the previous year. Operating profit is at ₹ 308.55 crores, compared to ₹ 187.93 crores in the previous year. Depreciation is at ₹ 78.95 crores, as against ₹ 73.12 crores in the previous year. Profit / (Loss) Before Tax is at ₹ 236.23 crores, as compared to ₹ 131.35 crores in the previous year. Profit / (Loss) After Tax is ₹ 154.52 crores, as against ₹ 92.39 crores in the previous year.

Basic & Diluted Earnings Per Share (EPS) for the year is ₹ 16.77, as against ₹ 10.03 in the previous year (both after and before the extra-ordinary items). Outstanding long term debt as on March 31, 2022 was ₹ 95.88 crores, as compared to ₹ 96.94 crores in the previous year. Cash outflow on account of Capital Expenditure (CAPEX) during the year was ₹ 125.34 crores, as compared to ₹ 76.85 crores in the previous year. During the year, an amount of ₹ 38.75 crores was contributed to the national exchequer by way of payment of Income Tax and ₹ 17.76 crores by way of Goods & Services Tax (GST). Net worth of the Company as on March 31, 2022 is ₹ 904.30 crores, as against ₹ 768.93 crores in the previous year, on account of retained profits. Debt-equity ratio during the year was 0.16 as compared to 0.18 in the previous year.

### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanation thereof .

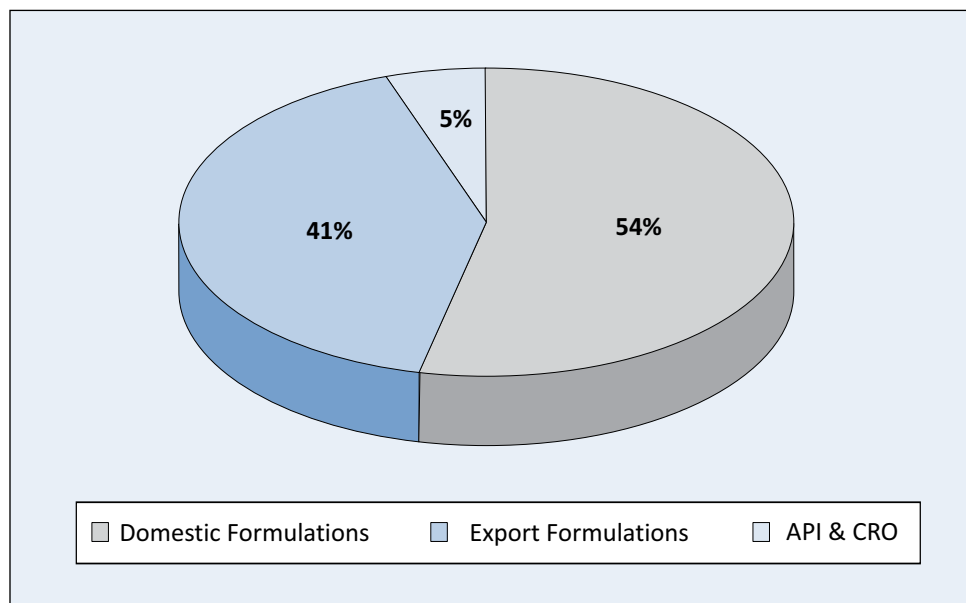
The Company has identified the following ratios as key financial ratios:

Particulars	Standalone		Consolidated	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
Debtors Turnover	<b>5.1</b>	5.2	<b>5.1</b>	5.2
Inventory Turnover	<b>4.8</b>	5.1	<b>4.8</b>	5.1
Interest Coverage ratio *	<b>10.4</b>	5.4	<b>10.1</b>	5.4
Current Ratio	<b>1.8</b>	1.5	<b>1.8</b>	1.5
Debt Equity Ratio	<b>0.16</b>	0.18	<b>0.16</b>	0.18
Operating Profit Margin (%) *	<b>20.5</b>	15.4	<b>20.5</b>	15.5
Net Profit Margin (%) *	<b>10.3</b>	7.6	<b>10.3</b>	7.6
Return on Net Worth (%) *	<b>17.1</b>	12.0	<b>16.5</b>	12.0

Note : \* Increase was primarily on account of increase in profits and decrease in the borrowings.

f) **Business Overview**

Segment wise revenue contribution is as follows:



**Domestic Formulation Business:**

Indoco's Domestic Formulations Business has pan India presence and Indoco is ranked amongst the top 30 companies 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 diabetology, respiratory, stomatology, women's health, nutritional products, gastroenterology, cardiology, metabolic disorders and primary care medicines. The Company has a predominant presence in South (37%) and West (33%), followed by East (17%) and North (12%). The Company caters to multiple doctor specialties and generates more than 83 million prescriptions annually from over 3,00,000 doctors across India (as per IQVIA Medical Audit Prescription Data).

**Performance of key therapy areas:**

(₹ in Lakhs)

Therapy	Cont %	2021-22	2020-21	Gw %
Stomatologicals	18.7	14,960	13,242	13.0
Respiratory	18.5	14,797	9,479	56.1
Anti-Infectives	17.9	14,370	8,229	74.6
Gastro Intestinal	13.1	10,492	8,730	20.2
Vitamins / Minerals / Nutrients	6.4	5,149	4,457	15.5
Gynaec.	5.1	4,067	3,425	18.7
Ophthal / Otologicals	4.8	3,826	3,012	27.0
Pain / Analgesics	3.7	3,001	2,488	20.6
Anti-Diabetic	3.7	2,944	2,830	4.0
Dermatology	3.7	2,939	2,838	3.6
Urological	2.4	1,901	1,479	28.5
Cardiac	2.1	1,668	1,259	32.5

The Company enjoys a good position in the domestic market with 55 products ranking amongst the top 5 positions in their respective sub-segments:

<b>Product</b>	<b>RANK MAT</b>	<b>Broad Therapy</b>	<b>Market Share % (Respective Sub-Segments)</b>
Cyclopam	1	Gastro Intestinal	49.9
Sensodent-K	1	Stomatologicals	97.4
Karvol Plus	1	Respiratory	69.8
Sensoform	1	Stomatologicals	56.2
Cital UTI	1	Vitamins / Minerals / Nutrients	27.7
Kidodent	1	Stomatologicals	8.9
Rexidin M	1	Stomatologicals	82.4
Lignox A	1	Pain / Analgesics	88.0
Dentogel	1	Stomatologicals	16.5
Aloja	1	Anti Diabetic	100.0
Homide	1	Ophthal / Otologicals	92.2
Renolen	1	Ophthal / Otologicals	64.3
Noxa	1	Derma	23.4
Dexoren – S	1	Ophthal / Otologicals	92.9
Aloja M	1	Anti Diabetic	100.0
ATM	1	Anti-Infectives	100.0
Blu Dye	1	Others	99.6
Febrex Plus	2	Respiratory	13.0
Sensodent-KF	2	Stomatologicals	28.4
SM Fibro	2	Vitamins / Minerals / Nutrients	21.2
MCBM 69	2	Gynaecological	20.2
Cal Aid	2	Vitamins / Minerals / Nutrients	34.4
Snowdent	2	Stomatologicals	35.1
Dropizin	2	Respiratory	13.5
Zincoren	2	Ophthal / Otologicals	18.2
Coloferrin	2	Vitamins / Minerals / Nutrients	6.0
Bflore	2	Ophthal / Otologicals	11.8
Cyclopam Plus	2	Gastro Intestinal	35.7
ATM	3	Anti-Infectives	9.1
Cital	3	Urology	26.7
Cloben G	3	Derma	14.0
Carmicide	3	Gastro Intestinal	8.9
Otorex	3	Ophthal / Otologicals	12.3
Scabex	3	Derma	11.5
Rexidin SRS	3	Stomatologicals	9.4
Rexidin Plus	3	Stomatologicals	12.7
RR Sensiform Dental	3	Stomatologicals	7.1
Cyclomeff	3	Gastro Intestinal	1.7
Dexoren	3	Ophthal / Otologicals	4.1

<b>Product</b>	<b>RANK MAT</b>	<b>Broad Therapy</b>	<b>Market Share % (Respective Sub-Segments)</b>
Mofloren-D	4	Ophthal / Otologicals	7.5
Poviclean	4	Stomatologicals	1.2
Mofloren LP	4	Ophthal / Otologicals	6.9
Rexidin	4	Stomatologicals	2.1
Tuspel	4	Respiratory	4.1
Sensodent-R	4	Stomatologicals	12.1
Mofloren – BF	4	Ophthal / Otologicals	9.8
Clygan	4	Anti-Infectives	0.6
Oxipod	5	Anti-Infectives	5.8
Vepan	5	Anti-Infectives	7.4
Macuchek	5	Ophthal / Otologicals	6.5
Hemsyl	5	Blood Related	9.4
Cital-H	5	Urology	4.3
Nosic	5	Gastro Intestinal	3.3
MCBM DHA	5	Vitamins / Minerals / Nutrients	5.7
Lignox	5	Pain / Analgesics	3.2

(Source : AWACS)

### **Domestic Marketing Divisions:**

#### **Indoco Pharma**

The Company's flagship division Indoco Pharma has a market share of 5% (AWACS-MAT Mar'22) within the covered market. The new way of approach with scientific communication associated with Covid era has propelled Cyclopam to 183<sup>rd</sup> position within top 300 brands in IPM. Hybrid model of digital & in-clinic promotions created mass reach for Karvol Plus among consumers and has maintained its position as the No.1 prescribed brand (IQVIA MAT Mar'22).

Prescriber contribution for Oxipod increased from key specialties such as GPs, Paediatricians, ENTs. Tuspel LS/LS1 in bronchodilatory cough formulation category recorded excellent growth. Cital UTI with its unique positioning in management of Urinary Tract Infection (UTI) has maintained its No.1 rank in its respective category. Along with the legacy brands growth, high speed new product launches in identified key markets such as Noxa in topical antibacterial & Subital (Micro SUBA technology) in itraconazole market has set in a positive momentum for future growth.

The Indoco Pharma division plan to foray into General surgeons, who have high prescription potential for legacy brands while maintaining focus among major specialities such as, GPs, CPs, Paediatricians, Gynaecologists and ENTs.

#### **Indoco Spade**

Indoco Spade is one of the fastest growing divisions. Indoco Spade made a strong comeback post pandemic and surpassed the growth of IPM. The division further strengthened its place as Acute Respiratory division. The division's growth is propelled by reach, penetration, specialty & therapy focus which further strengthened its strong foothold in respiratory and anti-infective market.



Major brands of the division, viz., Febrex Plus and ATM feature amongst top 300 brands of the Indian pharmaceutical industry, which were well supported by Bactogard, Otores and newly launched Dropizin. The brand equity of Febrex Plus, ATM, Otores and Bactogard helped to create, regain and consolidate market share and are one of the largest prescribed brands amongst the specialties like ENTs, Surgeons, Paediatricians, GPs and CPs.

#### **Indoco Warren NxGen**

Indoco Warren NxGen achieved a healthy growth in the year, as most of the brands showed a good trajectory, with field operations restored to normalcy post Covid scenario. Persistent efforts during the challenging situation of Covid 19 has paid handsome dividends. All brands have regained prescription support which suggestive of positive trend for the new financial year. On one hand Dentists remain major contributors for business and on other ENTs are showing good growth. Market segmentation and positioning has ensured a healthy product portfolio for the division.

#### **Indoco Warren ACE**

Indoco Warren Ace division relishes the number 1 position in the Stomatological market with its legacy brands like Sensodent K and Sensiform toothpastes. These brands enjoy leadership with 97% and 63% market share in their respective segments. All brands of the division are available at more than 2,50,000 retailers (Chemists) across India. With pan India presence, the division caters to more than 50,000 dentists. Division is taking an aggressive shift towards its focus on Digital and OTC model of desensitizing tooth paste.

Apart from Dental sensitivity management, the division also explores its approach 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.

#### **Indoco Spera**

Indoco Spera is a specialty gynecology division dedicated to women's health. Spera covers 24000 Gynecologists across India. Divisional product mix includes, nutraceutical brands for pregnancy care like MCBM 69, MCBM L & METHYCAL 2000 and PCOS management brands like D-CHIRO PLUS & KG LOW.

Indoco Spera is driven through scientific activities like, SPERACON Conference and Round Table Meets (RTMs). Participation in All India Gynecology Conference (AICOG) and other state conferences helped the division strengthen its presence in the gynecology segment.

Customer centric approach through patient awareness activities and patient camps like Synergy camps & ACE Hb camps aids Spera to garner attention of the Key Opinion Leaders (KOLs). These patient centric activities have helped to increase the prescriber base of Gynecologists and create a customer connect.

### **Indoco Excel and Vision**

Indoco Excel & Indoco Vision caters to the Ophthalmology segment with a wider therapeutic range including acute, chronic as well as surgical disorders in ophthalmology. The performance of excel division is at par with covered market trends (CVM) (MAT-Mar'22 AWACS). The division achieved 21.4% growth & retains 7<sup>th</sup> rank in covered market.

The major growth driver brands like Mofloren Group, Irvisc Group & PGVISC are spear heading the performance with 75.26% growth.

The year 2021-22, witnessed consolidation of all major marketing campaigns aimed at giving significant boost to sales for growth driver brands like Macuchek Group & Nepachek. Macuchek Group improved its ranking and now stands 5<sup>th</sup> in the segment with impressive 57% growth (AWACS Mar'22). Nepachek showed an impressive growth of 83% in Nepafenac market (AWACS Mar'22).

### **Indoco Synergy**

Indoco Synergy division is launched with the objective of strengthening its foothold among the Endocrinologist, Diabetologist, Cardiologists and CPs. The division aims to make strong inroads in the Cardio-Diabetic market with wide range of products to provide 'Care at every stage of metabolic disorders' with brands like Aloja, Glychek, Telmichek, Prichek, J-Ring and Cal-aid. The division has an encouraging prescription trend for its key cardio-diabetic brands like Glychek M, Glychek M Forte, Telmichek and is poised to penetrate in the diabetic market with brand like Aloja, Aloja M & Aloja M Forte with various scientific and clinical engagement of the customers. The division is in process of strengthening its Aloja (Alogliptin) portfolio as per the needs of Diabetes practitioners/patients.

### **Institution**

The Institution division quotes and supplies our products to most of the Central, State Government and Public Sector Undertakings, including TNMSC, ESIC, Indian Railways all divisions, Armed Forces Medical Depots, Directorate of Health Services, BHEL, BEML, HAL, and Port Trusts. The division 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. It has a good range of anti-diabetics, analgesics, anti-hypertensives and calcium preparations.

### **Branded Generic**

The Company launched a range of branded generic products in the Indian market to start with 25 products which have reached up to 75 products by this year end. The range includes anti-inflammatory range of Spray, Tablets, Ointments and Antidiabetics, Antihypertensive, Protein supplements, Antacids, etc.

### **New Product Launches:**

Looking into the market demands, Indoco launched new products, Naricover and Dropizin Syrup in Acute segment, Methycal 60 K in chronic segment and Rexitin SRS, Noxa and Subital in sub chronic segment, taking the total new product launches to six during the year.

### **Rexidin SRS**

Rexidin SRS mouthwash is a new improved formulation of Rexidin mouthwash. The new improved formulation does not cause staining of teeth which is a commonly observed phenomenon with the old formulation. Thus, now Rexidin SRS can be safely prescribed even for long term treatment without concern of staining of teeth.

### **Dropizin Syrup**

While acute respiratory market has shown phenomenal growth and cough market added more than ₹ 500 crores, the Dropizin launch was in perfect sync to the division's present coverage, equity and strength.

Dropizin fills the present need gap in the market and is backed by powerful scientific rationale. Dropizin being peripherally acting antitussive scores over available options as it does not interfere with the cognitive function, attentiveness and alertness which would impact performance and productivity in both adult and Pediatric patients.

### **Methycal 60 K**

Methycal 60K was launched as an adjuvant therapy for PCOS & Infertility by the Indoco Spera division. Methycal 60 K contains cholecalciferol 60,000 I.U, an effective nutraceutical to replenish the Vitamin D3 deficiency in PCOS & Infertility.

### **Naricover**

Naricover is a unique product, launched by Indoco Pharma, for the first time in India. In covid & vaccination era, everyone is worried about catching a throat infection. Naricover lozenges are specially designed anti-viral formulation to fight the threat of viral infections.

### **Noxa**

Noxa a brand of ozenoxacin, launched by Indoco Pharma, a topical antibiotic became the No. 1 brand in ozenoxacin market within 2 months of its launch. Ozenoxacin has an advantage over existing therapy for Impetigo due to shorter duration of therapy, lesser dosing frequency and no resistance reported in Indian patients.

### **Subitral**

Itraconazole brands in the market require multiple special instructions to patients for improved bio-availability, due to formulation limitations. In the month of Feb'22, Indoco Pharma division launched technologically advanced MicroSUBA Itraconazole in the form of Subitral. MicroSUBA technology of Subitral provides freedom from special instructions and improved patient compliance.

### **International Business:**

India plays an important role in the global pharmaceutical and vaccine industry. It is the largest provider of generic medicines globally. The country has a share of 20% in the global supply volume and contributes to around 60% of the global vaccines. India ranks third in the world in terms of volumes and is the fourteenth largest in terms of value.

India majorly exports drug formulations & biologicals and these products contribute to about 75% of the total pharmaceuticals exports out of India.

India's share of pharmaceuticals and drugs in the global market is 5.92%. During 2021-22, the country exported pharma products worth US\$ 24.62 billion. India has the highest number of United States Food and Drug Administration (USFDA) compliant facilities outside the US. About 8 out of 20 global generic companies are from India and over 55% of the exports from the country are to the highly regulated markets.

FY 21-22 saw export market facing headwinds in terms of sudden spurt in input price rise and supply interruptions globally. China factor was predominant and played a major role in this. API market was highly volatile and irregular due to price rise and irregular supplies of Key Starting Material (KSM).

The war in Ukraine had also impacted the pharmaceutical export market adversely in the last quarter of this Financial Year 2021-22.

Indoco's export performance was not affected in any way by the Covid situation and the Company's performance grew at a decent double digit growth and withered the headwinds.

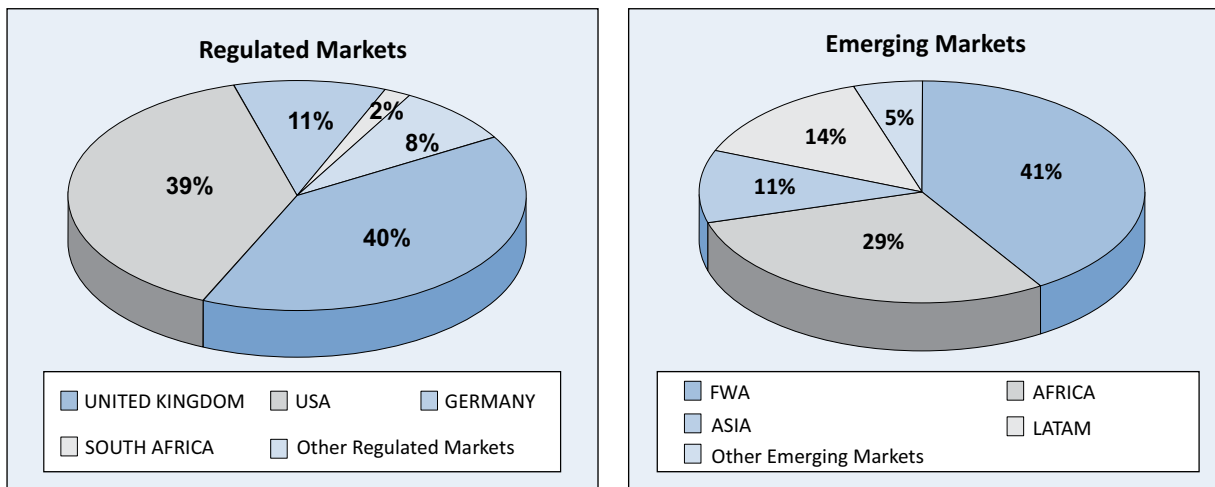
There have been new launches in the export market wherever there were opportunities in the form of products going off-patent.

The growth prospects of the Indian Pharmaceutical export market remain buoyant and have strong signals of further growth.

**North America Business**

North America business recorded total sales of ₹ 212 crores in FY 22 achieving the Y-O-Y growth of 45%. Indoco was successful in launching 10 products in USA & 2 in Canada through its partners. Indoco also received approval for 5 ANDAs in FY 22. Indoco was amongst the first few generic companies to launch 2 products on the day of patent expiry. Supply agreement executed with one of the biggest wholesalers in the US for commercialising an oral solid product. Business in North America is well poised to achieve consistent growth year on year.

**Country Wise / Region wise Sales Contribution**



The status of ANDAs as on March 31, 2022 stands as below:

<i>Particulars</i>	<i>Own Filings</i>	<i>Through Partner's</i>	<i>Total</i>
Approvals till date	14	15	29
Filed, but pending approval	10	17	27
<b>Total</b>	<b>24</b>	<b>32</b>	<b>56</b>

### **Europe**

The current European market size of the Pharmaceuticals generics is about US\$ 75 billion, which is expected to reach US\$ 106 billion by 2027. Countries like UK and Germany were the major revenue generators. New deals were signed with major multinational Companies for anticholinergic medication in the UK and Anti-histamine medicine in 19 countries. Indoco successfully made its path towards launch on the patent expiry date for one of the major antiepileptic medication.

Indoco has been a supplier of some key tenders in Germany and has traditionally continued to be a significant player in the United Kingdom. Indoco supported Covid endeavours in the UK and business survived all headwinds in spite of significant input price rises, supply interruptions and Covid effects.

Moreover, the new product pipeline will ensure further market capture for which new strategic in-licensing is under execution. Now Indoco's focus is to explore more business opportunities through niche product development, direct to market approach and exploring the non-prescription segment to target a large number of pharmacies.

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

SAHPRA approval for all 3 Goa facilities in March'21 gave a big boost to Indoco as it opened the doors again for business expansion and to re-establish its market position in South Africa. Indoco won a few prestigious tenders in South Africa and New Zealand. Indoco is also gearing up to expand its business through upcoming high value tenders of oral products in these countries, along with repositioning in the private market with the help of key partners.

### **Emerging Markets**

Most parts of emerging markets were affected due to travel restrictions, economic instability and logistics issues. INDOCO, however, has sailed through this tough period with 23% growth in its emerging markets revenues. French West Africa and East Africa remained the main business gainers during the financial year. Indoco managed to sustain its business and register growth in troubled markets like Sri Lanka and Myanmar. Not just ensuring sales in existing territories, Indoco has strategically used this time to file more number of dossiers in bigger markets with few strategic tie ups. The company has also opened up its vision to different business models by acquiring a few registered products in key territories as well.

### **API Business:**

The Active Pharmaceutical Ingredient (API) is the core strategic business unit for the organization. Indoco realized that backward integration is the key to success in the formulation business and, hence, an API manufacturing facility at Patalganga (in Maharashtra) was acquired in 2007 to ensure that the majority of the Company's ANDAs and Dossier filings are backed by own APIs. Over the years due to growing demand, both for captive as well as for external sales, the API manufacturing capacity was expanded by the commissioning of a new multipurpose manufacturing block at Patalganga.

In addition to Patalganga, the Company has two more manufacturing sites at Rabale to manufacture small volume/high value APIs, and an intermediate manufacturing facility, which supplies intermediates to both the Patalganga and Rabale plants.

High quality manufacturing standards, backed by the state-of-the-art manufacturing facilities which are audited and approved by various regulatory agencies like USFDA, EDQM, TGA- Australia, PMDA- Japan, KFDA- Korea, makes Indoco one of the most trusted and Quality driven API Manufacturing companies in the world.

Indoco offers a broad portfolio of APIs across various therapeutic categories like anti diabetic, anti-gout and specialty in Ophthalmic APIs. With a strategic focus on New and Complex APIs backed by DMFs (Drug Master Files) and Certificates of Suitability (CEPs), the API division is well positioned to register an impressive growth in the coming years.

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

R&D is imperative for any Pharmaceutical Company's future. Our focus is to develop differentiated generics & innovative specialty products for strengthening the company's global specialty pipeline. It is a key determinant of the future growth and profitability of the specialty initiative. The aim of the Company's R&D strategy is to pursue new discovery and development approaches in core disease segments, to provide effective, quality and affordable treatment options for patients.

Indoco's R&D has a team of 400+ experienced, young enthusiastic Doctorates, Post Graduates and Graduates in Pharmacy and Chemistry involved in the Research and Development of Active Pharmaceutical Ingredients (APIs) as well as Finished Dosage Forms (F&Ds).

The Chemical Research Department (CRD) works on chemical synthesis, process chemistry, designing of non-infringing processes and scale up of APIs.

The Finished Dosages research (F&D) is currently involved in 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 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 45 members, engaged in the submission of Dossiers to Regulatory Authorities across the globe. Indoco holds more than 25 ANDAs for US and has recently secured Approval of Lacosamide Tablets on day of the patent expiry. Moreover, Lacosamide Injection of Indoco is the first generic version approved immediately after the patent expiry and is the only generic product currently available in the US market. New Marketing Authorizations and market extensions have been granted for Europe as well. Indoco is working towards establishing its own identity in UK through Marketing Authorizations from MHRA. Over 790 products are registered across more than 50 countries in emerging markets. In addition, Indoco possesses Drug Master Files for 26 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 a specific National Portal of MHRA for submissions to UK.

#### **AnaCipher (CRO):**

AnaCipher Clinical Research Organisation offers a comprehensive range of clinical research services including bio-availability, bio-equivalence, pharmacokinetics, food effect, taste evaluation, steady state and multiple dose studies.

The CRO is equipped with 140 beds in four clinics, volunteer database of over 20,000, 7 LC-MS/MS, in-house NABL approved Clinical laboratory, volunteer cross participation track software, wireless nurse call system, walk-in freezer with 24X7 monitoring, pharmacy with a walk-in stability chamber, 21 CFR compliant archival and IT infrastructure, round-the-clock qualified physician availability and Tertiary hospital care assistance.

The state-of-the-art facility is spread over a 40,000 sq. ft. area located in Hyderabad, India. AnaCipher CRO has been successfully audited and approved by diverse global authorities, including the European agencies (Germany, Netherlands, Italy, Spain, France), UKMHRA, WHO, Thai FDA, ANAMED Chile, Gulf Cooperation Council (GCC-Middle East), CDSCO, and USFDA with zero 483s in the last five inspections. Apart from these, product based approvals have been received from Algeria, Australia-TGA, Belarus, Canada- TPD, China-NPRA, Costa Rica, Indonesia, Lebanon, Libya, Malaysia-NPRA, Oman, South Africa, Taiwan and Ukraine.

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

Indoco houses a separate USFDA and Health Canada (HC) approved public testing Lab at its R&D Centre at Rabale. Indoco Analytical Solutions (IAS) is equipped with the latest and most sophisticated analytical instruments. IAS provides extractable and leachable (E&L) studies for drug-device combinations. IAS provides elemental impurities assessment in pharmaceuticals as per ICH Q3D. The lab is well equipped to provide potential Genotoxic and Nitrosamine impurities testing in drug substances and drug products along with Insilico toxicity assessment as per various regulatory requirements. Identification, isolation, and characterization of impurities in pharmaceuticals.

#### **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 the respective countries based on the market potential.

Status of patents 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	43	18	5	4	1	71
FDFs	31	4	2	2	-	39
<b>Total</b>	<b>74</b>	<b>22</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>110</b>

Out of the 71 API patent applications filed, 28 applications were accepted and patents granted. Out of the 39 patent applications filed, 20 applications are granted patents for Finished Dosage Forms (FDFs).

Indoco's R&D efforts received due recognition with the IDMA Margi Patel Choksi Memorial BEST COMPOSITION PATENT AWARD 2019-2021 for 2 International Patents, 1 Indian API Patent and 4 Indian Formulation Patents. The award was presented at IDMA's 60<sup>th</sup> Year Diamond Jubilee celebration on April 15, 2022 at the Hotel Sahara Star, Mumbai.

**g) Human Resources:**

Human Resource Management plays a key role in developing, reinforcing and strengthening the culture of Indoco. All significant functions initiating from Emoluments, Performance Management, Training and Development, Recruitment & On-boarding right upto the pinnacle of reinforcing the values and ethics are all essential elements taken care by the Human Resource Team.

Number of Permanent employees on the rolls of the Company as on March 31, 2022 : 5,921 Nos.

HR team contributes positivity to create strategies for the growth of business and well as the quality of life of every Indocoite. The company firmly believes that people are its greatest asset and adopts best practices to ensure healthy employee relations, employee growth and the overall development of each and every individual.

Various training programmes and employee welfare initiatives continued phygital, i.e. online as well as physical classroom and outdoor training during the year.

This year is a very momentous year for the company as it is celebrating its 75<sup>th</sup> Platinum Jubilee Year of Incorporation and a proud moment for every Indocoite. To commemorate this milestone, HR planned various enthralling initiatives on every 23<sup>rd</sup> of the month pan India like the Go-Green initiative of planting 7,500 saplings, Blood Donation drive, Step-A-Thon challenge, Appreciation and Gratitude month, The Joy of Giving, Happiness at Workplace, Speaker's Club, Hot Ideas @ Indoco and many more. These initiatives developed the overall persona of every indocoite and enhanced team building, values and ethics and a sense of oneness from every location and strata of workforce.

**LDPI** - A new impactful Training & Development Programme was initiated this year, 'Leadership Development Programme' for the Senior Management team, in addition to the existing ODIs already in place. Strategic decision-making and Retreats for business planning is the core function of this dynamic team.



**CAREER SUCCESSION PLANNING** – Post annual appraisal, top talent has been identified to put on fast track career growth. Accordingly, Career Planning and Succession Management have been planned for top leaders in the organization.

**GEMS** – Guiding, Empowering, Mentoring and Supporting, An inhouse mentoring program at Indoco to develop ‘Leaders from Within’ was started in Goa with their second batch. This was initiated at Mumbai Location and witnessing its tremendous success, will be promoted to other locations as well in the future to embark on this exciting journey of learning and self-discovery.

**CATALYST** – The Game Changer Training Program that builds a Culture of Excellence was started this year at Baddi and Goa location. The concept is to encourage Leadership at every level, thus improving productivity and quality of work.

**FRIDAY LEARNINGS** – A series of learning forum by Industry’s eminent Management Gurus and Expert Motivators for learning and sharing knowledge and expertise.

Besides the above, sessions on ‘Financial Awareness and Wealth Management’ were conducted with special focus on Savings and Investment, Insurance, Loans and Retirement Planning. Sessions on ‘Innovations through Digitization’ gave a deep insight on the new techniques and strategies for business development.

Various competitions & debates like recipe corner, witty tips for health and exercise and brainy quizzes were held during the year. These initiatives were successful in bringing together and strengthening different departments and also helped in bonding and team building. Online sessions were held for all Indocoites on interesting topics such as, ‘Yoga for Wellness’, ‘Mediclaime’ and Medical Camps.

Team HR continued to conduct Employee Engagement Activities like Dussehra Pooja, Navratri, Diwali Fun Fiesta, Indoco’s Annual Day (Expressions 2022 – A Creative Painting Competition & UDAAN) and Foundation Day through live webinar and celebrations pan India. These programs showcased the talents, art and creativity of every indocoite.

Various Staff Welfare Programs were conducted during the year like birthday celebrations and retirement felicitation functions. Employees completing 25 years of service and children of Indocoites with outstanding performances in the Std. X examination were felicitated. Children’s Day, Environment and Safety Week was celebrated across locations. A triune of educative series on the occasion of Women’s day was held – ‘Gynaec talk show’, ‘Financial Empowerment’ and ‘Self Love’ which was very much appreciated by all the women at Indoco.

An information session on POSH (The Sexual Harassment of Women at the 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.

Indoco adhered to the strict guidelines to maintain safety, hygiene and social distancing norms while travelling and also within the premises to maintain Covid protocol very strictly at all levels.

The HR Team at Indoco takes full responsibility and ensures a productive environment where people feel valued and motivated to contribute their best to the growth of the organization.

#### **h) Future Outlook:**

The Company's Domestic business continues to focus on brand building, with a 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. With well-known legacy brands, Doctor's loyalty of over 7 decades, highly motivated field force, distribution network across India and presence in growing segments, including Stomatological and Ophthalmology will help the Domestic business to grow on a sustainable basis.

On International front, the Company's US business witnessed approvals of ANDAs from the USFDA thus giving further boost to our existing business in the US. EU-GMP compliance for Goa Plant-I and Baddi (Plant-III) followed by own product launches will boost the EU business, with availability of larger manufacturing capacity and control over the supply chain, respectively. Indoco is also consolidating its position in the Emerging Markets through active brand promotion in select markets. Robust pipeline in specialty dosages, viz., Ophthalmics & Injectables, will enable the Company to have an edge over its competitors in the International business.

The capacity expansion at the Company's API manufacturing facility at Patalganga for the captive requirements have already started to yield the desired results and have boosted the sales of APIs.

Expertise in Research & Development, backward integration with own APIs, a full-fledged CRO set-up, excellence in finished dosage manufacturing and a strong customer base makes the Company, a preferred partner, offering complete solutions to generic companies worldwide with a focus on development and marketing of niche products and also by offering quality and affordable medicines to patients in India and worldwide.

#### **Disclaimer**

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, competitors' pricing in the Company's principal markets, changes in government regulations, tax regimes, economic conditions within India and the countries within which the Company conducts business and other factors, such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise, except as required by applicable law.

# **Independent Auditors' Report**

## **to the Members of Indoco Remedies Limited**

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

#### **Opinion**

We have audited the accompanying standalone financial statements of **INDOCO REMEDIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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 state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, 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 the standalone 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 report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<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 management's best judgement of the probability of sales returns. Provision for sales return amounted to ₹ 2,114.68 lakhs as on March 31, 2022 (₹ 2,487.75 lakhs as on March 31, 2021).</p> <p>Refer note no. 27: current provisions to the standalone financial statements.</p>	<p><b>Principal Audit Procedures Performed</b></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>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</b></p> <p>The Company has reflected ₹ 10,541.07 lakhs as receivables of Sales Tax, Entry Tax, GST Input credit, Income Tax, MAT credit etc. as on March 31, 2022 (₹ 15,421.38 lakhs as on March 31, 2021). Further, the Company is a party to litigations in respect of various statutory dues where the amounts demanded are to the tune of ₹ 3,555.25 lakhs as on March 31, 2022 (₹ 3,616.12 lakhs as on March 31, 2021). Out of this, an amount of ₹ 570.55 lakhs has been deposited under protest as on March 31, 2022 (₹ 534.24 lakhs as on March 31, 2021).</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>Refer note no. 49: contingent liabilities not provided for to the standalone financial statements.</p>	<p><b>Principal Audit Procedures Performed</b></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 Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for 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, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS 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 standalone 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 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, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, 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.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 49 to the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in note no 46 (4) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no 46 (5) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note no 41 (b) to the standalone financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **Gokhale & Sathe**  
*Chartered Accountants*

FRN: - 103264W

Sd/-

**Tejas Parikh**  
*Partner*

Membership No. 123215

UDIN: - 22123215AJCLND6462

Date : May 17, 2022

Place : Mumbai



## ANNEXURE A

### to the Independent Auditors' Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Indoco Remedies Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right-of-use of assets and capital work in progress
  - (B) The Company is maintaining proper records showing full particulars of intangible assets as at the year end.
  - (b) The Company has a regular program of verification of Property, Plant and Equipment so to cover all the items in a phased manner 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 Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.
  - (c) According to the information and explanations given to us, the records examined by us and based on examination of the copies of the Sale Deed / Conveyance Deed / Transfer Deed, land revenue records provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company except mentioned below.

Description of Property	Gross Carrying Value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held Since	Reason for not being held in name of company
Land Leasehold	39.13	La Nova Chem (India) Private Limited	No	July 2006	Lease acquired through merger/ amalgamation, procedure for name change in the name of the Company is pending
Land Leasehold	4.07	Ameya Pharmaceuticals and Chemicals Private Limited	No	April 2007	

- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) during the year.

- (e) On the basis of information provided by management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory.  
(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; the quarterly returns or statements filed by the Company during the year with the banks are in agreement with books of account of the Company other than June 2021 quarter, however differences were not material in nature (Refer Note no 24 (a) to the standalone financial statements).
- iii. During the year, the Company has made investments in wholly owned subsidiary and the said investment is not prejudicial to the Company interest. The Company has neither granted loans (including advances in nature of loan ) nor provided any guarantee or security to companies, firms, limited liability partnerships or any other parties and hence reporting under clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of investment made. The Company has not granted any loans, provided guarantees and securities and hence compliance with provisions of section 185 and 186 of the Act is not applicable.
- v. The Company has not accepted deposits or amounts which are deemed as deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the At and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. 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.
- vii. (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, Goods and Services Tax, duty of excise, duty of customs , value added tax, cess and any other 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, 2022 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, provident fund, employee state insurance 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, value added tax, goods and service tax and sales tax have not been deposited by the Company on account of disputes:

<i>Nature of Statue</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	29.94	2008-18	Appellate Deputy Commissioner (CT), Hyderabad Rural Division
Telangana VAT Act, 2005	T Vat	48.43	2009-13	Telangana VAT Appellate Tribunal, Hyderabad
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	46.32	2007-08, 2009-10 & 2013-14	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	78.85	1995-96, 1997-98 & 2010-14	CESTAT, Mumbai
Central Excise Act, 1944	Excise Duty	5.83	1997-99	Divisional Deputy Commissioner
Finance Act, 1994	Service Tax	476.52	2006-08	CESTAT, Mumbai
Income Tax Act, 1961	Income Tax	1855.19	2017-18	CIT (A)

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of dues or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) In our opinion and according to information and explanations given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used during the year for long term purposes.

- (d) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (e) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) As informed by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints have been received during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and on the basis of explanation / information provided by management, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- xviii. There has been no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Gokhale & Sathe**  
*Chartered Accountants*  
FRN: - 103264W

Sd/-

**Tejas Parikh**  
*Partner*

Membership No. 123215  
UDIN: - 22123215AJCLND6462

Date : May 17, 2022  
Place : Mumbai

## **ANNEXURE - B**

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

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

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, 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, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

#### **Managements' Responsibility for Internal Financial Controls**

The Management of the Company 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 (the "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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 the 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 auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone Ind AS 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 standalone 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*  
FRN: - 103264W

Sd/-

**Tejas Parikh**  
*Partner*

Membership No. 123215  
UDIN: - 22123215AJCLND6462

Date : May 17, 2022  
Place : Mumbai

## Balance Sheet

### As at March 31, 2022

Particulars	Note No.	(₹ in lakhs)	
		March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	52,052.92	52,164.58
(b) Right-of-use assets .....	4	1,129.45	673.72
(c) Capital Work in Progress .....	3	5,281.52	2,511.94
(d) Other Intangible Assets .....	5	2,316.12	4,153.13
(e) Intangible Assets under Development .....	5	6,871.57	4,297.96
(f) Financial Assets .....			
(i) Investments .....	6a	245.57	245.32
(ii) Loans .....	7	141.32	95.52
(iii) Other Financial Assets .....	8	183.71	172.74
(g) Deferred Tax Assets (Net) .....	9	-	1,928.07
(h) Income Tax Assets (Net) .....	10	-	713.96
(i) Other Non Current Assets .....	11	3,256.45	2,505.00
<b>Total, Non Current Assets</b> .....		<b>71,478.63</b>	<b>69,461.94</b>
<b>Current Assets</b>			
(a) Inventories .....	12	31,051.56	23,781.25
(b) Financial Assets .....			
(i) Investments .....	6b	-	-
(ii) Trade Receivables .....	13	29,699.88	23,357.81
(iii) Cash and Cash Equivalents .....	14	1,690.07	913.00
(iv) Bank Balances other than (iii) above .....	15	230.81	492.05
(v) Loans .....	16	54.05	39.81
(vi) Other Financial Assets .....	17	2,415.06	214.98
(c) Other Current Assets .....	18	12,136.64	13,395.95
<b>Total Current Assets</b> .....		<b>77,278.07</b>	<b>62,194.85</b>
<b>Total, Assets</b> .....		<b>1,48,756.70</b>	<b>1,31,656.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital .....	19	1,843.01	1,843.01
(b) Other Equity .....	20	88,587.06	75,049.87
<b>Total Equity</b> .....		<b>90,430.07</b>	<b>76,892.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	21a	9,588.49	9,693.92
(ia) Lease Liabilities .....	21b	1,096.23	700.52
(b) Provisions .....	22	3,164.39	2,772.56
(c) Deferred Tax Liabilities (Net) .....	9	1,067.04	-
(d) Other Non-Current Liabilities .....	23	740.53	743.17
<b>Total, Non-Current Liabilities</b> .....		<b>15,656.68</b>	<b>13,910.17</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	24a	14,832.12	16,225.02
(ia) Lease Liabilities .....	24b	149.89	54.49
(ii) Trade Payables .....	25		
Total Outstanding Dues of Micro Enterprises and Small Enterprises .....		-	0.59
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises .....		13,531.66	11,500.98
(iii) Other Financial Liabilities .....	26	8,586.72	7,628.74
(b) Other Current Liabilities .....	28	750.93	755.79
(c) Provisions .....	27	4,741.56	4,688.13
(d) Current Tax Liability (Net) .....	10	77.07	-
<b>Total, Current Liabilities</b> .....		<b>42,669.95</b>	<b>40,853.74</b>
<b>Total, Liabilities</b> .....		<b>58,326.63</b>	<b>54,763.91</b>
<b>Total, Equity and Liabilities</b> .....		<b>1,48,756.70</b>	<b>1,31,656.79</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  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
**Pramod Ghorpade**  
Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022



## Statement of Profit and Loss Account For the year ended March 31, 2022

Particulars	Note No.	(₹ in lakhs)	
		Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
(a) Revenue from Operations .....	29	1,53,971.57	1,24,030.29
(b) Other Income .....	30	232.36	311.22
<b>Total Income (I)</b> .....		<b>1,54,203.93</b>	<b>1,24,341.51</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31a	39,362.31	30,315.93
(d) Purchase of Stock in Trade .....	31b	8,943.00	6,303.72
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work-in-progress .....	31c	(2,630.35)	(1,213.06)
(f) Employee Benefit Expenses .....	32	29,240.82	27,287.84
(g) R&D Expenses .....	33	7,464.19	5,970.36
(h) Finance Costs .....	36	1,413.89	2,221.64
(i) Depreciation, Amortization and Impairment Expense .....	34	7,895.12	7,312.05
(j) Other Expenses .....	35	38,891.86	33,007.99
<b>Total Expenses (II)</b> .....		<b>1,30,580.84</b>	<b>1,11,206.47</b>
<b>Profit before Tax</b> .....		<b>23,623.09</b>	<b>13,135.04</b>
(k) Tax Expense .....	37		
(a) Current .....		9,322.84	3,847.37
(b) Deferred .....		(1,151.88)	48.47
<b>Total Taxes</b> .....		<b>8,170.96</b>	<b>3,895.84</b>
<b>Profit for the year</b> .....		<b>15,452.13</b>	<b>9,239.20</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	(818.80)	(132.17)
ii) Income tax relating to this item .....	37	286.12	46.19
<b>Total Other Comprehensive Income/(Loss)</b> .....		<b>(532.68)</b>	<b>(85.98)</b>
<b>Total Comprehensive income for the year</b> .....		<b>14,919.45</b>	<b>9,153.22</b>
<b>(m) Earnings Per Share</b>			
<b>Basic &amp; Diluted (₹)</b> .....	44	16.77	10.03

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  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
**Pramod Ghorpade**  
Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022

## Cash Flow Statement

### For the year ended March 31, 2022

(₹ in lakhs)

S.no.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>(A)</b>	<b>Cash Flow from Operating Activities :</b>		
	<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>23,623.09</b>	13,135.04
	Adjustments for :		
	Depreciation, Amortisation and Impairment Expense	7,895.14	7,312.05
	Profit on sale of Fixed Assets	(1.93)	(2.10)
	Loss on sale of Fixed Assets	53.00	26.44
	Sundry Balance written back	(136.41)	(167.53)
	Provision for Doubtful Debts / Bad Debts	1,513.60	1,185.58
	Interest Income	(47.05)	(78.49)
	Dividend received on Investments	(0.29)	(0.63)
	Unrealised Foreign Exchange (Gain) / Loss	(2,045.88)	421.21
	Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	1,481.67	2,274.46
		<b>8,711.85</b>	10,970.99
	<b>Operating Profit before Working Capital Change</b>	<b>32,334.94</b>	<b>24,106.03</b>
	Adjustments for:		
	Decrease / (Increase) in Trade Receivables	(5,877.57)	(4,099.72)
	Decrease / (Increase) in Other Current Financial Assets	(2,214.32)	82.81
	Decrease / (Increase) in Other Current Assets	1,259.30	(3,063.80)
	Decrease / (Increase) in Inventories	(7,270.31)	(2,957.27)
	Decrease / (Increase) in Other Non Current Financial Assets	(45.80)	4.35
	Decrease / (Increase) in Other Non Current Assets	(109.27)	50.92
	Increase / (Decrease) in Trade Payables	2,166.49	(4,960.20)
	Increase / (Decrease) in Non Current Provisions	(427.00)	318.07
	Increase / (Decrease) in Lease Liabilities	619.20	233.57
	Increase / (Decrease) in Other Non Current Liabilities	(2.64)	10.03
	Increase / (Decrease) in Current Financial Liabilities	972.33	1,354.78
	Increase / (Decrease) in Current Provisions	53.43	(466.83)
	Increase / (Decrease) in Other Current Liabilities	(4.86)	(420.37)
		<b>(10,881.02)</b>	(13,913.66)
	<b>Cash generated from Operations</b>	<b>21,453.92</b>	<b>10,192.37</b>
	Income Tax Paid (Net of Refund)	(4,098.69)	(1,974.97)
	<b>Net Cash generated from Operating Activities (A)</b>	<b>17,355.23</b>	<b>8,217.40</b>
<b>(B)</b>	<b>Cash Flow from Investing Activities</b>		
	Payment towards Capital Expenditure	(12,532.35)	(7,684.89)
	Sale of Fixed Assets	93.73	20.20
	Payment towards purchases of Investments	(0.25)	–
	Bank Balance not considered as Cash & Cash Equivalents	261.24	924.83
	Interest Received	36.09	69.54
	Dividend received on Investments	0.29	0.63
	<b>Net Cash used in Investing Activities (B)</b>	<b>(12,141.25)</b>	<b>(6,669.69)</b>

## Cash Flow Statement

### For the year ended March 31, 2022

... Contd. from previous page

S.no. Particulars	(₹ in lakhs)	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(1,498.96)	(2,315.74)
Payment of Lease Liability	(128.09)	(79.40)
Dividend Paid	(1,379.32)	(278.87)
Proceeds from Long Term Borrowings	9,750.00	3,650.00
Repayment of Long Term Borrowings	(9,790.16)	(5,083.59)
Proceeds / (Repayment) from Short Term Borrowings	(1,390.38)	1,124.81
<b>Net Cash used in Financing Activities (C)</b>	<b>(4,436.91)</b>	<b>(2,982.79)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>777.07</b>	<b>(1,435.08)</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>913.00</b>	<b>2,348.08</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 14)</b>	<b>1,690.07</b>	<b>913.00</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, 2022	As at March 31, 2021	As at March 31, 2020
a. Cash on Hand	9.36	5.41	9.61
b. Balances with Bank	1,680.71	907.59	2,338.47
<b>Total</b>	<b>1,690.07</b>	<b>913.00</b>	<b>2,348.08</b>

- Changes in liability arising from financing activities :

Particulars	Borrowings		
	Non-Current (Note 21a)	Current (Note 24)	Total
As at March 31, 2020	15,682.66	10,597.86	26,280.52
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>
Cash Flow	(40.16)	(1,390.38)	(1,430.54)
Foreign exchange movement	(120.68)	52.89	(67.79)
<b>As at March 31, 2022</b>	<b>14,125.72</b>	<b>10,294.89</b>	<b>24,420.61</b>

As per our Report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
**Pramod Ghorpade**  
Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022

## Statement for Changes in Equity

### For the year ended March 31, 2022

#### a. Equity Share Capital

(₹ in lakhs)

Particulars	Note No	Amount
As at April 1, 2020	19	1,843.01
Changes in Equity Share Capital		—
<b>As at March 31, 2021</b>		<b>1,843.01</b>
Changes in Equity Share Capital		—
<b>As at March 31, 2022</b>		<b>1,843.01</b>

#### b. Other Equity

(₹ in lakhs)

Particulars	Note No.	Reserves & Surplus				Total Other Equity
		Securities Premium	Capital reserve	General reserve	Retained Earnings	
<b>Balance as at April 1, 2020</b>	20	<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 treasury shares during the year		—	—	—	9,239.20	9,239.20
Profit for the year		—	—	—	(85.98)	(85.98)
Other comprehensive income for the year		—	—	—	9,153.22	9,153.22
<b>Total Comprehensive income for the year</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>9,153.22</b>	<b>9,153.22</b>
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>
<b>Balance as at April 1, 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>
Changes in equity share capital during the year		—	—	—	—	—
Profit / (Loss) for the year		—	—	—	15,452.13	15,452.13
Other comprehensive Income for the year		—	—	—	(532.68)	(532.68)
<b>Total comprehensive income for the year</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>14,919.45</b>	<b>14,919.45</b>
Dividends		—	—	—	(1,382.26)	(1,382.26)
Transfer to General Reserve		—	—	—	—	—
<b>Balance as at March 31, 2022</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>56,348.47</b>	<b>88,587.06</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 ₹ 532.68 lakhs (Remeasurement loss (net of tax) Previous year ₹ 85.98 lakhs) is recognised during the year as part of Retained Earnings.

As per our Report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
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Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022

## Notes to Financial Statements (Standalone)

For the year ended March 31, 2022

### 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 three wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt.Ltd.) and Indoco Remedies Czech sro & Indoco Remedies UK Limited.

### 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 17, 2022

##### (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 judgments:

##### a. Taxes on Income:

Significant judgments 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 judgments 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 judgments 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 judgment 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 judgment 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 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 Judgments**

The estimates and judgments 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, 2022 (All amounts in INR lakhs, unless otherwise stated)

### Note 3 : Property, Plant and Equipment & Capital Work in Progress (Owned unless otherwise stated)

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, 2021</b>																				
Gross carrying amount	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	72.32	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	-	-	-	(89.66)	-	(3.79)	(157.84)	(8.90)	(15.45)	(0.42)	(0.33)	(0.18)	-	-	(0.21)	(2.19)	(278.97)	-		
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing gross carrying amount	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		
Accumulated depreciation and impairment	-	-	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	-		
Opening accumulated depreciation	-	-	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	-		
Depreciation charge during the year	-	-	25.98	-	-	(3.73)	(148.79)	(8.46)	(10.34)	(0.41)	(0.26)	(0.17)	-	-	(0.16)	(2.08)	(234.43)	-		
Disposals	-	-	-	(60.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing accumulated depreciation	-	-	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	-		
Net carrying value as at March 31, 2021	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		
<b>Year ended March 31, 2022</b>																				
Gross carrying amount	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		
Opening gross carrying amount as at April 1, 2021	-	-	152.27	1,424.95	13.59	8.29	1,438.59	-	736.65	1.90	160.72	131.04	278.57	-	17.24	36.81	4,400.62	3,315.05		
Additions	-	-	241.17	55.24	-	-	-	-	103.49	46.58	62.79	1.73	0.52	-	33.95	-	545.47	(545.47)		
Assets capitalised during the year from CWIP	-	-	-	(258.65)	(7.92)	(3.58)	(136.59)	(155.97)	(72.11)	(5.52)	(0.26)	(4.28)	-	-	(0.95)	(65.62)	(711.45)	-		
Disposals	1,804.37	1,839.87	23,436.53	28,182.07	1,407.56	921.15	12,842.47	1,777.77	10,285.61	4,099.63	2,714.57	896.17	2,390.03	43.83	4,122.33	216.05	96,980.01	5,281.52		
Closing gross carrying amount	-	-	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	-		
Accumulated depreciation and impairment	-	-	745.76	1,725.20	62.41	61.71	929.94	13.00	526.16	193.55	125.35	46.64	252.70	0.06	185.62	20.87	4,912.95	-		
Opening accumulated depreciation	-	-	25.98	-	-	(3.40)	(124.93)	(148.17)	(53.94)	(5.24)	(0.25)	(4.07)	-	-	(0.78)	(39.22)	(566.65)	-		
Depreciation charge during the year	-	-	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	-	-	-	(81.84)	(4.81)	(3.40)	(124.93)	(148.17)	(53.94)	(5.24)	(0.25)	(4.07)	-	-	(0.78)	(39.22)	(566.65)	-		
Closing accumulated depreciation	-	-	7,178.26	12,703.35	841.00	471.36	7,027.55	1,685.36	4,804.52	2,775.99	1,861.24	664.14	1,847.92	42.75	2,580.51	138.19	44,927.09	-		
Net carrying value as at March 31, 2022	1,804.37	1,534.92	16,258.27	15,478.72	566.56	449.79	5,814.92	92.41	5,481.09	1,323.64	853.33	232.03	542.11	1.08	1,541.82	77.86	52,052.92	5,281.52		

(i) Capital Work in Progress

Capital work in progress mainly comprises :

- Regular Capex for new projects
- Colchicine Project-Goa
- Coa II Capmatic Line (Line II)
- Coa-I Dry Granulation/Capsulation Equipment
- ERP - SAP S/4 HANA

(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.

(iii) During the year company has not created any revaluation reserve on account of Property, Plant and Equipment

The capital work-in-progress ageing schedule for the years ended March 31, 2022 and March 31, 2021 is as follows :

Particulars	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
As at April 1, 2021	3,411.11	1,844.80	-	5,281.52
Projects in progress	-	-	25.61	-
Projects temporarily suspended	-	-	-	-
As at March 31, 2022	3,411.11	1,844.80	-	5,281.52
As at April 1, 2020	2,156.69	106.69	229.41	2,511.94
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
As at March 31, 2021	2,156.69	106.69	229.41	2,511.94

There is no CWIP whose completion is overdue or has exceeded its cost compared to its initial plan.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Right-of-use assets**

<i>Particulars</i>	<i>Building</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, 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>–</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>–</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>–</b>	<b>358.51</b>	<b>169.98</b>	<b>144.83</b>	<b>0.40</b>	<b>673.72</b>
<b>Year ended March 31, 2022</b>						
<b>Gross carrying value</b>						
Opening gross carrying amount	–	392.77	196.22	157.62	0.82	747.43
Additions	619.20	–	–	–	–	619.20
Disposals	–	–	–	–	–	–
<b>Closing gross carrying value</b>	<b>619.20</b>	<b>392.77</b>	<b>196.22</b>	<b>157.62</b>	<b>0.82</b>	<b>1,366.63</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation	–	34.26	26.24	12.79	0.42	73.71
Depreciation charge during the year	107.57	25.80	19.33	10.50	0.27	163.47
Disposals	–	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>107.57</b>	<b>60.06</b>	<b>45.57</b>	<b>23.29</b>	<b>0.69</b>	<b>237.18</b>
<b>Net carrying value as at March 31, 2022</b>	<b>511.63</b>	<b>332.71</b>	<b>150.65</b>	<b>134.33</b>	<b>0.13</b>	<b>1,129.45</b>

Refer to note 39 for information on Leases.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 5 : Other Intangible Assets and Intangible Assets under Development**

Particulars	Trade Mark	Computer Software *	Technical Knowhow	ANDAs, DMFs, Dossiers	Total	Intangible Assets under development
<b>Year ended March 31, 2021</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2020	1,032.30	1,828.45	1.15	19,725.27	<b>22,587.17</b>	<b>4,337.90</b>
Additions	–	428.94	–	–	<b>428.94</b>	<b>1,609.46</b>
Deletions (***)	–	–	–	–	–	<b>(390.54)</b>
Intangible Assets Capitalised	–	–	–	1,258.86	<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	971.14	1,407.05	1.15	15,404.92	<b>17,784.26</b>	–
Amortisation for the year	4.00	246.69	–	2,086.89	<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>
<b>Year ended March 31, 2022</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2021	<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>
Additions	<b>50.00</b>	<b>697.89</b>	–	–	<b>747.89</b>	<b>2,820.65</b>
Deletions (***)	–	–	–	–	–	<b>(13.24)</b>
Intangible Assets Capitalised	–	–	–	233.80	<b>233.80</b>	<b>(233.80)</b>
<b>Closing gross carrying amount</b>	<b>1,082.30</b>	<b>2,955.28</b>	<b>1.15</b>	<b>21,217.93</b>	<b>25,256.66</b>	<b>6,871.57</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	<b>975.14</b>	<b>1,653.74</b>	<b>1.15</b>	<b>17,491.81</b>	<b>20,121.84</b>	–
Amortisation for the year	<b>8.95</b>	<b>400.18</b>	–	<b>2,234.87</b>	<b>2,644.00</b>	–
Impairment for the year (**)	–	–	–	<b>174.70</b>	<b>174.70</b>	–
<b>Closing accumulated amortisation</b>	<b>984.09</b>	<b>2,053.92</b>	<b>1.15</b>	<b>19,901.38</b>	<b>22,940.54</b>	–
<b>Net carrying value as at March 31, 2022</b>	<b>98.21</b>	<b>901.36</b>	–	<b>1,316.55</b>	<b>2,316.12</b>	<b>6,871.57</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 ₹ 174.70 lakhs (P.Y. - Nil) 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. ₹ 13.24 lakhs (P.Y. - ₹ 390.54 lakhs) based on Management assessment.

Cost of Incomplete Projects ageing schedule for the years ended March 31, 2022 and March 31, 2021 is as follows :

Particulars	Amount in Cost of Incomplete Projects for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at April 1, 2021</b>					
Projects in progress	<b>5,203.98</b>	<b>531.01</b>	<b>567.17</b>	<b>569.41</b>	<b>6,871.57</b>
Projects temporarily suspended	–	–	–	–	–
<b>As at March 31, 2022</b>	<b>5,203.98</b>	<b>531.01</b>	<b>567.17</b>	<b>569.41</b>	<b>6,871.57</b>
<b>As at April 1, 2020</b>					
Projects in progress	3,161.38	567.17	74.17	495.24	4,297.96
Projects temporarily suspended	–	–	–	–	–
<b>As at March 31, 2021</b>	<b>3,161.38</b>	<b>567.17</b>	<b>74.17</b>	<b>495.24</b>	<b>4,297.96</b>

There is no COIP whose completion is overdue or has exceeded its cost compared to its initial plan.

## Notes (Standalone)

on financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

### Note 6(a) : Non Current Financial Investments

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</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)]	242.32	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)]	0.90	0.90
(iii) Indoco Remedies UK Limited [100 Shares of GBP 1 @ 99.82 each (Previous Year-NIL)]	0.10	–
	<b>243.32</b>	<b>243.22</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)]	2.00	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. [2,500 ordinary shares of ₹10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	0.25	0.10
	<b>2.25</b>	<b>2.10</b>
<b>Total, Non Current Financial Investments</b>	<b>245.57</b>	<b>245.32</b>
Footnote :		
Aggregate amount of unquoted investments	<b>245.57</b>	<b>245.32</b>

### Note 6(b) : Current Financial Investments

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Unquoted (at Cost) :</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
National Spot Exchange	462.90	462.90
<b>Total</b>	<b>462.90</b>	<b>462.90</b>
Less : Provision for diminution in value of investment	(462.90)	(462.90)
<b>Total, Current Financial Investments</b>	<b>–</b>	<b>–</b>
Footnote:		
Aggregate amount of unquoted investments	<b>–</b>	<b>–</b>

### Note 7 : Non Current Financial Assets - Loans

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Unsecured, Considered Good</b>		
Loan to Employees	141.32	95.52
<b>Total, Non Current Financial Assets - Loans</b>	<b>141.32</b>	<b>95.52</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 8 : Non Current Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Margin Money	<b>183.71</b>	172.74
<b>Total, Non Current Other Financial Assets</b>	<b>183.71</b>	<b>172.74</b>

**Note 9 : Deferred Tax Assets / Liabilities (Net)**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Mat Credit Entitlement	–	4,015.31
<u>Deferred Tax (Net)</u>		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	<b>(4,043.72)</b>	(4,210.61)
	<b>(4,043.72)</b>	(4,210.61)
Deferred Tax Assets		
i) On employee benefit obligations	<b>2,244.05</b>	1,870.63
ii) On provision for doubtful debts	<b>570.87</b>	90.98
iii) On provision for doubtful advances	<b>161.76</b>	161.76
	<b>2,976.68</b>	2,123.37
<b>Total, Deferred Tax Assets / Liabilities (Net)</b>	<b>(1,067.04 )</b>	<b>1,928.07</b>

**Movement in Deferred Tax Assets / Liabilities (Net)**

<i>Particulars</i>	<i>MAT Credit Entitlement</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, 2020</b>	5,677.65	1,710.18	416.06	2,126.24	4,211.20	4,211.20	3,592.69
(Charged)/credited:							
to profit or loss	–	114.27	(163.32)	(49.05)	(0.59)	(0.59)	(48.46)
to other comprehensive income	–	46.19	–	46.19	–	–	46.19
to Deferred tax on basis adjustment	(1,662.34)	–	–	–	–	–	(1,662.34)
<b>At March 31, 2021</b>	<b>4,015.31</b>	<b>1,870.64</b>	<b>252.74</b>	<b>2,123.38</b>	<b>4,210.61</b>	<b>4,210.61</b>	<b>1,928.08</b>
(Charged)/credited:							
to profit or loss	–	<b>87.29</b>	<b>479.89</b>	<b>567.18</b>	<b>(166.89)</b>	<b>(166.89)</b>	<b>734.07</b>
to other comprehensive income	–	<b>286.12</b>	–	<b>286.12</b>	–	–	<b>286.12</b>
to Deferred tax on basis adjustment	<b>(4,015.31)</b>	–	–	–	–	–	<b>(4,015.31)</b>
<b>At March 31, 2022</b>	<b>–</b>	<b>2,244.05</b>	<b>732.63</b>	<b>2,976.68</b>	<b>4,043.72</b>	<b>4,043.72</b>	<b>(1,067.04)</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 10 : Income Tax Assets / Current Tax Liabilities (Net)**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Opening balance	713.96	924.02
Add : Taxes paid (net)	4,098.69	1,974.97
Less : Current Tax payable for the year	(9,322.84)	(3,847.37)
Add/Less : Assessment Completed / MAT Adjustments	4,433.12	1,662.34
<b>Closing balance</b>	<b>(77.07)</b>	<b>713.96</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2022 and March 31, 2021

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Income Tax Assets	–	713.96
Income Tax Liabilities	77.07	–
<b>Net current income tax assets / (liability) at the end</b>	<b>77.07</b>	<b>713.96</b>

**Note 11 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Capital Advance	1,971.55	1,329.38
<u>Others</u>		
Deposit - Others	359.78	295.22
Tender Deposits	86.42	74.73
Deposit With OPC Asset Solutions	36.02	36.02
Pre-Paid Expenses	29.41	32.70
Sales Tax Receivable	770.32	734.00
Advance - Others	2.95	2.95
<b>Total, Other Non Current Assets</b>	<b>3,256.45</b>	<b>2,505.00</b>

**Note 12 : Inventories**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<u>Inventories</u>		
Raw and Packing Materials	18,577.79	13,664.18
Work in Progress	4,270.62	3,905.36
Finished Goods	5,487.00	4,442.38
Stock in Trade	2,226.23	1,005.75
Stores and Spares	489.92	763.58
<b>Total, Inventories</b>	<b>31,051.56</b>	<b>23,781.25</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 2,806.31 lakhs (March 31, 2021 – INR 2,020.74 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.

Mode of valuation of inventories - refer note no. (k) of significant accounting policies.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 13 : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</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	3,457.26	5,737.06
Considered Doubtful	1,633.67	260.35
	5,090.93	5,997.41
Less: Provision for doubtful debts	(1,633.67)	(260.35)
	3,457.26	5,737.06
Debts outstanding for less than six months from the date they are due for payment		
Other Debts - Considered Good	26,242.62	17,620.75
<b>Total, Trade receivables</b>	<b>29,699.88</b>	<b>23,357.81</b>
Current Portion	29,699.88	23,357.81
Non-current Portion	–	–

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Secured, considered good	–	–
Unsecured, considered good	29,699.88	23,357.81
Unsecured, considered doubtful	1,633.67	260.35
<b>Total</b>	<b>31,333.55</b>	<b>23,618.16</b>
Allowance for doubtful trade receivables	(1,633.67)	(260.35)
<b>Total, Trade receivables</b>	<b>29,699.88</b>	<b>23,357.81</b>

Refer Note 45 for information about credit risk and market risk of trade receivables.

The trade receivables ageing schedule for the years ended as on March 31, 2022 and March 31, 2021 is as follows :

<i>Particulars</i>	<i>Not Due</i>	<i>Outstanding for following periods from due date of payment</i>					<i>Total</i>
		<i>Less than 6 months</i>	<i>6 months to 1 year</i>	<i>1-2 years</i>	<i>2-3 years</i>	<i>More than 3 years</i>	
<b>As at April 1, 2021</b>							
Undisputed – considered good	16,625.35	9,603.28	485.65	588.56	620.55	1,776.49	29,699.88
Undisputed – credit impaired	–	–	–	–	39.21	1,594.46	1,633.67
Less : Allowance for doubtful debts	–	–	–	–	(39.21)	(1,594.46)	(1,633.67)
<b>As at March 31, 2022</b>	<b>16,625.35</b>	<b>9,603.28</b>	<b>485.65</b>	<b>588.56</b>	<b>620.55</b>	<b>1,776.49</b>	<b>29,699.88</b>
<b>As at April 1, 2020</b>							
Undisputed – considered good	12,776.60	4,591.08	329.21	676.69	798.95	4,185.29	23,357.81
Undisputed – credit impaired	–	–	–	4.23	256.11	–	260.34
Less : Allowance for doubtful debts	–	–	–	(4.23)	(256.11)	–	(260.34)
<b>As at March 31, 2021</b>	<b>12,776.60</b>	<b>4,591.08</b>	<b>329.21</b>	<b>676.69</b>	<b>798.95</b>	<b>4,185.29</b>	<b>23,357.81</b>



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 14 : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Cash and Cash Equivalents</b>		
(i) Cash on hand	9.36	5.41
(ii) Balances with Banks		
In Current Accounts	1,616.39	849.54
In Fixed Deposit	64.32	58.05
<b>Total, Cash and Cash Equivalents</b>	<b>1,690.07</b>	<b>913.00</b>

**Note 15 : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
In Earmarked Accounts		
Unpaid Dividend Accounts	28.17	25.24
Margin Money	202.64	466.81
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>230.81</b>	<b>492.05</b>

**Note 16 : Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	54.05	39.81
<b>Total, Current Financial Assets - Loans</b>	<b>54.05</b>	<b>39.81</b>

**Note 17 : Current Financial Assets - Others**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Mark to Market Gain (Net) on financial instruments	2,415.03	210.04
Insurance claim receivable	–	4.81
Franking Advance	0.03	0.13
<b>Total, Current Financial Assets - Others</b>	<b>2,415.06</b>	<b>214.98</b>

**Note 18 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Advances to Suppliers	1,176.60	2,065.05
Tender Deposits	8.05	59.60
Pre-paid Expenses	954.03	863.11
Employee Advances	137.73	338.76
Receivable - Others	87.32	106.69
Receivable From OPC Assets	2.16	4.64
Balance with Statutory / Government Authorities	9,770.75	9,958.10
<b>Total, Other Current Assets</b>	<b>12,136.64</b>	<b>13,395.95</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital**

Particulars	March 31, 2022	March 31, 2021
<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, 2022 Equity Shares		March 31, 2021 Equity Shares	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
Shares outstanding at the beginning of the year	<b>9,21,50,355</b>	<b>1,843.01</b>	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, 2022		March 31, 2021	
	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
<u>Equity Shares with voting rights :</u>				
i) Spa Holdings Pvt Ltd	<b>1,83,35,000</b>	<b>19.90%</b>	1,83,35,000	19.90%
ii) Shanteri Investment Pvt Ltd	<b>1,57,71,755</b>	<b>17.12%</b>	1,57,71,755	17.12%
iii) Aditi Panandikar	<b>55,59,013</b>	<b>6.03%</b>	55,59,013	6.03%
iv) Madhura Ramani	<b>51,84,079</b>	<b>5.63%</b>	51,84,079	5.63%
v) Aruna Suresh Kare	<b>47,94,714</b>	<b>5.20%</b>	47,94,714	5.20%
vi) Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund	<b>61,20,964</b>	<b>6.64%</b>	61,20,964	6.64%

**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, 2022, the amount of ₹ 2.25 (including a Special dividend of ₹ 0.75) per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 1.50 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, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital** *Contd.*

**D) Disclosure of Shareholding of Promoters**

Shares held by promoters at the end of the year							
S no.	Promoter name	2021-22			2020-21		
		No. of shares	% of total Shares	% Change during the year	No. of shares	% of total Shares	% Change during the year
1	Kare Suresh Govind	40,60,408	4.41%	–	40,60,408	4.41%	–
2	Kare Suresh Govind (HUF)	2,73,500	0.30%	–	2,73,500	0.30%	–
3	Kare Aruna Suresh	47,94,714	5.20%	–	47,94,714	5.20%	–
4	Panandikar Aditi Milind	55,59,013	6.03%	–	55,59,013	6.03%	–
5	Ramani Madhura Anup	51,84,079	5.63%	–	51,84,079	5.63%	–
6	Shanteri Investment Pvt. Ltd.	1,57,71,755	17.12%	–	1,57,71,755	17.12%	–
7	SPA Holdings Pvt. Ltd.	1,83,35,000	19.90%	–	1,83,35,000	19.90%	–
8	Kare Govind Ramnath	2,000	0.00%	–	2,000	0.00%	–
9	Kare Sharda Ramnath	32,500	0.04%	–	32,500	0.04%	–
10	Pai Sudha M.	10,727	0.01%	–	10,727	0.01%	–
11	Vaidya Pratima Ajit	26,550	0.03%	–	26,550	0.03%	–
12	Panandikar Megh Milind	11,200	0.01%	–	11,200	0.01%	–
13	Panandikar Milind S.	7,500	0.01%	–	7,500	0.01%	–
14	Panandikar Mahika Milind	6,100	0.01%	–	6,100	0.01%	–
15	Ramani Rohan A.	6,100	0.01%	–	6,100	0.01%	–
	<b>Total</b>	<b>5,40,81,146</b>	<b>58.69%</b>		<b>5,40,81,146</b>	<b>58.69%</b>	
	<b>Total Number of Shares</b>	<b>9,21,50,355</b>	<b>100.00%</b>		<b>9,21,50,355</b>	<b>100.00%</b>	

**Note 20 : Other Equity**

Particulars	March 31, 2022	March 31, 2021
Capital Reserve	0.02	0.02
Securities Premium	6,420.93	6,420.93
General Reserve	25,817.64	25,817.64
Retained Earnings	56,348.47	42,811.28
<b>Total, Other Equity</b>	<b>88,587.06</b>	<b>75,049.87</b>

(i) **Capital Reserve**

Particulars	March 31, 2022	March 31, 2021
Opening Balance	0.02	0.02
Additions	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 20 : Other Equity Contd.**

**(ii) Securities Premium**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Opening Balance	<b>6,420.93</b>	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, 2022</i>	<i>March 31, 2021</i>
Opening balance	<b>25,817.64</b>	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, 2022</i>	<i>March 31, 2021</i>
Opening balance	<b>42,811.28</b>	33,934.51
Add : Net Profit / (Loss) for the Year	<b>15,452.13</b>	9,239.20
Add : Other Comprehensive Income for the year	<b>(532.68)</b>	(85.98)
Amount available for appropriation	<b>57,730.73</b>	43,087.73
Less : Dividend paid	<b>(1,382.26)</b>	(276.45)
<b>Closing balance</b>	<b>56,348.47</b>	<b>42,811.28</b>

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

**Capital Reserve :**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company'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 Company has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21a (i)	<b>1,100.66</b>	3,161.87
Indian rupee loan	Note No. 21a (ii)	<b>12,946.65</b>	11,026.34
Interest accrued but not due		<b>78.41</b>	98.35
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>14,125.72</b>	<b>14,286.56</b>
Less: Current maturities of long-term debt (included in note 24a)		<b>(4,458.82)</b>	(4,494.29)
Less: Interest accrued (included in note 24a)		<b>(78.41)</b>	(98.35)
<b>Total, Non-current borrowings (as per balance sheet)</b>		<b>9,588.49</b>	<b>9,693.92</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>
21a (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Amount Availed	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. The loan has been fully repaid in current 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 (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings** *Contd.*

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21a (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Amount Availed	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. The loan has been fully repaid in current 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.
21a (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Amount Availed	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)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21a (ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment  Rate of Interest Nature of Security	₹ 50,00,00,000/- ₹ 50,00,00,000/- The Term Loan was 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. On 23/04/2021 the loan was partially repaid vide Term loan refinanced by DBS Bank India Limited. Hence, the balance loan as on 31/03/2022 are repayable in 16 equal monthly installment of ₹ 83,33,000/- and last instalment of ₹ 33,46,000/- is repayable on 14/08/2023. 7.00% p.a. Primary : First and Exclusive Charge on entire moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on entire 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.
21a (ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment  Rate of Interest Nature of Security	₹ 35,00,00,000/- ₹ 35,00,00,000/- The o/s Term Loan is Repayable on April 19, 2022 ₹ 64,97,750/- and last instalment of ₹ 64,93,205/- ending on May 19, 2022. 7.00% p.a. 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.
21a (ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment  Rate of Interest Nature of Security	₹ 38,00,00,000/- ₹ 37,00,00,000/- 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. The loan has been fully repaid in current year. 8.00% p.a. 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)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21a (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 20 quarterly equal instalments of ₹ 2,50,00,000/- each commencing from Dec, 2022, ending on September, 2027.
	Rate of Interest	7.00% 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.
21a (ii)	DBS Bank India Limited	
	Amount Sanctioned	₹ 55,00,00,000/-
	Amount Availed	₹ 55,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 10 quarterly equal instalments of ₹ 5,50,00,000/- each commencing from Jan, 2022, ending on April, 2024.
	Rate of Interest	5.95% p.a.
	Nature of Security	1st Pari passu charge on moveable fixed assets both present and future situated at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21a (ii)	HDFC Bank Limited	
	Amount Sanctioned	₹ 50,00,00,000/-
	Amount Availed	₹ 50,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 16 quarterly equal instalments of ₹ 93,75,000/- each commencing from June, 2023, ending on March, 2027.
	Rate of Interest	5.60% p.a.
	Nature of Security	1st Pari passu charge on over 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.



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21a (iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Amount Availed	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly instalments (EMI) of Rs. 86,530/- each (including principal and interest) commencing from October 07, 2015, ending on September 07, 2020. The loan has been fully repaid.
	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.

**Note 21b : Non-Current Financial - Lease Liabilities**

Particulars	March 31, 2022	March 31, 2021
<b>Unsecured</b>		
Lease Liability-OPC Assets (refer note no. 39)	636.79	700.52
Lease Liability-CRO Assets (refer note no. 39)	459.44	-
<b>Total, Non-Current Financial-Lease Liabilities</b>	<b>1,096.23</b>	<b>700.52</b>

**Note 22 : Non Current Provisions**

Particulars	March 31, 2022	March 31, 2021
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	1,376.44	1,213.29
Gratuity (refer note no. 38)	1,787.95	1,559.27
<b>Total, Non Current Provisions</b>	<b>3,164.39</b>	<b>2,772.56</b>

**Note 23 : Other Non Current Liabilities**

Particulars	March 31, 2022	March 31, 2021
<b>Others</b>		
Security Deposit	740.53	732.89
Deposit Others	-	10.28
<b>Total, Other Non Current Liabilities</b>	<b>740.53</b>	<b>743.17</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24a : Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Secured (Refer Note below)</b>			
Loans from Banks			
Cash Credit Facility	Note No. 24a (i)	<b>1,047.25</b>	2,165.20
Foreign Currency Export Packing Credit	Note No. 24a (ii)	<b>2,401.48</b>	–
Packing Credit in Rupee	Note No. 24a (iii)	–	1,000.00
Term Loans from Banks			
Indian Rupee loan	Note No. 21a	<b>3,829.87</b>	2,458.02
Foreign Currency loan -ECB / FCNR(B)	Note No. 21a	<b>628.95</b>	2,036.27
Interest accrued		<b>105.61</b>	122.91
<b>Unsecured</b>			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24a (ii)	<b>318.96</b>	2,215.07
Packing Credit in Rupee	Note No. 24a (iii)	–	1,850.00
Working Capital Demand Loan	Note No. 24a (iv)	<b>1,500.00</b>	1,377.55
Short Term Loan	Note No. 24a (v)	<b>5,000.00</b>	3,000.00
<b>Total, Current Financial Liabilities - Borrowings</b>		<b>14,832.12</b>	<b>16,225.02</b>

The quarterly returns or statements filed by the Company during the year with the banks are in agreement with books of account of the Company other than June 2021 quarter, however differences were not material in nature.

*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.*

<i>Note No.</i>	<i>Type of Loan</i>	<i>Repayment and Rate of Interest</i>
24a (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 7.00% p.a. to 10.15% p.a. (Previous year @ 8.15 % p.a. to 10.15 % p.a.)
24a (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 1.35% BPS to 1.50% BPS . (Previous year LIBOR + 1% BPS to 1.65% BPS)
24a (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 4.35% to 5.40% p.a (Previous Year @ 5.60% to 7.60% p.a.)
24a (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 4.30% to 5.50% p.a (Previous year 6.50% p.a. to 7.90% p.a.)
24a (v)	Short Term Loan	Is repayable on demand and carries interest 4.50% p.a. to 5.80% (Previous year 5.95% p.a. to 7.75% p.a.)

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24b : Current Financial - Lease Liabilities**

(Amt in ₹)

Particulars	March 31, 2022	March 31, 2021
<b>Unsecured</b>		
Lease Liability-OPC Assets (Refer Note no. 39)	63.73	54.49
Lease Liability-CRO Assets (Refer Note no. 39)	86.16	–
<b>Total, Current Financial Lease Liabilities</b>	<b>149.89</b>	<b>54.49</b>

**Note 25 : Trade Payables**

Particulars	March 31, 2022	March 31, 2021
Trade payables		
Total Outstanding Dues of Micro and Small Enterprises (refer note no.53)	–	0.59
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	13,531.66	11,500.98
<b>Total, Trade Payables</b>	<b>13,531.66</b>	<b>11,501.57</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 and March 31, 2021 is as follows

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at April 1, 2021</b>						
Outstanding dues to MSME	2,165.57	293.69	–	–	–	2,459.26
Others	933.89	9,551.78	115.00	9.83	461.90	11,072.40
Disputed dues – MSME	–	–	–	–	–	–
<b>As at March 31, 2022</b>	<b>3,099.46</b>	<b>9,845.47</b>	<b>115.00</b>	<b>9.83</b>	<b>461.90</b>	<b>13,531.66</b>
<b>As at April 1, 2020</b>						
Outstanding dues to MSME	1,868.46	186.09	–	–	–	2,054.55
Others	1,412.52	7,917.72	46.89	36.44	33.45	9,447.02
Disputed dues – MSME	–	–	–	–	–	–
<b>As at March 31, 2021</b>	<b>3,280.98</b>	<b>8,103.81</b>	<b>46.89</b>	<b>36.44</b>	<b>33.45</b>	<b>11,501.57</b>

Please refer note no. 45 for Relationship with Struck off Companies.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 26 : Current Other Financial Liabilities**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Unclaimed Dividend (*)	28.17	25.24
Deposit Payable - Others	0.75	0.75
Other Current Liabilities	8,557.80	7,602.75
<b>Total, Current Other Financial Liabilities</b>	<b>8,586.72</b>	<b>7,628.74</b>

\* Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

**Note 27 : Current Provisions**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	427.36	227.04
Gratuity (refer note no. 38)	1,266.42	945.61
Bonus	933.10	1,027.73
<b>Others</b>		
Sales Return	2,114.68	2,487.75
<b>Total, Provisions</b>	<b>4,741.56</b>	<b>4,688.13</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 1,730.81 lakhs as at March 31, 2022 (March 31, 2021 - INR 1,543.95 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, 2021</b>	<b>2,487.75</b>
Charged/(credited) to profit or loss	
provision for current year	1,730.82
provision of earlier years utilised as against returns of current year	(2,103.89)
<b>As at March 31, 2022</b>	<b>2,114.68</b>
<b>As at April 1, 2020</b>	2,872.52
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>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 28 : Other Current Liabilities**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Advance from Customer	<b>371.75</b>	305.35
Statutory Dues Payable	<b>379.18</b>	450.44
<b>Total, Other Current Liabilities</b>	<b>750.93</b>	<b>755.79</b>

**Note 29 : Revenue from operations**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Sale of Product		
Domestic Sales	<b>82,239.01</b>	66,269.48
Export Sales	<b>59,357.15</b>	48,428.75
	<b>1,41,596.16</b>	1,14,698.23
Sale of Services		
Export Services	<b>6,287.75</b>	5,834.76
Domestic Services	<b>2,386.05</b>	1,205.31
	<b>8,673.80</b>	7,040.07
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	<b>3,320.37</b>	1,048.17
Export Incentives	<b>315.63</b>	1,210.58
Scrap Sale	<b>65.61</b>	33.24
	<b>3,701.61</b>	2,291.99
<b>Total, Revenue from Operations (Gross)</b>	<b>1,53,971.57</b>	<b>1,24,030.29</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 sales return INR 1,730.81 lakhs as at March 31, 2022 (March 31, 2021 - INR 1,543.95 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, 2022. 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 (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 29 : Revenue from operations** *Contd.*

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
<b>Formulation :</b>		
Domestic	<b>80,309.59</b>	61,898.40
Export		
Regulated Market :	<b>50,357.28</b>	39,984.66
Emerging Market :	<b>11,696.67</b>	9,250.65
<b>Export, Total</b>	<b>62,053.95</b>	<b>49,235.31</b>
<b>Formulation, Total (a)</b>	<b>1,42,363.54</b>	<b>1,11,133.71</b>
API (b)	<b>6,339.19</b>	9,397.96
CRO & Analytical Services (c)	<b>1,567.23</b>	1,206.63
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>1,50,269.96</b>	<b>1,21,738.30</b>
Other Operating Revenue	<b>3,701.61</b>	2,291.99
<b>Total, Income from Operation</b>	<b>1,53,971.57</b>	<b>1,24,030.29</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'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Interest Income	<b>47.05</b>	78.49
Dividend Income	<b>0.29</b>	0.63
<u>Other Non-operating income</u>		
Sundry Balance w/back	<b>136.41</b>	167.53
Sundry Receipts	<b>46.68</b>	62.47
Profit on Sale of Fixed Assets	<b>1.93</b>	2.10
<b>Total, Other Income</b>	<b>232.36</b>	<b>311.22</b>

**Note 31a : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Raw / Packing Materials :		
Opening Stock	<b>13,664.18</b>	11,930.50
Add : Purchases	<b>44,275.92</b>	32,049.61
Less : Closing Stock	<b>(18,577.79)</b>	(13,664.18)
<b>Total, Cost of Material Consumed</b>	<b>39,362.31</b>	<b>30,315.93</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 31b : Purchase of Stock in Trade**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Purchase of Stock in Trade	<b>8,943.00</b>	6,303.72
<b>Total, Purchase of Stock in Trade</b>	<b>8,943.00</b>	<b>6,303.72</b>

**Note 31c : Changes in Inventories**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	<b>4,442.38</b>	4,491.70
Op.Stock - WIP	<b>3,905.36</b>	2,636.94
Op.Stock - Stock in Trade	<b>1,005.76</b>	1,011.80
	<b>9,353.50</b>	8,140.44
Inventories at the end of the year		
Cl.Stock - Finished Goods	<b>(5,487.00)</b>	(4,442.38)
Cl.Stock - WIP	<b>(4,270.62)</b>	(3,905.36)
Cl.Stock - Stock in Trade	<b>(2,226.23)</b>	(1,005.76)
	<b>(11,983.85)</b>	(9,353.50)
<b>Total, Changes in Inventories</b>	<b>(2,630.35)</b>	<b>(1,213.06)</b>

**Note 32 : Employee Benefits Expense**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Salaries, Wages and Bonus (refer note no. 38)	<b>25,896.90</b>	23,793.35
Contribution to Provident and Other Funds (refer note no. 38)	<b>2,568.12</b>	2,125.79
Staff Welfare Expenses	<b>775.80</b>	1,368.70
<b>Total, Employee Benefit Expense</b>	<b>29,240.82</b>	<b>27,287.84</b>

**Note 33 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
R&D Employee Cost	<b>3,026.34</b>	2,415.30
Other R&D Expenses	<b>4,437.85</b>	3,555.06
<b>Total, Research &amp; Development Expenses</b>	<b>7,464.19</b>	<b>5,970.36</b>

**Note 34 : Depreciation, Amortisation and Impairment Expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Depreciation of Property, Plant and Equipment	3	<b>4,912.95</b>	4,917.03
Amortisation of Right-of-use assets	4	<b>163.47</b>	57.44
Amortisation of Intangible Assets	5	<b>2,644.00</b>	2,337.58
Impairment of Assets	5	<b>174.70</b>	–
<b>Total, Depreciation, Amortisation and Impairment Expenses</b>		<b>7,895.12</b>	<b>7,312.05</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 35 : Other Expenses**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Consumable Stores	697.76	553.66
Job Work Charges	1,583.42	1,048.79
Power and Fuel	4,277.95	3,689.10
Rent, Rates, Taxes	567.06	499.96
Insurance	371.61	257.89
Repairs :		
Building	488.65	137.08
Plant and Machinery	1,468.25	1,269.94
Others	1,955.78	1,597.83
	3,912.68	3,004.85
Packing and Delivery Expenses	4,824.08	3,607.75
Analytical Expenses	2,808.59	2,452.58
Advertising and Sales Promotion Expenses	5,314.25	4,354.86
Commission and Incentives on sales	3,733.82	3,246.99
Travelling, Conveyance and Motor Car Expenses	4,325.28	3,677.17
Legal and Professional Fees	848.07	1,382.80
Director's Sitting Fees	28.00	22.40
Postage, Telephone and Telex Expenses	90.83	91.01
Printing and Stationery Expenses	489.75	273.20
Payments to Auditors (refer note no. 35(a))	16.84	15.92
Loss on sale of Assets	53.00	26.44
Provision for Doubtful Debts	1,482.51	126.86
Bad Debts written off		
Bad Debts written off	140.27	1,652.98
Less : Transfer from Provision for Doubtful Debts	(109.18)	(594.26)
	31.09	1,058.72
Corporate Social Responsibility (refer note no. 35(b))	92.87	62.71
Miscellaneous Expenses	3,342.40	3,554.33
<b>Total, Other Expenses</b>	<b>38,891.86</b>	<b>33,007.99</b>



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 35(a) : Details of payments to Auditors**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	<b>9.00</b>	9.00
Tax Audit Fees under GST	<b>4.25</b>	4.25
<b>In other capacities :</b>		
Certification fees	<b>3.29</b>	2.63
Re-imburement of expenses	<b>0.30</b>	0.04
<b>Total, Payment to Auditors</b>	<b>16.84</b>	<b>15.92</b>

**Note 35(b) : Corporate social responsibility expenditure**

Expense towards activities relating to Corporate Social Responsibility in compliance with section 135 of the Companies Act, 2013 is as under :

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
<b>Contribution to :</b>		
Promoting Education	<b>10.26</b>	–
Preventive Healthcare	<b>51.20</b>	2.95
Contribution of Free Medicine	<b>31.41</b>	15.40
Covid-19	–	44.36
<b>Total</b>	<b>92.87</b>	<b>62.71</b>
Amount required to be spent as per Section 135 of the Act	<b>100.54</b>	45.26
Less : Carry Forward from 2020-21	<b>17.45</b>	–
<b>Net amount to be spent in 2021-22</b>	<b>83.09</b>	<b>45.26</b>
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	<b>92.87</b>	<b>62.71</b>
Amount carry forward to FY 2022-23	<b>9.78</b>	<b>17.45</b>

**Note 36 : Finance Cost**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Interest Expense	<b>1,645.79</b>	2,099.87
Other Financial charges	<b>97.06</b>	105.56
Exchange Gain / Loss (Net)	<b>(328.96)</b>	16.21
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>1,413.89</b>	<b>2,221.64</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)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 37 : Income Tax expense**

(Amt in ₹)

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
<b>(a) Statement of Profit and Loss :</b>		
<b>Profit or Loss section :</b>		
<b>Current Income Tax :</b>		
Current Income Tax Charge	9,322.84	3,847.37
Tax in respect of earlier years	–	–
<b>Total, Current Income Tax</b>	<b>9,322.84</b>	<b>3,847.37</b>
<b>Deferred tax section :</b>		
Origination and reversal of timing difference	(734.07)	48.47
MAT Credit Adjustments	(417.81)	–
<b>Total, Deferred tax expense/(benefit)</b>	<b>(1,151.88)</b>	<b>48.47</b>
<b>Tax expense reported in the statement of Profit and Loss</b>	<b>8,170.96</b>	<b>3,895.84</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	(286.12)	(46.19)
<b>Tax charged to OCI</b>	<b>(286.12)</b>	<b>(46.19)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Profit / (Loss) from continuing operations before income tax expense	23,623.09	13,135.04
Profit from discontinuing operation before income tax expense	–	–
	<b>23,623.09</b>	<b>13,135.04</b>
<b>Tax at the Indian tax rate of 34.944% (2020-2021 – 34.944%)</b>	<b>8,254.85</b>	<b>4,589.91</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	44.03	(42.24)
Other items	3.77	(7.42)
Adjustments of MAT of Previous period	(417.81)	–
Tax losses for which no deferred income tax was recognised	286.12	(644.41)
<b>Income tax expense</b>	<b>8,170.96</b>	<b>3,895.84</b>
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>8,170.96</b>	<b>3,895.84</b>

## Notes (Standalone) on financial statements for the year ended March 31, 2022 (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 427.36 lakhs (March 31, 2021 – INR 227.04 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 1,985.34 lakhs (March 31, 2021 – INR 1,522.95 lakhs).

##### b. Superannuation

The company contributed INR 95.34 lakhs (March 31, 2021 - INR 82.84 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 :

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**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 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 Acturial (Gain)/loss - Due to change in demographic assumptions	–	–	–
Net Acturial (Gain)/loss - Due to change in financial assumptions	(8.77)	–	(8.77)
Net Acturial (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>

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2021</b>	<b>2,565.18</b>	<b>(60.30)</b>	<b>2,504.88</b>
Current service cost	<b>300.60</b>	–	<b>300.60</b>
Past Service Cost	–	–	–
Interest expense/(income)	<b>175.97</b>	<b>(4.14)</b>	<b>171.83</b>
<b>Total amount recognized in Statement of Profit &amp; Loss</b>	<b>476.57</b>	<b>(4.14)</b>	<b>472.43</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	<b>(0.42)</b>	<b>(0.42)</b>
Net Acturial (Gain)/loss - Due to change in demographic assumptions	<b>(1.65)</b>	–	<b>(1.65)</b>
Net Acturial (Gain)/loss - Due to change in financial assumptions	<b>(32.91)</b>	–	<b>(32.91)</b>
Net Acturial (Gain)/loss - Due to experience changes	<b>853.79</b>	–	<b>853.79</b>
<b>Total amount recognized in other comprehensive income</b>	<b>819.23</b>	<b>(0.42)</b>	<b>818.81</b>
Employer contributions	–	<b>(741.75)</b>	<b>(741.75)</b>
Benefit payments	<b>(491.29)</b>	<b>491.29</b>	–
<b>March 31, 2022</b>	<b>3,369.69</b>	<b>(315.32)</b>	<b>3,054.37</b>

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

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Present value of funded obligations	<b>3,369.69</b>	2,565.18
Fair value of plan assets	<b>(315.32)</b>	(60.30)
<b>Deficit of funded plan</b>	<b>3,054.37</b>	<b>2,504.88</b>
Unfunded plans	–	–
<b>Deficit of gratuity plan</b>	<b>3,054.37</b>	<b>2,504.88</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**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, 2022	March 31, 2021
Discount rate	6.98%	6.86%
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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	1%	1%	–	–	253.56	203.25
Discount rate	-1%	-1%	292.68	236.17	–	–
Salary growth rate	1%	1%	287.31	238.24	–	–
Salary growth rate	-1%	-1%	–	–	254.48	208.43
Attrition rate	1%	1%	38.13	28.12	–	–
Attrition rate	-1%	-1%	–	–	43.71	32.62

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, 2022	March 31, 2021
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	315.32	60.30
<b>Total</b>	<b>315.32</b>	<b>60.30</b>

**(vii) Maturity profile of projected benefit obligation (from fund) :**

Particulars	March 31, 2022	March 31, 2021
1st following year	334.40	236.15
2nd following year	208.98	158.96
3rd following year	231.75	180.76
4th following year	243.07	188.74
5th following year	273.87	186.52
Sum of years 6 to 10	1,566.86	1,114.21
Sum of years 11 and above	3,994.14	3,301.05

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 39 : Leases**

(a) Following are the changes in the Carrying value of Right to Use of Assets :

Particulars	Category of ROU Assets					Total
	Building	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	
<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>
<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>
Additions during the year	<b>619.20</b>	–	–	–	–	<b>619.20</b>
Depreciation charge during the year	<b>(107.57)</b>	<b>(25.80)</b>	<b>(19.33)</b>	<b>(10.50)</b>	<b>(0.27)</b>	<b>(163.47)</b>
<b>Balance as at March 31, 2022</b>	<b>511.63</b>	<b>332.71</b>	<b>150.65</b>	<b>134.33</b>	<b>0.13</b>	<b>1,129.45</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, 2022	March 31, 2021
Current Lease Liabilities (refer note no. 24b)	<b>149.89</b>	54.49
Non Current Lease Liabilities (refer note no. 21b)	<b>1,096.23</b>	700.52
<b>Total, Lease Liabilities</b>	<b>1,246.12</b>	<b>755.01</b>

(c) Following is the movement in Lease Liabilities :

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	<b>755.01</b>	600.85
Additions during the year	<b>619.20</b>	233.57
Finance cost accrued during the year	<b>70.86</b>	65.60
Payment of Lease Liabilities	<b>(198.95)</b>	(145.01)
<b>Balance at the end of the year</b>	<b>1,246.12</b>	<b>755.01</b>

(d) The following is a summary of future minimum lease rental commitments towards Finance Leases

Particulars	March 31, 2022		March 31, 2021	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	<b>256.82</b>	<b>149.91</b>	125.36	54.49
Due in a period between one year and five years	<b>1,131.14</b>	<b>877.11</b>	573.38	360.65
Due after five years	<b>283.19</b>	<b>219.10</b>	432.41	339.87
<b>Total minimum lease commitments</b>	<b>1,671.15</b>	<b>1,246.12</b>	<b>1,131.15</b>	<b>755.01</b>
Less : Interest	<b>(425.03)</b>		(376.14)	
<b>Present value of minimum lease commitments</b>	<b>1,246.12</b>		<b>755.01</b>	

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 40: Fair value measurement**

Financial instruments by category	March 31, 2022		March 31, 2021	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>				
Investments				
Equity instruments	2.25		2.10	
Trade receivables		29,699.88		23,357.81
Non Current Other Financial assets		183.71		172.74
Cash and cash equivalents		1,690.07		913.00
Bank balances other than cash and cash equivalents		230.81		492.05
Non-Current Financial Assets		141.32		95.52
Current Financial Assets		54.05		39.81
Current Other Financial Assets		2,415.06		214.98
<b>Total Financial Assets</b>	<b>2.25</b>	<b>34,414.90</b>	<b>2.10</b>	<b>25,285.91</b>
<b>Financial Liabilities</b>				
Bank Borrowings		24,420.61		25,918.94
Lease Liabilities		1,246.12		755.01
Current Other Financial Liabilities		8,586.72		7,628.74
Trade Payables		13,531.66		11,501.57
<b>Total Financial Liabilities</b>	<b>-</b>	<b>47,785.11</b>	<b>-</b>	<b>45,804.26</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, 2022			March 31, 2021		
	Level			Level		
	I	II	III	I	II	III
<b>Financial Assets</b>						
Investments						
Equity instruments	-	2.25	-	-	2.10	-
<b>Total Financial Assets</b>	<b>-</b>	<b>2.25</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>-</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**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, 2022</i>	<i>March 31, 2021</i>
Net Debt	<b>23,745.86</b>	25,268.90
Equity	<b>90,430.07</b>	76,892.88
<b>Net debt to equity ratio</b>	<b>26.3%</b>	<b>32.9%</b>

**(b) Dividends**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2021 of INR 1.50 (March 31, 2020 of INR 0.30) per fully paid share	<b>1,382.26</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 2.25 (including a Special dividend of ₹ 0.75) per fully paid equity share (March 31, 2021 – INR 1.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	<b>2,073.38</b>	1,382.26



## Notes (Standalone) on financial statements for the year ended March 31, 2022 (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, 2022	March 31, 2021
<b>Total adjusted EBITDA</b>	<b>32,699.74</b>	<b>22,357.51</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	Note No	March 31, 2022	March 31, 2021
<b>Total adjusted EBITDA</b>		<b>32,699.74</b>	<b>22,357.51</b>
Finance costs	36	<b>1,413.89</b>	2,221.64
Other Income	30	<b>(232.36)</b>	(311.22)
Depreciation and Amortisation Expense	34	<b>7,895.12</b>	7,312.05
<b>Profit before income tax from continuing operations</b>		<b>23,623.09</b>	<b>13,135.04</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, 2022			March 31, 2021		
	India	Outside India	Total	India	Outside India	Total
Revenue from External Customers	<b>84,625.06</b>	<b>65,644.90</b>	<b>1,50,269.96</b>	67,474.79	54,263.51	<b>1,21,738.30</b>
Non Current Assets (*)	<b>70,908.03</b>	–	<b>70,908.03</b>	66,306.33	–	<b>66,306.33</b>

\* Excluding financial assets, deferred & current tax assets

Product :

Particulars	March 31, 2022	March 31, 2021
Revenue from Product	<b>1,41,596.16</b>	1,14,698.23
Revenue from Services	<b>8,673.80</b>	7,040.07
<b>Total, Revenue</b>	<b>1,50,269.96</b>	<b>1,21,738.30</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**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'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit / (Loss) for the year	<b>15,452.13</b>	9,239.20
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>16.77</b>	<b>10.03</b>

**Note 45 : Relationship with Struck off Companies**

<i>Name of the Struck off Company</i>	<i>Nature of Transactions</i>	<i>Transaction during the year March 31, 2022</i>	<i>Balance Outstanding as at March 31,2022</i>	<i>Relationship with the struck off company</i>
IDAFA Investments Private Limited	Subscription of equity shares	–	–	Equity Shareholder
Ace Technologies & Packaging Systems Private Limited	Services received	<b>8.97</b>	–	Vendor

<i>Name of the Struck off Company</i>	<i>Nature of Transactions</i>	<i>Transaction during the year March 31, 2021</i>	<i>Balance Outstanding as at March 31,2021</i>	<i>Relationship with the struck off company</i>
IDAFA Investments Private Limited	Subscription of equity shares	–	–	Equity Shareholder
Ace Technologies & Packaging Systems Private Limited	Services received	8.72	(8.61)	Vendor

**Note 46 : Additional Regulatory Information**

<i>S no.</i>	<i>Particulars</i>
1	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
3	The Company does have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4	The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
5	The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 46 : Additional Regulatory Information** *Contd.*

S no.	Particulars
6	The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
7	The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
8	The Company has not given any loans or advances in the nature of loans to the promoters, directors, kmp's and other related parties (as defined under Companies Act 2013) either severally or jointly.
9	The Company has not been declared as wilful defaulter by any bank or financial institution or other lenders during the year.

**Note 47 : Ratio Analysis**

Sr No.	Ratio	Numerator	Denominator	As at March 31, 2022	As at March, 31, 2021	% Change
1	Current Ratio	Current Assets	Current Liabilities	1.81	1.52	19.08%
2	Net Debt Equity Ratio	Borrowings	Total Equity	0.26	0.33	-21.21%
3	Debt Service Coverage Ratio *	Earnings for debt service = Net Profit before tax + Depreciation and Amortisation + Finance Cost + Loss/(Gain) on sale of asset	Debt Service = Interest Payable + Principal repayments of long term borrowings + Principal repayments of Lease Obligations	2.14	1.51	41.72%
4	Return on Equity (%) *	Net Profit after taxes	Average Total Equity	18.47	12.75	44.86%
5	Inventory Turnover ratio (in days)	Average Inventory	Sale of Product in days	71	71	0.00%
6	Trade Receivable Turnover ratio (in days)	Average Trade Receivables	Revenue from Operations (excluding Other Operating Income)	64	66	-3.03%
7	Trade Payable Turnover ratio (in days)	Average Trade Payables	Expenses=Total Expenses - Finance Cost - Depreciation and Amortisation expense - Employee Benefit expenses	50	69	-27.54%
8	Net Capital Turnover ratio (in days)	Average Working Capital [Working capital: Current assets - Current liabilities] [Current liabilities: Total current liabilities - Current maturities]	Revenue from Operations (excluding Other Operating Income)	79	63	25.40%

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 47 : Ratio Analysis** *Contd.*

Sr No.	Ratio	Numerator	Denominator	As at March 31, 2022	As at March, 31, 2021	% Change
9	Net Profit ratio (%) *	Net Profit	Revenue from Operations (excluding Other Operating Income)	10.28	7.59	35.44%
10	Return on Capital Employed (%) *	Earnings before Finance Cost and Taxes (EBIT)	Capital Employed = Total Equity + Non Current Borrowings + Current Borrowings + Current maturities of leases + Deferred Tax Liability	19.64	10.62	84.93%

\* Variation in coverage, turnover and other profitability ratios is primarily due to increase in turnover and profitability during the year ended March 31, 2022.

**Note: 48 - 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.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48 : FINANCIAL RISK MANAGEMENT : Contd.**

**Exposure to interest rate risk**

(₹ in lakhs)

<i>Particulars</i>	<i>As at 31.03.2022</i>	<i>As at 31.03.2021</i>
Short Term Borrowings	<b>10,294.88</b>	11,632.38
Long Term Borrowings	<b>14,125.72</b>	14,286.56
Total Borrowings	<b>24,420.60</b>	<b>25,918.94</b>
% of Borrowings out of above bearing variable rate of Interest	<b>42.16%</b>	44.88%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on Profit before Tax**

(₹ in lakhs)

<i>Particulars</i>	<i>2021-22</i>	<i>2020-21</i>
50 BPS increase would decrease the Profit before Tax by	<b>51.47</b>	58.16
50 BPS decrease would (increase) the Profit before Tax by	<b>(51.47)</b>	(58.16)

**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 naturally hedges its imports.

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, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48 : 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, 2022		As at March 31, 2021	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	357.24	USD	151.97
Forward Contract to Buy USD	USD	26.00	USD	21.50
Forward Contract to Sell EURO	EURO	119.17	EURO	142.50
Forward Contract to Buy EURO	EURO	–	EURO	11.25
Forward Contract to Sell GBP	GBP	223.70	GBP	214.51
Forward Contract to BUY GBP	GBP	5.25	GBP	7.62
Swaps				
FCNR ( B)	USD	–	USD	9.34
ECB	USD	–	USD	–
ECB	GBP	–	GBP	0.01
ECB	EURO	13.13	EURO	20.63

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, 2022

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD	CAD
Trade Receivables	138.36	80.13	64.58	–	–
Trade Payables	18.51	2.84	0.07	–	–
Loans Taken - Short Term & long Term	29.00	13.13	5.25	–	–
Cash & Bank Balances	–	–	–	–	–

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	–	–	–	–	–

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48 : 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)

Particulars	2021-22		2020-21	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	122.69	(122.69)	108.66	(108.66)
EURO	81.15	(81.15)	69.02	(69.02)
GBP	67.74	(67.74)	70.61	(70.61)
AUD	–	–	0.47	(0.47)
CHF	–	–	–	–
Increase / (Decrease) in profit or loss	271.58	(271.58)	248.76	(248.76)

**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, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48 : FINANCIAL RISK MANAGEMENT : Contd.**

**Ageing of Account receivables**

(₹ in lakhs)

	As at March 31, '22	As at March 31, '21
Not due	16,597.80	12,729.46
0-3 Months	9,183.25	3,953.07
3 - 6 Months	461.57	938.22
6 Months and above	5,090.94	5,997.40
<b>Total</b>	<b>31,333.56</b>	<b>23,618.15</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, '22	As at March 31, '21
Opening Provision	260.34	727.74
Add :- Additional provision made	1,499.30	126.86
Less : - Provision written off	109.18	20.61
Less : - Provision reversed	16.79	573.65
Closing Provisions	1,633.67	260.34

**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, '22	As at March 31, '21
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	22,172.32	20,832.18
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, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 48 : FINANCIAL RISK MANAGEMENT : Contd.**

**(ii) Maturity patterns of Borrowings**

(₹ in lakhs)

	As at March 31, '22				As at March 31, '21			
	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>4,537.23</b>	<b>9,088.49</b>	<b>500.00</b>	<b>14,125.72</b>	4,592.64	8,882.25	811.67	<b>14,286.56</b>
<b>Short term borrowings</b>	<b>10,294.88</b>	–	–	<b>10,294.88</b>	11,632.38	–	–	<b>11,632.38</b>
<b>Total</b>	<b>14,832.11</b>	<b>9,088.49</b>	<b>500.00</b>	<b>24,420.60</b>	<b>16,225.02</b>	<b>8,882.25</b>	<b>811.67</b>	<b>25,918.94</b>

**(iii) Maturity Patterns of other Financial Liabilities**

(₹ in lakhs)

As at March 31, '22	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	<b>12,743.90</b>	–	<b>105.32</b>	<b>12,849.22</b>
Payable related to Capital goods	<b>646.85</b>	–	<b>35.58</b>	<b>682.43</b>
Other Financial liability (Current and Non Current)	<b>4,925.64</b>	<b>5,783.10</b>	<b>4,401.86</b>	<b>15,110.60</b>
<b>Total</b>	<b>18,316.39</b>	<b>5,783.10</b>	<b>4,542.76</b>	<b>28,642.25</b>

(₹ in lakhs)

As at March 31, '21	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	10,824.40	–	38.61	10,863.01
Payable related to Capital goods	607.78	–	30.78	638.56
Other Financial liability (Current and Non Current)	4,656.97	5,992.50	3,070.10	13,719.57
<b>Total</b>	<b>16,089.15</b>	<b>5,992.50</b>	<b>3,139.49</b>	<b>25,221.14</b>

**Note 49 :**

Contingent Liabilities not provided for:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
A) Matters under dispute		
i) Income Tax *	<b>1,861.17</b>	1,861.17
ii) Sales Tax (₹ 490.89 lakhs has been paid under protest Previous year ₹ 454.57 lakhs) **	<b>1,034.09</b>	1,007.98
iii) Excise / Service Tax [₹ 61.12 lakhs has been paid as pre-deposit (Previous year ₹ 61.12 lakhs)] ***	<b>655.00</b>	746.97
iv) GST****	<b>4.99</b>	NIL
v) Labour Law Matter	<b>50.00</b>	20.00
B) Bank Guarantees	<b>312.98</b>	253.25
C) Letters of Credit	<b>774.79</b>	555.48
D) Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 983.99 lakhs (Previous year ₹ 736.85 lakhs )	<b>1,334.40</b>	1,146.74

## Notes (Standalone) on financial statements for the year ended March 31, 2022 (All amounts in INR lakhs, unless otherwise stated)

**Note 49 : Contd.**

### Legal Case –

- 1) 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. (Previous year - ₹ 20 Lakhs)
- 2) Chartered of Demand(COD) case filed by Union FMRAI (Federation of Medical and Sales Representatives of India) for revision of field employee's salary which is pending since 2012 in Industrial Tribunal Mumbai in case bearing no. ITR No. 2 of 2012 FMRAI V/s Indoco Remedies Limited, Mumbai. Contingent liability against the suit is estimated upto ₹ 30 Lakhs. (Previous year - Nil)

### \* Income Tax demand comprises of

- a) ₹ 5.98 lakhs (Previous year - ₹ 5.98) appearing as TDS defaults on account of short Deduction / Short Payment & Interest thereon etc. of various assessment years.
- b) ₹ 1,855.19 lakhs (Previous year - ₹ 1,855.19) demand issued by AO on account of Regular Assessment u/s 143(3) for AY 2018-19. 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

- a) ₹ 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.
- b) ₹ 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.
- c) ₹ 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.
- d) ₹ 59.88 Lakhs (Previous year – ₹ 59.88 Lakhs) demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- e) ₹ 5.99 Lakhs (Previous year – ₹ 5.99 Lakhs) is penalty imposed on demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 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 14 to March 2016. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada.
- g) ₹ 3.21 Lakhs (Previous year – ₹ 3.21 Lakhs) of penalty imposed on demand pertaining to order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute for the period June 14 to March 2016. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada.
- h) ₹ 46.32 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand (including penalty) raised by sales tax officer for Financial Year 2007-08 and 2009-10 and 2013-14 on account of input credit of entry tax. The Company has filed appeal before Asst. Commissioner of Commercial Taxes, who has set aside the previous order and directed Assessing Officer for Re-assessment.

### \*\*\* Excise 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).

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 49 : Contd.**

- c) CENVAT credit on input service ₹ NIL (Previous year – ₹ 91.97 Lakhs).
- 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.

**\*\*\*\* GST demand comprises of**

- a) Show cause notice under section 73 received from Office of the Dy. Com. of State Tax for tax period 2017-18 of ₹.4.99 lakhs ( Previous year - ₹ NIL ). Assessee is yet to file appeal in this case.

**Note 50 :**

**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, 2022</i>	<i>As at March 31, 2021</i>
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	<b>29,699.88</b>	23,357.81
Margin Money against L/c	<b>202.64</b>	466.81
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	<b>31,051.56</b>	23,781.25
<b>Total Current Assets Pledged as security</b>	<b>60,954.08</b>	<b>47,605.87</b>
<b>Non Current Assets</b>		
First Charge		
Land & Building	<b>10,428.27</b>	14,066.50
Furniture, fittings and equipment	<b>686.48</b>	702.63
Plant and machinery	<b>21,925.77</b>	25,571.02
Others	<b>2,522.34</b>	3,326.35
<b>Total non-current assets Pledged as security</b>	<b>35,562.86</b>	<b>43,666.50</b>
<b>Total assets pledged as security</b>	<b>96,516.94</b>	<b>91,272.37</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 51 :**

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. Indoco Remedies UK Limited
	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. Pramod Ghorpade, 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 Foundation, Warren Generics s.r.o.	

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

Note 51 : *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.	212.83	-	-	-	121.76
	P.Y.	233.67	-	-	-	101.98
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Remuneration paid	C.Y.	-	-	-	1,579.94	-
	P.Y.	-	-	-	1,052.57	-
Sitting Fees paid	C.Y.	-	-	-	28.00	-
	P.Y.	-	-	-	22.60	-
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.	-	-	-	-	0.70
	P.Y.	-	-	-	-	0.65
Guarantees and collaterals	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Payable	C.Y.	210.14	-	-	-	9.60
	P.Y.	200.42	-	-	-	8.99

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 51 : Contd.

Sr. No.	Particulars of Remuneration	Name of Executive Chairman / MD / JT. MD / KMP						Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeeep V Bambolkar	Mr. Mandar Borkar	Mr. Pramod Ghorpade	Mr. Jayshankar Menon	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act, 1961	360.00	321.51	297.35	23.46	55.17	35.63	1093.12
	Value of Perquisites under Section 17 (2) Income tax Act,1961	0.40*	2.90*	2.90*	0.27	0.06	0.63	7.16
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	—	—	—	—	—	—	—
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission / Incentive	100.00	100.00	100.00	10.00	6.64	5.00	321.64
5	Others , Please Specify – PF, SA	28.80	63.83	57.34	1.69	1.58	4.78	158.02
	<b>Total (1+5)*</b>	<b>489.20**</b>	<b>488.24**</b>	<b>457.59**</b>	<b>35.42</b>	<b>63.45</b>	<b>46.04</b>	<b>1,579.94</b>

\* 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 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.	212.83	—	—	1,610.94	122.46
	P.Y	233.67	—	—	1,078.17	102.63
(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, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 52 :**

**Expenditure on R&D**

(₹ in lakhs)

Particulars	2021-22	2020-21
Building	5.44	1.93
Equipment & other capital expenditure	1,550.38	593.09
<b>Total Capital Expenditure</b>	<b>1,555.82</b>	<b>595.02</b>
Revenue Expenditure	7,464.19	5,970.36
<b>Total R &amp; D Expenditure</b>	<b>9,020.01</b>	<b>6,565.38</b>

**Note 53 :**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ in lakhs)

S.no.	Particulars	2021-22	2020-21
A	Principal Amount & Interest due on the above	NIL	0.59
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 54 :**

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  
 Sd/-  
**Tejas Parikh**  
 Partner  
 M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
 Managing Director  
 DIN : 00179113  
 Sd/-  
**Pramod Ghorpade**  
 Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
 Jt. Managing Director  
 DIN : 00176613  
 Sd/-  
**Jayshankar Menon**  
 Company Secretary & AVP Legal  
 Mumbai : May 17, 2022

## Financial Highlights (Standalone)

(₹ in lakhs)

### OPERATIONAL REVIEW

	Year ended March 31, 2022	Year ended March 31, 2021
1) Revenue from Operations (Net of Returns)	1,53,972	1,24,030
2) EBIDTA	32,700	22,358
3) Depreciation, Amortisation and Impairment Expenses	7,895	7,312
4) Finance Cost	1,414	2,222
5) Profit / (Loss) before Tax	23,623	13,135
6) Profit / (Loss) after Tax	15,452	9,239
7) Other Comprehensive Income	(533)	(86)
8) Total Comprehensive income for the year	14,919	9,153

### FINANCIAL STRUCTURE

	March 31, 2022	March 31, 2021
<b>ASSETS</b>		
<b>Non Current Assets</b>		
1) Net Fixed Assets	67,652	63,801
2) Financial Assets	571	514
3) Deferred Tax Assets (net)	–	1,928
4) Current Tax Assets	–	714
5) Other Non Current Assets	3,256	2,505
<b>Current Assets</b>		
6) Inventories	31,052	23,781
7) Financial Assets	34,090	25,018
8) Other Current Assets	12,136	13,396
<b>Total Assets</b>	<b>1,48,757</b>	<b>1,31,657</b>
<b>LIABILITIES</b>		
9) Equity	90,430	76,893
<b>Non Current liabilities</b>		
10) Financial liabilities	10,685	10,395
11) Long Term Provisions	3,164	2,772
12) Deferred Tax Liabilities (net)	1,067	–
13) Other Non-Current Liabilities	741	743
<b>Current liabilities</b>		
14) Financial liabilities	37,100	35,410
15) Short Term Provisions	4,742	4,688
16) Current Tax Liabilities	77	–
17) Other Current Liabilities	751	756
<b>Total Liabilities</b>	<b>1,48,757</b>	<b>1,31,657</b>

### MARGINS & RATIOS

	March 31, 2022	March 31, 2021
1) EBIDTA Margins on Gross Sales (net of returns) (%)	21.76	18.37
2) PAT Margins on Gross Sales (net of returns) (%)	10.28	7.59
3) Debt-to-Equity (%)	25.10	32.50
4) Interest Cost Cover (times)	10.39	5.40
5) Return on Net Worth (%)	17.10	12.00
6) Return on Capital Employed (%)	14.60	10.20



## Financial Highlights (Standalone)

### Operational Results

Particulars	(₹ in lakhs)				
	Year ended March 31, 2022 IND-AS	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
1) Revenue from Operations (Net of Returns) / Other Income	1,54,204	1,24,342	1,10,843	97,389	1,04,637
2) Material Cost	45,675	35,407	33,043	32,018	34,939
3) Employee Benefits Expense	29,241	27,288	25,532	23,126	22,034
4) Other Expenses	38,892	33,008	34,721	28,807	28,350
5) Research & Development Expenses	7,464	5,970	4,970	5,152	5,349
6) Finance Cost	1,414	2,222	2,625	2,054	2,351
7) Depreciation, Amortisation and Impairment Expenses	7,895	7,312	7,081	7,156	6,771
8) Profit / (Loss) Before Tax	23,623	13,135	2,871	(924)	4,843
9) Provision For Taxation	9,323	3,847	386	–	1,107
10) Deferred Tax (Net of MAT)	(1,152)	49	60	(640)	(384)
11) Profit / (Loss) After Tax	15,452	9,239	2,425	(284)	4,120
12) Other Comprehensive Income/(Loss)	(533)	(86)	(184)	(53)	23
13) Total Comprehensive Income	14,919	9,153	2,241	(337)	4,143
14) Retained Earnings	13,537	8,877	1,908	(1,448)	2,369
15) Earnings Per Share (₹ 2/-) (After exceptional items)	16.77	10.03	2.63	(0.31)	4.47
16) Book Value (₹ 2/-)	98.13	83.44	73.81	71.74	73.31
17) Net Debt to Equity Ratio (%)	25.10	32.50	35.20	41.90	40.60

### Financial Summary

Particulars	March 31, 2022 IND-AS	March 31, 2021 IND-AS	March 31, 2020 IND-AS	March 31, 2019 IND-AS	March 31, 2018 IND-AS
<b>ASSETS</b>					
<b>Non Current Assets</b>					
(a) Property, Plant and Equipment	52,053	52,164	53,632	41,658	44,107
(b) Right-of-use assets	1,129	674	527	–	–
(c) Capital Work in Progress	5,282	2,512	732	14,123	7,578
(d) Other Intangible Assets	2,316	4,153	4,803	5,094	4,766
(e) Intangible Assets under Development	6,872	4,298	4,338	4,420	5,978
(f) Financial Assets					
(i) Investments	246	245	245	245	261
(ii) Loans	141	96	100	126	107
(iii) Others	184	173	164	154	1,285
(g) Deferred Tax Asset (Net)	–	1,928	3,593	3,554	3,135
(h) Income Tax Asset (Net)	–	714	924	918	307
(i) Other Non Current Assets	3,256	2,505	1,997	1,888	2,561
<b>Total, Non current Assets</b>	<b>71,479</b>	<b>69,462</b>	<b>71,055</b>	<b>72,180</b>	<b>70,085</b>

## Financial Highlights (Standalone)

### Financial Summary *Contd.*

<i>Particulars</i>	<i>March 31, 2022 IND-AS</i>	<i>March 31, 2021 IND-AS</i>	<i>March 31, 2020 IND-AS</i>	<i>March 31, 2019 IND-AS</i>	<i>March 31, 2018 IND-AS</i>
<b>Current Assets</b>					
(a) Inventories	31,052	23,781	20,824	18,337	19,323
(b) Financial Assets					
(i) Investments	–	–	–	–	–
(ii) Trade Receivables	29,700	23,358	20,918	19,447	20,783
(iii) Cash and Cash Equivalents	1,690	913	2,348	2,072	848
(iv) Bank Balances other than (iii) above	231	492	1,417	1,546	332
(v) Loans	54	40	38	41	59
(vi) Other Current Financial Assets	2,415	214	299	1,001	188
(c) Other Current Assets	12,136	13,397	10,332	11,206	12,182
<b>Total Current Assets</b>	<b>77,278</b>	<b>62,195</b>	<b>56,176</b>	<b>53,650</b>	<b>53,715</b>
<b>Total, Assets</b>	<b>1,48,757</b>	<b>1,31,657</b>	<b>1,27,231</b>	<b>1,25,830</b>	<b>1,23,800</b>
<b><u>EQUITY AND LIABILITIES</u></b>					
<b><u>Equity</u></b>					
(a) Equity Share Capital	1,843	1,843	1,843	1,843	1,843
(b) Other Equity	88,587	75,050	66,173	64,265	65,713
<b>Total Equity</b>	<b>90,430</b>	<b>76,893</b>	<b>68,016</b>	<b>66,108</b>	<b>67,556</b>
<b><u>Liabilities</u></b>					
<b><u>Non-current liabilities</u></b>					
(a) Financial Liabilities					
(i) Borrowings	9,588	9,694	9,693	12,866	12,328
(ia) Lease Liabilities	1,096	701	549	–	–
(b) Long Term Provisions	3,164	2,772	2,323	1,591	1,266
(c) Deferred Tax Liabilities (Net)	1,067	–	–	–	–
(d) Other Non-Current Liabilities	741	743	733	732	961
<b>Total, Non-Current Liabilities</b>	<b>15,656</b>	<b>13,910</b>	<b>13,298</b>	<b>15,189</b>	<b>14,555</b>
<b><u>Current Liabilities</u></b>					
(a) Financial Liabilities					
(i) Borrowings	14,832	16,225	10,598	11,339	10,993
(ia) Lease Liabilities	150	54	52	–	–
(ii) Trade Payables	13,532	11,502	16,629	17,071	14,945
(iii) Other Financial Liabilities	8,587	7,629	12,307	10,928	10,220
(b) Short Term Provisions	4,742	4,688	5,155	4,421	3,819
(c) Income Tax Liability (Net)	77	–	–	–	–
(d) Other Current Liabilities	751	756	1,176	774	1,712
<b>Total, Current Liabilities</b>	<b>42,671</b>	<b>40,854</b>	<b>45,917</b>	<b>44,533</b>	<b>41,689</b>
<b>Total, Liabilities</b>	<b>58,327</b>	<b>54,764</b>	<b>59,215</b>	<b>59,722</b>	<b>56,244</b>
<b>Total, Liabilities and Equity</b>	<b>1,48,757</b>	<b>1,31,657</b>	<b>1,27,231</b>	<b>1,25,830</b>	<b>1,23,800</b>

## Financial Highlights (Standalone)

### FINANCIAL PERFORMANCE

(₹ in lakhs)

<i>Particulars</i>	<i>Year ended March 31, 2022</i>	<i>Year ended March 31, 2021</i>
Revenue from Operations (Net of Returns)	1,53,972	1,24,030
Other Income	232	312
Total Income	<u>1,54,204</u>	<u>1,24,342</u>
<b>Profit before Finance Cost, Depreciation, Amortisation and Impairment &amp; Tax</b>	<b>32,932</b>	22,669
Less : Finance Cost	1,414	2,222
Depreciation, Amortisation and Impairment Expenses	7,895	7,312
Profit / (Loss) Before Tax	<u>23,623</u>	13,135
Less : Provision for Taxation		
Current	9,323	3,847
Deferred	(1,152)	49
Net Profit / (Loss) After Tax	<u>15,452</u>	9,239
Other Comprehensive Income/(Loss)	(533)	(86)
Total Comprehensive Income	<u>14,919</u>	9,153
Balance brought forward	<u>42,812</u>	33,935
Amount available for appropriation	<u>57,731</u>	43,088
<b>Appropriations :</b>		
Dividend	1,382	276
Balance carried forward	<u>56,349</u>	42,812
	<u>57,731</u>	<u>43,088</u>

## **Independent Auditors' Report (Consolidated)** **to the Members of Indoco Remedies Limited**

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

#### **Opinion**

We have audited the accompanying consolidated 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, 2022, 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, 2022, and its consolidated profit and consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash inflows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated 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	Auditors' 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 ₹ 2,114.68 lakhs as on March 31, 2022 (₹ 2,487.75 lakhs as on March 31, 2021).</p> <p>Refer Note no. 27: current provisions to the consolidated Financial Statements.</p>	<p><b>Principal Audit Procedures Performed</b></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>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</b></p> <p>The Group has reflected ₹ 10,541.16 lakhs as receivables of Sales Tax, Entry Tax, GST Input credit, Income Tax, MAT credit etc. as on March 31, 2022 (₹ 15,445.27 lakhs as on March 31, 2021). Further, the Group is a party to litigations in respect of various statutory dues where the amounts demanded are to the tune of ₹ 3,555.25 lakhs as on March 31, 2022 (₹ 3,616.12 lakhs as on March 31, 2021). Out of this, an amount of ₹ 570.55 lakhs has been deposited under protest as on March 31, 2022 (₹ 534.24 lakhs as on March 31, 2021).</p> <p>Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cashflows. 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>Refer note no. 50: contingent liabilities not provided for to the consolidated financial statements.</p>	<p><b>Principal Audit Procedures Performed</b></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 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, 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 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 financial statements by the directors of the holding company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group are responsible for assessing the 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.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 three subsidiaries whose financial statements reflect total assets of ₹ 311.86 lakhs as at March 31, 2022, total revenues of ₹ 103.61 lakhs, total net profit after tax of ₹ 27.80 lakhs for the year ended March 31, 2022 and net cash inflow of ₹ 27.78 lakhs for the year ended March 31, 2022 as considered in the consolidated 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 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 our audit of the aforesaid consolidated financial statements.
  - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated 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 financial statement.
  - d) in our opinion, the aforesaid consolidated 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, 2022 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, 2022, from being appointed as a director in terms of Section 164(2) of the Act.



- f) with respect to the adequacy of the internal financial controls 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 the requirements of section 197(16) of the Act, as amended:

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.

- h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Consolidated financial statements has disclosed the impact of pending litigations as at March 31, 2022 on its consolidated financial position of the group – Refer note 50 to the consolidated 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.
  - iv. (a) The respective Management of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of its knowledge and belief as disclosed in note no 47(4) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The respective Management of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of its knowledge and belief as disclosed in note no 47(5) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v.
    - (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
    - (b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. The subsidiary companies have not proposed any dividend (interim or final) for the FY 2021-2022.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Gokhale & Sathe**  
*Chartered Accountants*  
FRN: - 103264W

Sd/-

**Tejas Parikh**  
*Partner*

Membership No. 123215  
UDIN: - 22123215AJCLZI3589

Date : May 17, 2022  
Place : Mumbai

## **ANNEXURE A**

### **to the Independent Auditors' Report (Consolidated)**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report on consolidated Financial Statements to the Members of Indoco Remedies Limited of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of Indoco Remedies Limited as of and for the year ended March 31, 2022, 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, 2022, 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

For **Gokhale & Sathe**

*Chartered Accountants*

FRN: - 103264W

Sd/-

**Tejas Parikh**

*Partner*

Membership No. 123215

UDIN: - 22123215AJCLZI3589

Date : May 17, 2022

Place : Mumbai

## Consolidated Balance Sheet As at March 31, 2022

Particulars	Note No.	(₹ in lakhs)	
		March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	52,055.29	52,167.42
(b) Right-of-use assets .....	4	1,129.45	673.72
(c) Capital Work in Progress .....	3	5,281.52	2,511.94
(d) Other Intangible Assets .....	5	2,316.24	4,153.25
(e) Intangible Assets under Development .....	5	6,871.57	4,297.96
(f) Goodwill on consolidation .....		9.00	9.00
(g) Financial Assets .....			
(i) Investments .....	6(a)	2.25	2.10
(ii) Loans .....	7	141.32	95.52
(iii) Other Financial Assets .....	8	183.71	172.74
(h) Deferred Tax Assets (Net) .....	9	-	1,935.90
(i) Income Tax Assets (Net) .....	10	-	709.36
(j) Other Non Current Assets .....	11	3,256.95	2,524.62
<b>Total, Non current Assets</b> .....		<b>71,247.30</b>	<b>69,253.53</b>
<b>Current Assets</b>			
(a) Inventories .....	12	31,051.56	23,785.09
(b) Financial Assets .....			
(i) Investments .....	6(b)	-	-
(ii) Trade Receivables .....	13	29,724.46	23,382.38
(iii) Cash and Cash Equivalents .....	14	1,746.62	941.77
(iv) Bank Balances other than (iii) above .....	15	230.81	492.05
(v) Loans .....	16	54.05	39.81
(vi) Other Financial Assets .....	17	2,415.06	214.98
(c) Other Current Assets .....	18	12,139.35	13,396.54
<b>Total Current Assets</b> .....		<b>77,361.91</b>	<b>62,252.62</b>
<b>Total, Assets</b> .....		<b>1,48,609.21</b>	<b>1,31,506.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital .....	19	1,843.01	1,843.01
(b) Other Equity .....	20	88,621.00	75,056.05
<b>Total Equity</b> .....		<b>90,464.01</b>	<b>76,899.06</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	21a	9,588.49	9,693.92
(ia) Lease Liabilities .....	21b	1,096.23	700.52
(b) Provisions .....	22	3,174.48	2,777.49
(c) Deferred Tax Liabilities (Net) .....	9	1,060.11	-
(d) Other Non-Current Liabilities .....	23	740.53	743.17
<b>Total, Non-Current Liabilities</b> .....		<b>15,659.84</b>	<b>13,915.10</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	24a	14,832.12	16,225.02
(ia) Lease Liabilities .....	24b	149.89	54.49
(ii) Trade Payables .....	25		
Total Outstanding Dues of Micro Enterprises and Small Enterprises .....		-	0.59
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises .....		13,329.06	11,321.99
(iii) Other Financial Liabilities .....	26	8,597.43	7,637.59
(b) Other Current Liabilities .....	28	754.62	761.17
(c) Provisions .....	27	4,744.62	4,691.14
(d) Income Tax Liabilities (Net) .....	10	77.62	-
<b>Total, Current Liabilities</b> .....		<b>42,485.36</b>	<b>40,691.99</b>
<b>Total, Liabilities</b> .....		<b>58,145.20</b>	<b>54,607.09</b>
<b>Total, Equity and Liabilities</b> .....		<b>1,48,609.21</b>	<b>1,31,506.15</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  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
**Pramod Ghorpade**  
Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022

## Consolidated Statement of Profit and Loss Account For the year ended March 31, 2022

Particulars	Note No.	(₹ in lakhs)	
		Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
(a) Revenue from Operations .....	29	1,54,075.35	1,24,152.77
(b) Other Income .....	30	232.69	311.58
<b>Total Income (I)</b> .....		<b>1,54,308.04</b>	<b>1,24,464.35</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31a	39,366.15	30,319.76
(d) Purchase of Stock in Trade .....	31b	8,943.00	6,303.72
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work-in-progress .....	31c	(2,630.35)	(1,213.06)
(f) Employee Benefit Expenses .....	32	29,369.90	27,402.15
(g) R&D Expenses .....	33	7,464.19	5,970.36
(h) Finance Costs .....	36	1,414.18	2,226.17
(i) Depreciation, Amortization and Impairment Expense ...	34	7,895.59	7,312.51
(j) Other Expenditure .....	35	38,828.26	32,943.03
<b>Total Expenses (II)</b> .....	36	<b>1,30,650.92</b>	<b>1,11,264.64</b>
<b>Profit before Tax</b> .....		<b>23,657.12</b>	<b>13,199.71</b>
(k) Tax Expense .....	37		
(a) Current .....		9,330.37	3,857.20
(b) Deferred .....		(1,153.20)	37.96
<b>Total Taxes</b> .....		<b>8,177.17</b>	<b>3,895.16</b>
<b>Profit for the year</b> .....		<b>15,479.95</b>	<b>9,304.55</b>
(l) <b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations .....	38	(818.81)	(132.17)
ii) Income tax relating to this item .....	37	286.12	46.19
<u>Items that may be reclassified to profit or loss</u>			
Exchange differences on translation of foreign operations .....		(0.05)	-
<b>Total Other Comprehensive Income/(Loss)</b> .....		<b>(532.74)</b>	<b>(85.98)</b>
<b>Total Comprehensive income for the year</b> .....		<b>14,947.21</b>	<b>9,218.57</b>
<b>Profit attributable to :</b>			
Equity Shareholders of the Company .....		15,479.95	9,304.55
Non-Controlling Interest .....		-	-
		<b>15,479.95</b>	<b>9,304.55</b>
<b>Other comprehensive income/(loss) is attributable to:</b>			
Equity Shareholders of the Company .....		(532.74)	(85.98)
Non-Controlling Interest .....		-	-
		<b>(532.74)</b>	<b>(85.98)</b>
<b>Total comprehensive income is attributable to:</b>			
Equity Shareholders of the Company .....		14,947.21	9,218.57
Non-Controlling Interest .....		-	-
		<b>14,947.21</b>	<b>9,218.57</b>
(m) <b>Earning Per Share</b> .....			
<b>Basic &amp; Diluted (₹)</b> .....	45	<b>16.80</b>	<b>10.10</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  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
**Pramod Ghorpade**  
Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022

## Consolidated Cash Flow Statement

For the year ended March 31, 2022

S.no.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
		(₹ in lakhs)	
<b>(A)</b>	<b>Cash Flow from Operating Activities :</b>		
	<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>23,657.12</b>	13,199.71
	Adjustments for :		
	Depreciation, Amortisation and Impairment Expense	7,895.59	7,312.51
	Profit on sale of Fixed Assets	(1.93)	(2.10)
	Loss on sale of Fixed Assets	53.00	26.44
	Sundry Balance written back	(136.41)	(167.53)
	Provision for Doubtful Debts / Bad Debts	1,513.60	1,185.58
	Interest Income	(47.38)	(78.85)
	Dividend received on Investments	(0.29)	(0.63)
	Unrealised Foreign Exchange (Gain) / Loss	(2,045.88)	421.21
	Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	1,481.96	2,278.98
		<b>8,712.26</b>	10,975.61
	<b>Operating Profit before Working Capital Change</b>	<b>32,369.38</b>	<b>24,175.32</b>
	Adjustments for:		
	Decrease / (Increase) in Trade Receivables	(5,877.57)	(4,027.60)
	Decrease / (Increase) in Other Current Financial Assets	(2,214.32)	83.74
	Decrease / (Increase) in Other Current Assets	1,257.20	(3,063.83)
	Decrease / (Increase) in Inventories	(7,266.47)	(2,953.43)
	Decrease / (Increase) in Other Non Current Financial Assets	(45.80)	4.35
	Decrease / (Increase) in Other Non Current Assets	(90.15)	50.92
	Increase / (Decrease) in Trade Payables	2,142.90	(5,070.27)
	Increase / (Decrease) in Non Current Provisions	(421.83)	316.64
	Increase / (Decrease) in Lease Liabilities	619.20	233.57
	Increase / (Decrease) in Other Non Current Liabilities	(2.64)	10.03
	Increase / (Decrease) in Current Financial Liabilities	974.16	1,332.47
	Increase / (Decrease) in Current Provisions	53.48	(468.24)
	Increase / (Decrease) in Other Current Liabilities	(6.61)	(429.62)
		<b>(10,878.45)</b>	(13,981.27)
	<b>Cash generated from Operations</b>	<b>21,490.93</b>	<b>10,194.05</b>
	Income Tax Paid (Net of Refund)	(4,108.06)	(1,971.85)
	<b>Net Cash generated from Operating Activities (A)</b>	<b>17,382.87</b>	<b>8,222.20</b>
<b>(B)</b>	<b>Cash Flow from Investing Activities</b>		
	Payment towards Capital Expenditure	(12,532.35)	(7,684.89)
	Sale of Fixed Assets	93.73	20.20
	Payment towards purchases of Investments	(0.15)	—
	Bank Balance not considered as Cash & Cash Equivalents	261.24	924.83
	Interest Received	36.42	69.90
	Dividend received on Investments	0.29	0.63
	<b>Net Cash used in Investing Activities (B)</b>	<b>(12,140.82)</b>	<b>(6,669.33)</b>



## Consolidated Cash Flow Statement

For the year ended March 31, 2022

... Contd. from previous page

(₹ in lakhs)

S.no.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>(C)</b>	<b>Cash Flow from Financing Activities</b>		
	Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(1,499.26)	(2,320.26)
	Payment of Lease Liability	(128.09)	(79.40)
	Dividend Paid	(1,379.32)	(278.87)
	Proceeds from Long Term Borrowings	9,750.00	3,650.00
	Repayment of Long Term Borrowings	(9,790.16)	(5,083.59)
	Proceeds / (Repayment) from Short Term Borrowings	(1,390.37)	1,124.81
	<b>Net Cash used in Financing Activities (C)</b>	<b>(4,437.20)</b>	<b>(2,987.31)</b>
	<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>804.85</b>	<b>(1,434.44)</b>
	<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>941.77</b>	<b>2,376.21</b>
	<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 14)</b>	<b>1,746.62</b>	<b>941.77</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, 2022	As at March 31, 2021	As at March 31, 2020
a. Cash on Hand	11.11	6.98	11.06
b. Balances with Bank	1,735.51	934.79	2,365.15
<b>Total</b>	<b>1,746.62</b>	<b>941.77</b>	<b>2,376.21</b>

- Changes in liability arising from financing activities :

Particulars	Borrowings		
	Non-Current (Note 21a)	Current (Note 24)	Total
As at March 31, 2020	15,682.66	10,597.86	26,280.52
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>
Cash Flow	(40.16)	(1,390.37)	(1,430.53)
Foreign exchange movement	(120.68)	52.88	(67.80)
<b>As at March 31, 2022</b>	<b>14,125.72</b>	<b>10,294.89</b>	<b>24,420.61</b>

As per our Report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
**Pramod Ghorpade**  
Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022

## Consolidated Statement for Changes in Equity

### For the year ended March 31, 2022

#### a. Equity Share Capital

(₹ in lakhs)

	Note No	Amount
As at April 1, 2020	19	1,843.01
Changes in Equity Share Capital		–
<b>As at March 31, 2021</b>		<b>1,843.01</b>
Changes in Equity Share Capital		–
<b>As at March 31, 2022</b>		<b>1,843.01</b>

#### b. Other Equity

(₹ in lakhs)

Particulars	Note No.	Attributable to owners of Indoco Remedies Ltd.				Total Other Equity
		Reserves & Surplus				
		Securities Premium	Capital reserve	General reserve	Retained Earnings	
<b>Balance as at April 1, 2020</b>	20	<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,875.34</b>	<b>66,113.93</b>
Changes in treasury shares during the year		–	–	–	9,304.55	9,304.55
Profit for the year		–	–	–	(85.98)	(85.98)
Other comprehensive income for the year		–	–	–	9,218.57	9,218.57
<b>Total Comprehensive income for the year</b>		–	–	–	9,218.57	9,218.57
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>42,817.46</b>	<b>75,056.05</b>
<b>Balance as at April 1, 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>
Changes in equity share capital during the year		–	–	–	15,479.95	15,479.95
Profit / (Loss) for the year		–	–	–	(532.74)	(532.74)
Other comprehensive Income for the year		–	–	–	14,947.21	14,947.21
<b>Total comprehensive income for the year</b>		–	–	–	14,947.21	14,947.21
Dividends		–	–	–	(1,382.26)	(1,382.26)
Transfer to General Reserve		–	–	–	–	–
<b>Balance as at March 31, 2022</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>56,382.41</b>	<b>88,621.00</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 ₹ 532.74 lakhs (Previous year ₹ 85.98 lakhs) is recognised during the year as part of Retained Earnings.

As per our Report of even date attached

For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W  
Sd/-  
**Tejas Parikh**  
Partner  
M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
Managing Director  
DIN : 00179113  
Sd/-  
**Pramod Ghorpade**  
Chief Financial Officer

Sd/-  
**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613  
Sd/-  
**Jayshankar Menon**  
Company Secretary & AVP Legal  
Mumbai : May 17, 2022

# Notes to Consolidated Financial Statements

## For the year ended March 31, 2022

### 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 three wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt.Ltd.) & Indoco Remedies Czech sro & Indoco Remedies UK Limited.

<i>Name of the subsidiary</i>	<i>Country of Incorporation</i>	<i>% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2022</i>	<i>% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2021</i>
<b>Indian Subsidiary :</b>			
Xtend Industrial Designers & Engineers Pvt Ltd	India	100%	100%
<b>Foreign Subsidiary :</b>			
Indoco Remedies Czech	Czechoslovakia	100%	100%
Indoco Remedies UK Limited	UK	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 17, 2022.

##### (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 recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

**Critical judgments:**

**a. Taxes on Income:**

Significant judgments 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 judgments 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 judgments 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 judgment 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 judgment 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 1<sup>st</sup> April 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 asset's 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 employee's 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 Judgments**

The estimates and judgments 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, 2022 (All amounts in INR lakhs, unless otherwise stated)

#### Note 3 : Property, Plant and Equipment & Capital Work in Progress (Owned unless other wise stated)

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, 2021</b>																				
<b>Gross carrying amount</b>	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		
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	-	-	-	(89.66)	-	(3.79)	(157.84)	(8.90)	(15.45)	(0.42)	(0.33)	(0.18)	-	-	(0.21)	(2.19)	(278.97)	-		
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<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</b>																				
Opening accumulated depreciation as at April 1, 2020	-	252.99	5,700.44	9,454.13	717.26	354.14	5,523.01	1,806.77	3,799.36	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>621.57</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>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>		
<b>Year ended March 31, 2022</b>																				
<b>Gross carrying amount</b>	1,804.37	1,839.87	23,043.09	26,960.93	1,402.28	916.44	11,540.47	1,933.74	9,517.73	4,056.67	2,491.32	767.68	2,114.23	43.83	4,072.09	244.86	92,749.60	2,511.94		
Opening gross carrying amount as at April 1, 2021	-	-	152.27	1,424.95	13.59	8.29	1,438.59	-	736.65	1.90	160.72	131.04	278.57	-	17.24	36.81	4,400.62	3,315.05		
Additions	-	-	241.17	55.24	-	-	-	-	103.49	46.58	62.79	1.73	0.52	-	33.95	-	545.47	(545.47)		
Assets capitalised during the year from CWIP	-	-	-	(258.65)	(7.92)	(3.58)	(136.59)	(155.97)	(72.11)	(5.52)	(0.26)	(4.28)	-	-	(0.95)	(65.62)	(711.45)	-		
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Closing gross carrying amount</b>	<b>1,804.37</b>	<b>1,839.87</b>	<b>23,436.53</b>	<b>28,182.47</b>	<b>1,407.95</b>	<b>921.15</b>	<b>12,842.47</b>	<b>1,777.77</b>	<b>10,285.76</b>	<b>4,099.63</b>	<b>2,714.57</b>	<b>896.17</b>	<b>2,393.32</b>	<b>43.83</b>	<b>4,122.33</b>	<b>216.05</b>	<b>96,984.24</b>	<b>5,281.52</b>		
<b>Accumulated depreciation and impairment</b>																				
Opening accumulated depreciation during the year	-	278.97	6,432.50	11,159.99	783.61	413.05	6,222.54	1,820.53	4,332.37	2,587.68	1,736.13	621.57	1,598.34	42.69	2,395.67	156.54	40,582.18	-		
Depreciation charge during the year	-	25.98	745.76	1,723.63	62.44	61.71	929.94	13.00	526.17	193.55	125.35	46.64	252.70	0.06	185.62	20.87	4,913.42	-		
Disposals	-	-	-	(181.84)	(4.81)	(3.40)	(124.93)	(148.17)	(53.94)	(5.24)	(0.25)	(4.07)	-	-	(0.78)	(39.22)	(566.65)	-		
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>304.95</b>	<b>7,178.26</b>	<b>12,701.78</b>	<b>841.24</b>	<b>471.36</b>	<b>7,027.55</b>	<b>1,685.36</b>	<b>4,804.60</b>	<b>2,775.99</b>	<b>1,861.23</b>	<b>664.14</b>	<b>1,851.04</b>	<b>42.75</b>	<b>2,580.51</b>	<b>138.19</b>	<b>44,928.95</b>	<b>-</b>		
<b>Closing net carrying amount</b>	<b>1,804.37</b>	<b>1,534.92</b>	<b>16,258.27</b>	<b>15,480.69</b>	<b>566.71</b>	<b>449.79</b>	<b>5,814.92</b>	<b>92.41</b>	<b>5,481.16</b>	<b>1,323.64</b>	<b>853.34</b>	<b>232.03</b>	<b>542.28</b>	<b>1.08</b>	<b>1,541.82</b>	<b>77.86</b>	<b>52,055.29</b>	<b>5,281.52</b>		

(i) Capital Work in Progress

Capital work in progress mainly comprises :

- Regular Capex for new projects
- Colchicine Project-Goa
- Goa II Capmatic Line (Line II)
- Goa-I Dry Granulation/Capsulation Equipment
- ERP - SAP S/4 HANA

(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.

(iii) During the year group has not created any revaluation reserve on account of Property, Plant and Equipment.

The capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows :

Particulars	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
<b>As at April 1, 2021</b>				
Projects in progress	3,411.11	1,844.80	25.61	5,281.52
Projects temporarily suspended	-	-	-	-
<b>As at March 31, 2022</b>				
Projects in progress	3,411.11	1,844.80	25.61	5,281.52
Projects temporarily suspended	2,156.69	106.69	19.15	2,291.41
<b>As at March 31, 2021</b>	<b>2,156.69</b>	<b>106.69</b>	<b>19.15</b>	<b>2,291.41</b>

There is no CWIP whose completion is overdue or has exceeded its cost compared to its initial plan.



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Right-of-use assets**

<i>Particulars</i>	<i>Building</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, 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>–</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>–</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>–</b>	<b>358.51</b>	<b>169.98</b>	<b>144.83</b>	<b>0.40</b>	<b>673.72</b>
<b>Year ended March 31, 2022</b>						
<b>Gross carrying value</b>						
Opening gross carrying amount	–	392.77	196.22	157.62	0.82	747.43
Additions	619.20	–	–	–	–	619.20
Disposals	–	–	–	–	–	–
<b>Closing gross carrying value</b>	<b>619.20</b>	<b>392.77</b>	<b>196.22</b>	<b>157.62</b>	<b>0.82</b>	<b>1,366.63</b>
<b>Accumulated depreciation</b>						
Opening accumulated depreciation	–	34.26	26.24	12.79	0.42	73.71
Depreciation charge during the year	107.57	25.80	19.33	10.50	0.27	163.47
Disposals	–	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>107.57</b>	<b>60.06</b>	<b>45.57</b>	<b>23.29</b>	<b>0.69</b>	<b>237.18</b>
<b>Net carrying value as at March 31, 2022</b>	<b>511.63</b>	<b>332.71</b>	<b>150.65</b>	<b>134.33</b>	<b>0.13</b>	<b>1,129.45</b>

Refer to note 39 for information on Leases.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 5 : Other Intangible Assets and Intangible Assets under Development**

Particulars	Trade Mark	Computer Software *	Technical Knowhow	ANDAs, DMFs, Dossiers	Total	Intangible Assets under development
<b>Year ended March 31, 2021</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2020	1,032.30	1,830.73	1.15	19,725.27	<b>22,589.45</b>	<b>4,337.90</b>
Additions	–	428.94	–	–	<b>428.94</b>	<b>1,609.46</b>
Deletions (***)	–	–	–	–	–	<b>(390.54)</b>
Intangible Assets Capitalised	–	–	–	1,258.86	<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	971.15	1,409.21	1.15	15,404.91	<b>17,786.42</b>	–
Amortisation for the year	4.00	246.69	–	2,086.89	<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>3,492.33</b>	<b>4,153.25</b>	<b>4,297.96</b>
<b>Year ended March 31, 2022</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2021	<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>
Additions	<b>50.00</b>	<b>697.89</b>	–	–	<b>747.89</b>	<b>2,820.65</b>
Deletions (***)	–	–	–	–	–	<b>(13.24)</b>
Intangible Assets Capitalised	–	–	–	<b>233.80</b>	<b>233.80</b>	<b>(233.80)</b>
<b>Closing gross carrying amount</b>	<b>1,082.30</b>	<b>2,957.56</b>	<b>1.15</b>	<b>21,217.93</b>	<b>25,258.94</b>	<b>6,871.57</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	<b>975.15</b>	<b>1,655.90</b>	<b>1.15</b>	<b>17,491.80</b>	<b>20,124.00</b>	–
Amortisation for the year	<b>8.95</b>	<b>400.18</b>	–	<b>2,234.87</b>	<b>2,644.00</b>	–
Impairment for the year (**)	–	–	–	<b>174.70</b>	<b>174.70</b>	–
<b>Closing accumulated amortisation</b>	<b>984.10</b>	<b>2,056.08</b>	<b>1.15</b>	<b>19,901.37</b>	<b>22,942.70</b>	–
<b>Net carrying value as at March 31, 2022</b>	<b>98.20</b>	<b>901.48</b>	–	<b>1,316.56</b>	<b>2,316.24</b>	<b>6,871.57</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 ₹174.70 lakhs (P.Y. - Nil) 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. ₹13.24 lakhs (P.Y. - ₹390.54 lakhs) based on Management assessment.

Cost of Incomplete Projects ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows :

Particulars	Amount in Cost of Incomplete Project for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at April 1, 2021</b>					
Projects in progress	<b>5,203.98</b>	<b>531.01</b>	<b>567.17</b>	<b>569.41</b>	<b>6,871.57</b>
Projects temporarily suspended	–	–	–	–	–
<b>As at March 31, 2022</b>	<b>5,203.98</b>	<b>531.01</b>	<b>567.17</b>	<b>569.41</b>	<b>6,871.57</b>
<b>As at April 1, 2020</b>					
Projects in progress	3,161.38	567.17	74.17	495.24	4,297.96
Projects temporarily suspended	–	–	–	–	–
<b>As at March 31, 2021</b>	<b>3,161.38</b>	<b>567.17</b>	<b>74.17</b>	<b>495.24</b>	<b>4,297.96</b>

There is no COIP whose completion is overdue or has exceeded its cost compared to its initial plan.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 6(a) : Non Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<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))	2.00	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. (2,500 ordinary shares of ₹10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each))	0.25	0.10
<b>Total, Non Current Financial Investments</b>	<b>2.25</b>	<b>2.10</b>
Footnote:		
Aggregate amount of unquoted investments	2.25	2.10

**Note 6(b) : Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Unquoted (at Cost) :</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
National Spot Exchange	462.90	462.90
<b>Total</b>	<b>462.90</b>	<b>462.90</b>
Less : Provision for diminution in value of investment	(462.90)	(462.90)
<b>Total, Current Financial Investments</b>	<b>-</b>	<b>-</b>
Footnote:		
Aggregate amount of unquoted investments	-	-

**Note 7 : Non Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	141.32	95.52
<b>Total, Non Current Financial Assets - Loans</b>	<b>141.32</b>	<b>95.52</b>

**Note 8 : Non Current Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Margin Money	183.71	172.74
<b>Total, Non Current Other Financial Assets</b>	<b>183.71</b>	<b>172.74</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 9 : Deferred Tax Assets / Liabilities (Net)**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Mat Credit Entitlement	7.15	4,024.67
<u>Deferred Tax (Net)</u>		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	(4,049.19)	(4,216.05)
	(4,049.19)	(4,216.05)
Deferred Tax Assets		
i) On employee benefit obligations	2,249.30	1,874.54
ii) On provision for doubtful debts	570.87	90.98
iii) On provision for doubtful advances	161.76	161.76
	2,981.93	2,127.28
<b>Total, Deferred Tax Assets / Liabilities (Net)</b>	<b>(1,060.11)</b>	<b>1,935.90</b>

**Movement in Deferred Tax Assets / Liabilities (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, 2020</b>	5,677.65	1,712.98	416.06	2,129.04	4,216.67	4,216.67	3,590.02
(Charged)/credited:							
to profit or loss	–	115.37	(163.32)	(47.95)	(0.62)	(0.62)	(47.33)
to other comprehensive income	–	46.19	–	46.19	–	–	46.19
to Deferred tax on basis adjustment	(1,652.98)	–	–	–	–	–	(1,652.98)
<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>
(Charged)/credited:							
to profit or loss	–	88.64	479.89	568.53	(166.86)	(166.86)	735.39
to other comprehensive income	–	286.12	–	286.12	–	–	286.12
to Deferred tax on basis adjustment	(4,017.52)	–	–	–	–	–	(4,017.52)
<b>At March 31, 2022</b>	<b>7.15</b>	<b>2,249.30</b>	<b>732.63</b>	<b>2,981.93</b>	<b>4,049.19</b>	<b>4,049.19</b>	<b>(1,060.11)</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 10 : Income Tax Assets / Current Tax Liabilities (Net)**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Opening balance	<b>709.36</b>	932.35
Add : Taxes paid (net)	<b>4,108.06</b>	1,971.86
Less : Current Tax payable for the year	<b>(9,330.37)</b>	(3,857.19)
Add/Less : Assessment Completed / MAT Adjustments	<b>4,435.33</b>	1,662.34
<b>Closing balance</b>	<b>(77.62)</b>	<b>709.36</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2022 and March 31, 2021.

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Income Tax Assets	–	709.36
Income Tax Liabilities	<b>77.62</b>	–
<b>Closing balance</b>	<b>(77.62)</b>	<b>709.36</b>

**Note 11 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Capital Advance	<b>1,971.55</b>	1,329.38
<u>Others</u>		
Deposit - Others	<b>360.17</b>	295.62
Tender Deposits	<b>86.42</b>	74.73
Deposit With OPC Asset Solutions	<b>36.02</b>	36.02
Deposit - Group Insurance	<b>0.11</b>	0.11
Pre-Paid Expenses	<b>29.41</b>	32.70
Sales Tax Receivable	<b>770.32</b>	753.11
Advance - Others	<b>2.95</b>	2.95
<b>Total, Other Non Current Assets</b>	<b>3,256.95</b>	<b>2,524.62</b>

**Note 12 : Inventories**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<u>Inventories</u>		
Raw and Packing Materials	<b>18,577.79</b>	13,668.02
Work in Progress	<b>4,270.62</b>	3,905.36
Finished Goods	<b>5,487.00</b>	4,442.38
Stock in Trade	<b>2,226.23</b>	1,005.75
Stores and Spares	<b>489.92</b>	763.58
<b>Total, Inventories</b>	<b>31,051.56</b>	<b>23,785.09</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 2,806.31 lakhs (March 31, 2021 – INR 2,020.74 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.

Mode of valuation of inventories - refer note no. (k) of significant accounting policies.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 13 : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Trade receivables</b>		
<u>Unsecured</u>		
Debts outstanding for less than six months from the date they are due for payment		
Considered Good	3,529.39	5,743.64
Considered Doubtful	1,633.67	260.35
	<b>5,163.06</b>	6,003.99
Less: Provision for doubtful debts	(1,633.67)	(260.35)
	<b>3,529.39</b>	5,743.64
Debts outstanding for less than six months from the date they are due for payment		
Other Debts - Considered Good	26,195.07	17,638.74
<b>Total, Trade receivables</b>	<b>29,724.46</b>	<b>23,382.38</b>
Current Portion	29,724.46	23,382.38
Non-current Portion	–	–

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Secured, considered good	–	–
Unsecured, considered good	29,724.46	23,382.38
Unsecured, considered doubtful	1,633.67	260.35
<b>Total</b>	<b>31,358.13</b>	<b>23,642.73</b>
Allowance for doubtful trade receivables	(1,633.67)	(260.35)
<b>Total, Trade receivables</b>	<b>29,724.46</b>	<b>23,382.38</b>

Refer Note 46 for information about credit risk and market risk of trade receivables.

The trade receivables ageing schedule for the years ended as on March 31, 2022 and March 31, 2021 is as follows :

<i>Particulars</i>	<i>Not Due</i>	<i>Outstanding for following periods from due date of payment</i>					<i>Total</i>
		<i>Less than 6 months</i>	<i>6 months to 1 year</i>	<i>1-2 years</i>	<i>2-3 years</i>	<i>More than 3 years</i>	
<b>As at April 1, 2021</b>							
Undisputed – considered good	16,625.35	9,555.73	526.08	620.25	620.55	1,776.50	29,724.46
Undisputed – credit impaired	–	–	–	–	39.21	1,594.46	1,633.67
Less : Allowance for doubtful debts	–	–	–	–	(39.21)	(1,594.46)	(1,633.67)
<b>As at March 31, 2022</b>	<b>16,625.35</b>	<b>9,555.73</b>	<b>526.08</b>	<b>620.25</b>	<b>620.55</b>	<b>1,776.50</b>	<b>29,724.46</b>
<b>As at April 1, 2020</b>							
Undisputed – considered good	12,761.57	4,624.10	241.17	771.31	798.95	4,185.28	23,382.39
Undisputed – credit impaired	–	–	–	4.24	256.11	–	260.35
Less : Allowance for doubtful debts	–	–	–	(4.24)	(256.11)	–	(260.35)
<b>As at March 31, 2021</b>	<b>12,761.57</b>	<b>4,624.10</b>	<b>241.17</b>	<b>771.31</b>	<b>798.95</b>	<b>4,185.28</b>	<b>23,382.38</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 14 : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Cash and Cash Equivalents</b>		
(i) Cash on hand	11.11	6.98
(ii) Balances with Banks		
In Current Accounts	1,666.17	871.70
In Fixed Deposit	69.34	63.09
<b>Total, Cash and Cash Equivalents</b>	<b>1,746.62</b>	<b>941.77</b>

**Note 15 : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
In Earmarked Accounts		
Unpaid Dividend Accounts	28.17	25.24
Margin Money	202.64	466.81
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>230.81</b>	<b>492.05</b>

**Note 16 : Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	54.05	39.81
<b>Total, Current Financial Assets - Loans</b>	<b>54.05</b>	<b>39.81</b>

**Note 17 : Current Financial Assets - Others**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Mark to Market Gain (Net) on financial instruments	2,415.03	210.04
Insurance Claim Receivable	-	4.81
Franking Advance	0.03	0.13
<b>Total, Current Financial Assets - Others</b>	<b>2,415.06</b>	<b>214.98</b>

**Note 18 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Advances to Suppliers	1,176.60	2,065.05
Tender Deposits	8.05	59.60
Pre-paid Expenses	954.11	863.13
Employee Advances	139.87	338.90
Receivable - Others	87.72	107.09
Receivable From OPC Assets	2.16	4.64
Balance with Statutory / Government Authorities	9,770.84	9,958.13
<b>Total, Other Current Assets</b>	<b>12,139.35</b>	<b>13,396.54</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</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>
50,00,000 Equity Shares of ₹ 10/- each		
5,00,000 Equity Shares of ₹ 10/- each		
2,50,000 Equity Shares of ₹ 10/- each		
10,000 Equity Shares of ₹ 10/- each		
<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, 2022</i> <i>Equity Shares</i>		<i>March 31, 2021</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>9,21,50,355</b>	<b>1,843.01</b>	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>B) Details of Shares held by each shareholder holding more than 5% shares</b>	<i>March 31, 2022</i>		<i>March 31, 2021</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>1,83,35,000</b>	<b>19.90%</b>	1,83,35,000	19.90%
ii) Shanteri Investment Pvt Ltd	<b>1,57,71,755</b>	<b>17.12%</b>	1,57,71,755	17.12%
iii) Aditi Panandikar	<b>55,59,013</b>	<b>6.03%</b>	55,59,013	6.03%
iv) Madhura Ramani	<b>51,84,079</b>	<b>5.63%</b>	51,84,079	5.63%
v) Aruna Suresh Kare	<b>47,94,714</b>	<b>5.20%</b>	47,94,714	5.20%
vi) Baring India Private Equity Fund III Listed Investments Limited				0.00%
vi) Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund	<b>61,20,964</b>	<b>6.64%</b>	61,20,964	6.64%

**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, 2022, the amount of ₹ 2.25 (including a Special dividend of ₹ 0.75) per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 1.50 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)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital Contd.**

D) Disclosure of Shareholding of Promoters

<i>Shares held by promoters at the end of the year</i>							
S no.	Promoter name	2021-22			2020-21		
		No. of shares	% of total Shares	% Change during the year	No. of shares	% of total Shares	% Change during the year
1	Kare Suresh Govind	40,60,408	7.51%	–	40,60,408	7.51%	–
2	Kare Suresh Govind (HUF)	273,500	0.51%	–	273,500	0.51%	–
3	Kare Aruna Suresh	47,94,714	8.87%	–	47,94,714	8.87%	–
4	Panandikar Aditi Milind	55,59,013	10.28%	–	55,59,013	10.28%	–
5	Ramani Madhura Anup	51,84,079	9.59%	–	51,84,079	9.59%	–
6	Shanteri Investment Pvt. Ltd.	1,57,71,755	29.16%	–	1,57,71,755	29.16%	–
7	SPA Holdings Pvt. Ltd.	1,83,35,000	33.90%	–	1,83,35,000	33.90%	–
8	Kare Govind Ramnath	2,000	0.00%	–	2,000	0.00%	–
9	Kare Sharda Ramnath	32,500	0.06%	–	32,500	0.06%	–
10	Pai Sudha M.	10,727	0.02%	–	10,727	0.02%	–
11	Vaidya Pratima Ajit	26,550	0.05%	–	26,550	0.05%	–
12	Panandikar Megh Milind	11,200	0.02%	–	11,200	0.02%	–
13	Panandikar Milind S.	7,500	0.01%	–	7,500	0.01%	–
14	Panandikar Mahika Milind	6,100	0.01%	–	6,100	0.01%	–
15	Ramani Rohan A.	6,100	0.01%	–	6,100	0.01%	–
	<b>Total</b>	<b>5,40,81,146</b>	<b>58.69%</b>		<b>5,40,81,146</b>	<b>58.69%</b>	
	<b>Total Number of Shares</b>	<b>9,21,50,355</b>	<b>100.00%</b>		<b>9,21,50,355</b>	<b>100.00%</b>	

**Note 20 : Other Equity**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</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	56,382.41	42,817.46
<b>Total, Other Equity</b>	<b>88,621.00</b>	<b>75,056.05</b>

(i) **Capital Reserve**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Opening Balance	0.02	0.02
Additions	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 20 : Other Equity** *Contd.*

(ii) **Securities Premium**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Opening Balance	<b>6,420.93</b>	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, 2022</i>	<i>March 31, 2021</i>
Opening balance	<b>25,817.64</b>	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, 2022</i>	<i>March 31, 2021</i>
Opening balance	<b>42,817.46</b>	33,875.34
Add : Net Profit / (Loss) for the Year	<b>15,479.95</b>	9,304.55
Add : Other Comprehensive Income	<b>(532.74)</b>	(85.98)
Amount available for appropriation	<b>57,764.67</b>	43,093.91
Less : Transferred to General Reserve	–	–
Less : Dividend paid	<b>(1,382.26)</b>	(276.45)
<b>Closing balance</b>	<b>56,382.41</b>	<b>42,817.46</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)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21a (i)	<b>1,100.66</b>	3,161.87
Indian rupee loan	Note No. 21a (ii)	<b>12,946.65</b>	11,026.34
Interest accrued but not due		<b>78.41</b>	98.35
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>14,125.72</b>	<b>14,286.56</b>
Less: Current maturities of long-term debt (included in note 24a)		<b>(4,458.82)</b>	(4,494.29)
Less: Interest accrued (included in note 24a)		<b>(78.41)</b>	(98.35)
<b>Total, Non-current borrowings (as per balance sheet)</b>		<b>9,588.49</b>	<b>9,693.92</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>
21a (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Amount Availed	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. The loan has been fully repaid in current 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)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings** *Contd.*

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21a (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Amount Availed	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. The loan has been fully repaid in current 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.
21a (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Amount Availed	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)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings Contd.**

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21a (ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment Rate of Interest Nature of Security	₹ 50,00,00,000/- ₹ 50,00,00,000/- The Term Loan was 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. On 23/04/2021 the loan was partially repaid vide Term loan refinanced by DBS Bank India Limited. Hence, the balance loan as on 31/03/2022 are repayable in 16 equal monthly installment of ₹ 83,33,000/- and last instalment of ₹ 33,46,000/- is repayable on 14/08/2023. 7.00% p.a. Primary : First and Exclusive Charge on entire moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on entire 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.
21a (ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment Rate of Interest Nature of Security	₹ 35,00,00,000/- ₹ 35,00,00,000/- The o/s Term Loan is Repayable on April 19, 2022 ₹ 64,97,750/- and last instalment of ₹ 64,93,205/- ending on May 19, 2022. 7.00% p.a. 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.
21a (ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment Rate of Interest Nature of Security	₹ 38,00,00,000/- ₹ 37,00,00,000/- 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. The loan has been fully repaid in current year. 8.00% p.a. 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)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings Contd.**

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21a (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 20 quarterly equal instalments of ₹ 2,50,00,000/- each commencing from Dec, 2022, ending on September, 2027.
	Rate of Interest	7.00% 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.
21a (ii)	DBS Bank India Limited	
	Amount Sanctioned	₹ 55,00,00,000/-
	Amount Availed	₹ 55,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 10 quarterly equal instalments of ₹ 5,50,00,000/- each commencing from Jan, 2022, ending on April, 2024.
	Rate of Interest	5.95% p.a.
	Nature of Security	1st Pari passu charge on moveable fixed assets both present and future situated at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722.
21a (ii)	HDFC Bank Limited	
	Amount Sanctioned	₹ 50,00,00,000/-
	Amount Availed	₹ 50,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 16 quarterly equal instalments of ₹ 93,75,000/- each commencing from June, 2023, ending on March, 2027.
	Rate of Interest	5.60% p.a.
	Nature of Security	1st Pari passu charge on over 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-410220.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21a : Non-Current Financial Liabilities - Borrowings** *Contd.*

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21a (iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Amount Availed	₹ 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.
	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.

**Note 21b : Non-Current Financial - Lease Liabilities**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Unsecured</b>		
Lease Liability-OPC Assets (refer note no. 39)	<b>636.79</b>	700.52
Lease Liability-CRO Assets (refer note no. 39)	<b>459.44</b>	-
<b>Total, Non-Current Financial-Lease Liabilities</b>	<b>1,096.23</b>	<b>700.52</b>

**Note 22 : Non Current Provisions**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	<b>1,386.53</b>	1,218.22
Gratuity (refer note no. 38)	<b>1,787.95</b>	1,559.27
<b>Total, Non Current Provisions</b>	<b>3,174.48</b>	<b>2,777.49</b>

**Note 23 : Other Non Current Liabilities**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Others</b>		
Security Deposit	<b>740.53</b>	732.89
Deposit Others	-	10.28
<b>Total, Other Non Current Liabilities</b>	<b>740.53</b>	<b>743.17</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24a : Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Secured (Refer Note below)</b>			
Loans from Banks			
Cash Credit Facility	Note No. 24a (i)	<b>1,047.25</b>	2,165.20
Foreign Currency Export Packing Credit	Note No. 24a (ii)	<b>2,401.48</b>	–
Packing Credit in Rupee	Note No. 24a (iii)	–	1,000.00
Term Loans from Banks			
Indian Rupee loan	Note No. 21a	<b>3,829.87</b>	2,458.02
Foreign Currency loan -ECB / FCNR(B)	Note No. 21a	<b>628.95</b>	2,036.27
Interest accrued		<b>105.61</b>	122.91
<b>Unsecured</b>			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24a (ii)	<b>318.96</b>	2,215.07
Packing Credit in Rupee	Note No. 24a (iii)	–	1,850.00
Working Capital Demand Loan	Note No. 24a (iv)	<b>1,500.00</b>	1,377.55
Short Term Loan	Note No. 24 (v)	<b>5,000.00</b>	3,000.00
<b>Total, Current Financial Liabilities - Borrowings</b>		<b>14,832.12</b>	<b>16,225.02</b>

The quarterly returns or statements filed by the Company during the year with the banks are in agreement with books of account of the Company other than June 2021 quarter, however differences were not material in nature.

*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.*

<i>Note No.</i>	<i>Type of Loan</i>	<i>Repayment and Rate of Interest</i>
24a (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 7.00% p.a to 10.15% p.a (Previous year @ 8.15 % p.a. to 10.15 % p.a.)
24a (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 1.35% BPS to 1.50% BPS . (Previous year LIBOR + 1% BPS to 1.65% BPS)
24a (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 4.35% to 5.40% p.a (Previous Year @ 5.60% to 7.60% p.a.)
24a (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 4.30% to 5.50% p.a (Previous year 6.50% p.a. to 7.90% p.a.)
24a (v)	Short Term Loan	Is repayable on demand and carries interest 4.50% p.a. to 5.80% (Previous year 5.95% p.a. to 7.75% p.a.)



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 24b : Current Financial - Lease Liabilities**

(Amt in ₹)

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Unsecured</b>		
Lease Liability-OPC Assets (Refer Note no. 39)	63.73	54.49
Lease Liability-CRO Assets (Refer Note no. 39)	86.16	–
<b>Total, Current Financial Lease Liabilities</b>	<b>149.89</b>	<b>54.49</b>

**Note 25 : Trade Payables**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Trade payables		
Total Outstanding Dues of Micro and Small Enterprises (refer note no.54)	–	0.59
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	13,329.06	11,321.99
<b>Total, Trade Payables</b>	<b>13,329.06</b>	<b>11,322.58</b>

Trade payables ageing schedule for the years ended as on March 31, 2022 and March 31, 2021 is as follows

<i>Particulars</i>	<i>Not Due</i>	<i>Outstanding for following periods from due date of payment</i>				<i>Total</i>
		<i>Less than 1 year</i>	<i>1-2 years</i>	<i>2-3 years</i>	<i>More than 3 years</i>	
<b>As at April 1, 2021</b>						
Outstanding dues to MSME	2,165.57	293.69	–	–	–	2,459.26
Others	935.92	9,341.71	115.00	9.83	467.34	10,869.80
Disputed dues – MSME	–	–	–	–	–	–
<b>As at March 31, 2022</b>	<b>3,101.49</b>	<b>9,635.40</b>	<b>115.00</b>	<b>9.83</b>	<b>467.34</b>	<b>13,329.06</b>
<b>As at April 1, 2020</b>						
Outstanding dues to MSME	1,868.46	186.09	–	–	–	2,054.55
Others	1,414.44	7,729.10	46.89	37.15	40.45	9,268.03
Disputed dues – MSME	–	–	–	–	–	–
<b>As at March 31, 2021</b>	<b>3,282.90</b>	<b>7,915.19</b>	<b>46.89</b>	<b>37.15</b>	<b>40.45</b>	<b>11,322.58</b>

Please refer note no. 46 for Relationship with Struck off Companies

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 26 : Current Other Financial Liabilities**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Unclaimed Dividend (*)	28.17	25.24
Deposit Payable - Others	0.75	0.75
Other Current Liabilities	8,568.51	7,611.60
<b>Total, Current Other financial liabilities</b>	<b>8,597.43</b>	<b>7,637.59</b>

\* Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

**Note 27 : Current Provisions**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	428.47	227.92
Gratuity (refer note no. 38)	1,266.42	945.61
Bonus	935.05	1,029.86
<b>Others</b>		
Sales Return	2,114.68	2,487.75
<b>Total, Provisions</b>	<b>4,744.62</b>	<b>4,691.14</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 1,730.81 lakhs as at March 31, 2022 (March 31, 2021 - INR 1,543.95 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, 2021</b>	<b>2,487.75</b>
Charged/(credited) to profit or loss	
provision for current year	1,730.82
provision of earlier years utilised as against returns of current year	(2,103.89)
<b>As at March 31, 2022</b>	<b>2,114.67</b>
<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>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 28 : Other Current Liabilities**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Advance from Customer	371.75	305.35
Statutory Dues Payable	382.87	455.82
<b>Total, Other Liabilities</b>	<b>754.62</b>	<b>761.17</b>

**Note 29 : Revenue from operations**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Sale of Product		
Domestic Sales	82,239.02	66,269.48
Export Sales	59,357.14	48,428.75
	<b>1,41,596.16</b>	1,14,698.23
Sale of Services		
Export Services	6,287.75	5,834.76
Domestic Services	2,489.83	1,327.79
	<b>8,777.58</b>	7,162.55
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	3,320.37	1,048.17
Export Incentives	315.63	1,210.58
Scrap Sale	65.61	33.24
	<b>3,701.61</b>	2,291.99
<b>Total, Revenue from Operations (Gross)</b>	<b>1,54,075.35</b>	<b>1,24,152.77</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 sales return INR 1,730.81 lakhs as at March 31, 2022 (March 31, 2021 - INR 1,543.95 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, 2022. 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)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 29 : Revenue from operations: Contd.**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
<b>Formulation :</b>		
Domestic	<b>80,309.60</b>	61,898.40
Export		
Regulated Market :	<b>50,357.28</b>	39,984.65
Emerging Market :	<b>11,696.67</b>	9,250.65
Export, Total	<b>62,053.95</b>	49,235.30
<b>Formulation, Total (a)</b>	<b>1,42,363.55</b>	<b>1,11,133.70</b>
API (b)	<b>6,339.19</b>	9,397.96
CRO, Analytical Services & Others(c)	<b>1,671.00</b>	1,329.12
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>1,50,373.74</b>	<b>1,21,860.78</b>
Other Operating Revenue	<b>3,701.61</b>	2,291.99
<b>Total, Income from Operation</b>	<b>1,54,075.35</b>	<b>1,24,152.77</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'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Interest Income	<b>47.38</b>	78.85
Dividend Income	<b>0.29</b>	0.63
<u>Other Non-operating income</u>		
Sundry Receipts	<b>46.68</b>	62.47
Sundry Balance w/back	<b>136.41</b>	167.53
Profit on Sale of Fixed Assets	<b>1.93</b>	2.10
<b>Total, Other Income</b>	<b>232.69</b>	<b>311.58</b>

**Note 31a : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Raw / Packing Materials :		
Opening Stock	<b>13,668.02</b>	11,938.16
Add : Purchases	<b>44,275.92</b>	32,049.62
Less : Closing Stock	<b>(18,577.79)</b>	(13,668.02 )
<b>Total, Cost of material consumed</b>	<b>39,366.15</b>	<b>30,319.76</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 31b : Purchase of Stock in Trade**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Purchase of Stock in Trade	<b>8,943.00</b>	6,303.72
<b>Total, Purchase of Stock in Trade</b>	<b>8,943.00</b>	<b>6,303.72</b>

**Note 31c : Changes in Inventories**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	<b>4,442.38</b>	4,491.70
Op.Stock - WIP	<b>3,905.36</b>	2,636.94
Op.Stock - Stock in Trade	<b>1,005.76</b>	1,011.80
	<b>9,353.50</b>	8,140.44
Inventories at the end of the year		
Cl.Stock - Finished Goods	<b>(5,487.00)</b>	(4,442.38)
Cl.Stock - WIP	<b>(4,270.62)</b>	(3,905.36)
Cl.Stock - Stock in Trade	<b>(2,226.23)</b>	(1,005.76)
	<b>(11,983.85)</b>	(9,353.50)
<b>Total, Changes in Inventories</b>	<b>(2,630.35)</b>	<b>(1,213.06)</b>

**Note 32 : Employee Benefits Expense**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Salaries, Wages and Bonus (refer note no. 38)	<b>26,017.39</b>	23,902.21
Contribution to Provident and Other Funds (refer note no. 38)	<b>2,576.71</b>	2,131.24
Staff Welfare Expenses	<b>775.80</b>	1,368.70
<b>Total, Employee Benefit Expense</b>	<b>29,369.90</b>	<b>27,402.15</b>

**Note 33 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
R&D Employee Cost	<b>3,026.34</b>	2,415.30
Other R&D Expenses	<b>4,437.85</b>	3,555.06
<b>Total, Research &amp; Development Expenses</b>	<b>7,464.19</b>	<b>5,970.36</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 34 : Depreciation and amortisation expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Depreciation of Property, Plant and Equipment	3	<b>4,913.42</b>	4,917.49
Amortisation of Right-of-use assets	4	<b>163.47</b>	57.44
Amortisation of Intangible Assets	5	<b>2,644.00</b>	2,337.58
Impairment of Assets	5	<b>174.70</b>	–
<b>Total, Depreciation and Amortisation Expenses</b>		<b>7,895.59</b>	<b>7,312.51</b>

**Note 35 : Other Expenses**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Consumable Stores	<b>697.76</b>	553.68
Job Work Charges	<b>1,583.42</b>	1,048.79
Power and Fuel	<b>4,277.95</b>	3,689.10
Rent, Rates, Taxes	<b>567.08</b>	499.98
Insurance	<b>371.61</b>	257.89
Repairs :		
Building	<b>488.65</b>	137.08
Plant and Machinery	<b>1,468.25</b>	1,269.94
Others	<b>1,957.70</b>	1,599.75
	<b>3,914.60</b>	3,006.77
Packing and Delivery Expenses	<b>4,824.08</b>	3,607.75
Analytical Expenses	<b>2,808.59</b>	2,452.58
Advertising and Sales Promotion Expenses	<b>5,314.25</b>	4,354.86
Commission and Incentives on sales	<b>3,733.82</b>	3,246.99
Travelling, Conveyance and Motor Car Expenses	<b>4,327.85</b>	3,680.49
Legal and Professional Fees	<b>771.48</b>	1,307.21
Director's Sitting Fees	<b>28.00</b>	22.40
Postage, Telephone and Telex Expenses	<b>91.01</b>	91.23
Printing and Stationery Expenses	<b>489.75</b>	273.20
Payments to Auditors (refer note no. 35(a))	<b>17.24</b>	16.62
Loss on sale of Assets	<b>53.00</b>	26.44
Provision for Doubtful Debts	<b>1,482.51</b>	126.86
Bad Debts written off		
Bad Debts written off	<b>140.27</b>	1,652.98
Less : Transfer from Provision for Doubtful Debts	<b>(109.18)</b>	(594.26 )
	<b>31.09</b>	1,058.72
Corporate Social Responsibility (refer note no. 35(b))	<b>92.87</b>	62.71
Miscellaneous Expenses	<b>3,350.30</b>	3,558.76
<b>Total, Other expenses</b>	<b>38,828.26</b>	<b>32,943.03</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 35 (a) : Details of payments to Auditors**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	<b>9.30</b>	9.30
Tax Audit Fees under GST	<b>4.25</b>	4.55
<b>In other capacities :</b>		
Certification fees	<b>3.39</b>	2.73
Re-imburement of expenses	<b>0.30</b>	0.04
<b>Total, Payment to Auditors</b>	<b>17.24</b>	<b>16.62</b>

**Note 35 (b) : Corporate social responsibility expenditure**

Expense towards activities relating to Corporate Social Responsibility in compliance with section 135 of the Companies Act, 2013 is as under :

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
<b>Contribution to :</b>		
Promoting Education	<b>10.26</b>	–
Preventive Healthcare	<b>51.20</b>	2.95
Contribution of Free Medicine	<b>31.41</b>	15.40
Covid-19	–	44.36
<b>Total</b>	<b>92.87</b>	<b>62.71</b>
Amount required to be spent as per Section 135 of the Act	<b>100.54</b>	45.26
Less : Carry Forward from 2020-21	<b>17.45</b>	–
<b>Net amount to be spent in 2021-22</b>	<b>83.09</b>	<b>45.26</b>
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	<b>92.87</b>	<b>62.71</b>
Amount carry forward to FY 2022-23	<b>9.78</b>	<b>17.45</b>

**Note 36 : Finance Cost**

<i>Particulars</i>	<i>Apr'21-Mar'22</i>	<i>Apr'20-Mar'21</i>
Interest Expense	<b>1,645.79</b>	2,104.13
Other Financial charges	<b>97.35</b>	105.83
Exchange Gain / Loss (Net)	<b>(328.96)</b>	16.21
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>1,414.18</b>	<b>2,226.17</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 (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : Income Tax expense**

(Amt in ₹)

Particulars	Apr'21-Mar'22	Apr'20-Mar'21
<b>(a) Statement of Profit and Loss :</b>		
<b>Profit or Loss section :</b>		
<b>Current Income Tax :</b>		
Current Income Tax Charge	9,330.37	3,857.20
Tax in respect of earlier years	–	–
<b>Total, Current Income Tax</b>	<b>9,330.37</b>	<b>3,857.20</b>
<b>Deferred tax section :</b>		
Origination and reversal of timing difference	(735.39)	47.32
MAT Credit Adjustments	(417.81)	(9.36)
<b>Total, Deferred tax expense/(benefit)</b>	<b>(1,153.20)</b>	<b>37.96</b>
<b>Tax expense reported in the statement of Profit and Loss</b>	<b>8,177.17</b>	<b>3,895.16</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	(286.12)	(46.19)
<b>Tax charged to OCI</b>	<b>(286.12)</b>	<b>(46.19)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Particulars	Apr'21-Mar'22	Apr'20-Mar'21
Profit / (Loss) from continuing operations before income tax expense	23,657.12	13,199.71
Profit from discontinuing operation before income tax expense	–	–
	<b>23,657.12</b>	<b>13,199.71</b>
<b>Tax at the Indian tax rate of 34.944% (2020-2021 – 34.944%)</b>	<b>8,266.74</b>	<b>4,612.51</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	44.07	(42.28)
Effect of non-deductible expenses	(3.13)	(2.06)
Other items	3.76	(7.42)
Adjustments of MAT of Previous period	(417.81)	–
Tax losses for which no deferred income tax was recognised	283.53	(665.59)
<b>Income tax expense</b>	<b>8,177.17</b>	<b>3,895.16</b>
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>8,177.17</b>	<b>3,895.16</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 428.47 lakhs (March 31, 2021 – INR 227.92 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.



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**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 1,992.73 lakhs (March 31, 2021 – INR 1,527.86 lakhs).

b. Superannuation

The company contributed INR 95.34 lakhs (March 31, 2021 - INR 82.84 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, 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 Acturial (Gain)/loss - Due to change in demographic assumptions	–	–	–
Net Acturial (Gain)/loss - Due to change in financial assumptions	(8.77)	–	(8.77)
Net Acturial (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>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**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, 2021</b>	<b>2,565.18</b>	<b>(60.30)</b>	<b>2,504.88</b>
Current service cost	300.60	–	300.60
Past Service Cost	–	–	–
Interest expense/(income)	175.97	(4.14)	171.83
<b>Total amount recognized in Consolidated Statement of Profit &amp; Loss</b>	<b>476.57</b>	<b>(4.14)</b>	<b>472.43</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	(0.42)	(0.42)
Net Acturial (Gain)/loss - Due to change in demographic assumptions	(1.65)	–	(1.65)
Net Acturial (Gain)/loss - Due to change in financial assumptions	(32.91)	–	(32.91)
Net Acturial (Gain)/loss - Due to experience changes	853.79	–	853.79
<b>Total amount recognized in other comprehensive income</b>	<b>819.23</b>	<b>(0.42)</b>	<b>818.81</b>
Employer contributions	–	(741.75)	(741.75)
Benefit payments	(491.29)	491.29	–
<b>March 31, 2022</b>	<b>3,369.69</b>	<b>(315.32)</b>	<b>3,054.37</b>

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

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Present value of funded obligations	3,369.69	2,565.18
Fair value of plan assets	(315.32)	(60.30)
<b>Deficit of funded plan</b>	<b>3,054.37</b>	<b>2,504.88</b>
Unfunded plans	–	–
<b>Deficit of gratuity plan</b>	<b>3,054.37</b>	<b>2,504.88</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, 2022</i>	<i>March 31, 2021</i>
Discount rate	6.98%	6.86%
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%

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	1%	1%	–	–	253.56	203.25
Discount rate	-1%	-1%	292.68	236.17	–	–
Salary growth rate	1%	1%	287.31	238.24	–	–
Salary growth rate	-1%	-1%	–	–	254.48	208.43
Attrition rate	1%	1%	38.13	28.12	–	–
Attrition rate	-1%	-1%	–	–	43.71	32.62

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, 2022	March 31, 2021
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	315.32	60.30
<b>Total</b>	<b>315.32</b>	<b>60.30</b>

(vii) Maturity profile of projected benefit obligation (from fund) :

Particulars	March 31, 2022	March 31, 2021
1st following year	334.40	236.15
2nd following year	208.98	158.96
3rd following year	231.75	180.76
4th following year	243.07	188.74
5th following year	273.87	186.52
Sum of years 6 to 10	1,566.86	1,114.21
Sum of years 11 and above	3,994.14	3,301.05

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 39 : Leases**

- (a) Following are the changes in the Carrying value of Right to Use of Assets for the year ended March 31, 2022

Particulars	Category of ROU Assets					
	Building	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	Total
<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>
<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>
Additions during the year	<b>619.20</b>	–	–	–	–	<b>619.20</b>
Depreciation charge during the year	<b>(107.57)</b>	<b>(25.80)</b>	<b>(19.33)</b>	<b>(10.50)</b>	<b>(0.27)</b>	<b>(163.47)</b>
<b>Balance as at March 31, 2022</b>	<b>511.63</b>	<b>332.71</b>	<b>150.65</b>	<b>134.33</b>	<b>0.13</b>	<b>1,129.45</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, 2022	March 31, 2021
Current Lease Liabilities (refer note no. 26)	<b>149.89</b>	54.49
Non Current Lease Liabilities (refer note no. 22)	<b>1,096.23</b>	700.52
<b>Total, Lease Liabilities</b>	<b>1,246.12</b>	<b>755.01</b>

- (c) Following is the movement in Lease Liabilities :

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	<b>755.01</b>	600.85
Additions during the year	<b>619.20</b>	233.57
Finance cost accrued during the year	<b>70.86</b>	65.60
Payment of Lease Liabilities	<b>(198.95)</b>	(145.01)
<b>Balance at the end of the year</b>	<b>1,246.12</b>	<b>755.01</b>

- (d) The following is a summary of future minimum lease rental commitments towards Finance Leases :

Particulars	March 31, 2022		March 31, 2021	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	<b>256.82</b>	<b>149.91</b>	125.36	54.49
Due in a period between one year and five years	<b>1,131.14</b>	<b>877.11</b>	573.38	360.65
Due after five years	<b>283.19</b>	<b>219.10</b>	432.41	339.87
<b>Total minimum lease commitments</b>	<b>1,671.15</b>	<b>1,246.12</b>	<b>1,131.15</b>	<b>755.01</b>
Less : Interest	<b>(425.03)</b>		(376.14)	
<b>Present value of minimum lease commitments</b>	<b>1,246.12</b>		<b>755.01</b>	

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 40 : Fair value measurement**

<i>Financial instruments by category</i>	<i>March 31, 2022</i>		<i>March 31, 2021</i>	
	<i>FVPL</i>	<i>Amortised Cost</i>	<i>FVPL</i>	<i>Amortised Cost</i>
<b>Financial Assets</b>				
Investments				
Equity instruments	2.25		2.10	
Trade receivables		29,724.46		23,382.38
Non Current Other Financial assets		183.71		172.74
Cash and cash equivalents		1,746.62		941.77
Bank balances other than cash and cash equivalents		230.81		492.05
Non-Current Financial Assets		141.32		95.52
Current Financial Assets		54.05		39.81
Current Other Financial Assets		2,415.06		214.98
<b>Total Financial Assets</b>	<b>2.25</b>	<b>34,496.03</b>	<b>2.10</b>	<b>25,339.25</b>
<b>Financial Liabilities</b>				
Bank Borrowings		24,420.62		25,918.93
Lease Liabilities		1,246.12		755.01
Current Other Financial Liabilities		8,597.41		7,637.58
Trade Payables		13,329.06		11,322.58
<b>Total Financial Liabilities</b>	<b>-</b>	<b>47,593.21</b>	<b>-</b>	<b>45,634.10</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, 2022</i>			<i>March 31, 2021</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		2.25			2.10	
<b>Total Financial Assets</b>	<b>-</b>	<b>2.25</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>-</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**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, 2022</i>	<i>March 31, 2021</i>
Net Debt	<b>23,689.30</b>	25,240.13
Equity	<b>90,464.01</b>	76,899.06
<b>Net debt to equity ratio</b>	<b>26.2%</b>	<b>32.8%</b>

**(b) Dividends**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2021 of INR 1.50 (March 31, 2020 of INR 0.30) per fully paid share	<b>1,382.26</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 2.25 (including a Special dividend of ₹ 0.75) per fully paid equity share (March 31, 2021 – INR 1.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	<b>2,073.38</b>	1,382.26

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**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.

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Total adjusted EBITDA</b>	<b>32,734.20</b>	<b>22,426.81</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

<i>Particulars</i>	<i>Note No</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
<b>Total adjusted EBITDA</b>		<b>32,734.20</b>	<b>22,426.81</b>
Finance costs	36	<b>1,414.18</b>	2,226.17
Other Income	30	<b>(232.69)</b>	(311.58)
Depreciation and Amortisation Expense	34	<b>7,895.59</b>	7,312.51
<b>Profit before income tax from continuing operations</b>		<b>23,657.12</b>	<b>13,199.71</b>

(c) **Segment revenue**

The segment revenue is measured in the same way as in the statement of profit or loss.

**Geographical :**

<i>Particulars</i>	<i>March 31, 2022</i>			<i>March 31, 2021</i>		
	<i>India</i>	<i>Outside India</i>	<i>Total</i>	<i>India</i>	<i>Outside India</i>	<i>Total</i>
Revenue from External Customers	<b>84,728.85</b>	<b>65,644.89</b>	<b>1,50,373.74</b>	67,597.27	54,263.51	<b>1,21,860.78</b>
Non Current Assets (*)	<b>70,920.02</b>	–	<b>70,920.02</b>	66,337.91	–	<b>66,337.91</b>

\* Excluding financial assets, deferred & current tax assets.

**Product :**

<i>Particulars</i>	<i>March 31, 2022</i>	<i>March 31, 2021</i>
Revenue from Product	<b>1,41,596.16</b>	1,14,698.23
Revenue from Services	<b>8,777.58</b>	7,162.55
<b>Total, Revenue</b>	<b>1,50,373.74</b>	<b>1,21,860.78</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**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.	99.96%	90,430.01	99.82%	15,452.13	99.99%	(532.69)	99.81%	14,919.44
<b>Subsidiaries</b>								
<b>Indian</b>								
Xtend Industrial Designers & Engineers Pvt. Ltd.	0.31%	277.14	0.18%	27.88	0.00%	–	0.19%	27.88
<b>Foreign</b>								
Indoco Remedies Czech s.r.o.	0.00%	(0.38)	0.00%	(0.06)	0.01%	(0.05)	0.00%	(0.11)
Indoco Remedies UK Ltd.	0.00%	0.10	0.00%	–	0.00%	–	0.00%	–
Inter Company Elimination and Consolidation Adjustment	-0.27%	(242.86)	0.00%	–	0.00%	–	0.00%	–
<b>Total</b>	<b>100.00%</b>	<b>90,464.01</b>	<b>100.00%</b>	<b>15,479.95</b>	<b>100.00%</b>	<b>(532.74)</b>	<b>100.00%</b>	<b>14,947.21</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'21-Mar'22	Apr'20-Mar'21
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit / (Loss) for the year	15,479.95	9,304.55
Weighted average numbers of equity shares	9,21,50,355	9,21,50,355
<b>Basic &amp; Diluted Earnings Per Share (₹ 2/-)</b>	<b>16.80</b>	<b>10.10</b>



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 46 : Relationship with Struck off Companies**

<i>Name of the Struck off Company</i>	<i>Nature of Transactions</i>	<i>Transaction during the year 31 March 2022</i>	<i>Balance Outstanding as at 31 March 2022</i>	<i>Relationship with the struck off company</i>
IDAFA Investments Private Limited	Subscription of equity shares	–	–	Equity Shareholder
Ace Technologies & Packaging Systems Private Limited	Services received	8.97	–	Vendor

<i>Name of the Struck off Company</i>	<i>Nature of Transactions</i>	<i>Transaction during the year 31 March 2021</i>	<i>Balance Outstanding as at 31 March 2021</i>	<i>Relationship with the struck off company</i>
IDAFA Investments Private Limited	Subscription of equity shares	–	–	Equity Shareholder
Ace Technologies & Packaging Systems Private Limited	Services received	8.72	-8.61	Vendor

**Note 47 : Additional Regulatory Information**

<i>S no.</i>	<i>Particulars</i>
1	The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
2	The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
3	The Company does have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4	The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
5	The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
6	The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
7	The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
8	The Group has not given any loans or advances in the nature of loans to the promoters, directors, kmp's and other related parties (as defined under Companies Act 2013) either severally or jointly.
9	The Group has not been declared as wilful defaulter by any bank or financial institution or other lenders during the year.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 48 : Ratio Analysis**

Sr No.	Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change
1	Current Ratio	Current Assets	Current Liabilities	<b>1.82</b>	1.53	18.95%
2	Net Debt Equity Ratio	Borrowings	Total Equity	<b>0.26</b>	0.33	-21.21%
3	Debt Service Coverage Ratio *	Earnings for debt service = Net Profit before tax + Depreciation and Amortisation + Finance Cost + Loss/(Gain) on sale of asset	Debt Service = Interest Payable + Principal repayments of long term borrowings + Principal repayments of Lease Obligations	<b>2.14</b>	1.51	41.72%
4	Return on Equity (%) *	Net Profit after taxes	Average Total Equity	<b>18.50</b>	12.85	43.97%
5	Inventory Turnover ratio (in days)	Average Inventory	Sale of Product in days	<b>71</b>	71	0.00%
6	Trade Receivable Turnover ratio (in days)	Average Trade Receivables	Revenue from Operations (excluding Other Operating Income)	<b>64</b>	66	-3.03%
7	Trade Payable Turnover ratio (in days)	Average Trade Payables	Expenses=Total Expenses - Finance Cost - Depreciation and Amortisation expense - Employee Benefit expenses	<b>49</b>	68	-27.94%
8	Net Capital Turnover ratio (in days)	Average Working Capital [Working capital: Current assets - Current liabilities] [Current liabilities: Total current liabilities - Current maturities]	Revenue from Operations (excluding Other Operating Income)	<b>80</b>	64	25.00%
9	Net Profit ratio (%) *	Net Profit	Revenue from Operations (excluding Other Operating Income)	<b>10.29</b>	7.64	34.69%
10	Return on Capital Employed (%) *	Earnings before Finance Cost and Taxes (EBIT)	Capital Employed = Total Equity + Non Current Borrowings + Current Borrowings + Current maturities of leases + Deferred Tax Liability	<b>19.67</b>	10.68	84.18%

\* Variation in coverage, turnover and other profitability ratios is primarily due to increase in turnover and profitability during the year ended March 31, 2022.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note: 49 - 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)

<i>Particulars</i>	<i>As at 31.03.2022</i>	<i>As at 31.03.2021</i>
Short Term Borrowings	<b>10,294.88</b>	11,632.38
Long Term Borrowings	<b>14,125.72</b>	14,286.56
Total Borrowings	<b>24,420.60</b>	<b>25,918.94</b>
% of Borrowings out of above bearing variable rate of Interest	<b>42.16%</b>	44.88%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on Profit before Tax**

(₹ in lakhs)

<i>Particulars</i>	<i>2021-22</i>	<i>2020-21</i>
50 BPS increase would decrease the Profit before Tax by	<b>51.47</b>	58.16
50 BPS decrease would (increase) the Profit before Tax by	<b>(51.47)</b>	(58.16)

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 49 : 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 naturally hedges its imports.

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)

	As at March 31, 2022		As at March 31, 2021	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	357.24	USD	151.97
Forward Contract to Buy USD	USD	26.00	USD	21.50
Forward Contract to Sell EURO	EURO	119.17	EURO	142.50
Forward Contract to Buy EURO	EURO	–	EURO	11.25
Forward Contract to Sell GBP	GBP	223.70	GBP	214.51
Forward Contract to BUY GBP	GBP	5.25	GBP	7.62
Swaps				
FCNR (B)	USD	–	USD	9.34
ECB	USD	–	USD	–
ECB	GBP	–	GBP	0.01
ECB	EURO	13.13	EURO	20.63

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 31st March, 2022

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD	CAD
Trade Receivables	138.36	80.13	64.58	–	–
Trade Payables	18.51	2.84	0.07	–	–
Loans Taken - Short Term & long Term	29.00	13.13	5.25	–	–
Cash & Bank Balances	–	–	–	–	–

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 49 : FINANCIAL RISK MANAGEMENT: Contd.**

As at 31st March, 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	–	–	–	–	–

(c) **Foreign Currency Risk Sensitivity**

A change of 5% in foreign currency would have following Impact on Profit before Tax

(₹ in lakhs)

	2021-22		2020-21	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	122.69	(122.69)	108.66	(108.66)
EURO	81.15	(81.15)	69.02	(69.02)
GBP	67.74	(67.74)	70.61	(70.61)
AUD	–	–	0.47	(0.47)
CHF	–	–	–	–
Increase / (Decrease) in profit or loss	271.58	(271.58)	248.76	(248.76)

**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)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 49 : 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, '22	As at March 31, '21
Not due	16,597.80	12,729.46
0-3 Months	9,183.25	3,953.07
3 - 6 Months	461.57	938.22
6 Months and above	5,115.51	6,021.98
<b>Total</b>	<b>31,358.13</b>	<b>23,642.73</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, '22	As at March 31, '21
Opening Provision	260.34	727.74
Add :- Additional provision made	1,499.30	126.86
Less : - Provision written off	109.18	20.61
Less : - Provision reversed	16.79	573.65
Closing Provisions	1,633.67	260.34

**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, '22	As at March 31, '21
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	22,172.32	20,832.18
Expiring beyond one year (bank loans)	—	—

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 49 : 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, '22				As at March 31, '21			
	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)	4,537.23	9,088.49	500.00	14,125.72	4,592.64	8,882.25	811.67	14,286.56
<b>Short term borrowings</b>	10,294.88	–	–	10,294.88	11,632.38	–	–	11,632.38
<b>Total</b>	14,832.11	9,088.49	500.00	24,420.60	16,225.02	8,882.25	811.67	25,918.94

(iii) **Maturity Patterns of other Financial Liabilities**

(₹ in lakhs)

As at March 31, '22	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	12,743.90	–	(97.27)	12,646.63
Payable related to Capital goods	646.85	–	35.58	682.43
Other Financial liability (Current and Non Current)	4,936.35	5,783.10	4,401.86	15,121.31
<b>Total</b>	18,327.10	5,783.10	4,340.17	28,450.37

(₹ 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

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 50 :**

Contingent Liabilities not provided for:

(₹ In lakhs)

		As at March 31, 2022	As at March 31, 2021
A)	Matters under dispute		
	i) Income Tax *	1,861.17	1,861.17
	ii) Sales Tax (₹ 490.89 lakhs has been paid under protest Previous year ₹ 454.57 lakhs) **	1,034.09	1,007.98
	iii) Excise / Service Tax [₹ 61.12 lakhs has been paid as pre-deposit (Previous year ₹ 61.12 lakhs)] ***	655.00	746.97
	iv) GST****	4.99	NIL
	v) Labour Law Matter	50.00	20.00
B)	Bank Guarantees	312.98	253.25
C)	Letters of Credit	774.79	555.48
D)	Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 983.99 lakhs (Previous year ₹ 736.85 lakhs )	1,334.40	1,146.74

**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. (Previous year - ₹ 20 Lakhs)
- Chartered of Demand(COD) case filed by Union FMRAI (Federation of Medical and Sales Representatives of India) for revision of field employee's salary which is pending since 2012 in Industrial Tribunal Mumbai in case bearing no. ITR No. 2 of 2012 FMRAI V/s Indoco Remedies Limited, Mumbai. Contingent liability against the suit is estimated upto ₹ 30 Lakhs. (Previous year - Nil)

**\* 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. of various assessment years
- ₹ 1,855.19 lakhs (Previous year - ₹ 1,855.19) demand issued by AO on account of Regular Assessment u/s 143(3) for AY 2018-19. 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.



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
**(All amounts in INR lakhs, unless otherwise stated)**

**Note 50 : Contd.**

- b) ₹ 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.
- c) ₹ 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.
- d) ₹ 59.88 Lakhs (Previous year – ₹ 59.88 Lakhs) demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- e) ₹ 5.99 Lakhs (Previous year – ₹ 5.99 Lakhs) is penalty imposed on demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 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 14 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 14 to March 2016. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada.
- h) ₹ 46.32 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand (including penalty) raised by sales tax officer for Financial Year 2007-08 and 2009-10 and 2013-14 on account of input credit of entry tax. The Company has filed appeal before Asst. Commissioner of Commercial Taxes, who has set aside the previous order and directed Assessing Officer for Re-assessment.

**\*\*\* Excise 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 ₹ NIL (Previous year – ₹ 91.97 Lakhs).
- 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).

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 50 :** *Contd.*

- i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before CESTAT, Mumbai for Exempted product-Allopurinol Value Based Duty Reversal.

**\*\*\*\* GST demand comprises of**

- a) Show cause notice under section 73 received from Office of the Dy. Com. of State Tax for tax period 2017-18 of ₹.4.99 lacs ( Previous year - ₹ NIL ). Assessee is yet to file appeal in this case.

**Note 51 :**

**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, 2022</i>	<i>As at March 31, 2021</i>
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	<b>29,699.88</b>	23,357.81
Margin Money against L/c	<b>202.64</b>	466.81
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	<b>31,051.56</b>	23,781.25
<b>Total Current Assets Pledged as security</b>	<b>60,954.08</b>	<b>47,605.87</b>
<b>Non Current Assets</b>		
First Charge		
Land & Building	<b>10,428.27</b>	14,066.50
Furniture, fittings and equipment	<b>686.48</b>	702.63
Plant and machinery	<b>21,925.77</b>	25,571.02
Others	<b>2,522.34</b>	3,326.35
<b>Total non-current assets Pledged as security</b>	<b>35,562.86</b>	<b>43,666.50</b>
<b>Total assets pledged as security</b>	<b>96,516.94</b>	<b>91,272.37</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 52 :**

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. Pramod Ghorpade, 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 Foundation, Warren Generics s.r.o.	

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

Note 52 : *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.	-	-	-	-	121.76
	P.Y.	-	-	-	-	101.98
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Remuneration paid	C.Y.	-	-	-	1,579.94	-
	P.Y.	-	-	-	1,052.57	-
Sitting Fees paid	C.Y.	-	-	-	28.00	-
	P.Y.	-	-	-	22.60	-
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.	-	-	-	-	0.70
	P.Y.	-	-	-	-	0.65
Guarantees and collaterals	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Payable	C.Y.	-	-	-	-	9.60
	P.Y.	-	-	-	-	8.99

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2022**  
(All amounts in INR lakhs, unless otherwise stated)

Note 52 : *Contd.*

Sr. No.	Particulars of Remuneration	Name of Executive Chairman / MD / JT. MD / KMP						Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeeep V Bambolkar	Mr. Mandar Borkar	Mr. Pramod Ghorpade	Mr. Jayshankar Menon	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act,1961	360.00	321.51	297.35	23.46	55.17	35.63	1,093.12
	Value of Perquisites under Section 17 (2) Income tax Act,1961	0.40*	2.90*	2.90*	0.27	0.06	0.63	7.16
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	–	–	–	–	–	–	–
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission / Incentive	100.00	100.00	100.00	10.00	6.64	5.00	321.64
5	Others, Please Specify – PF, SA	28.80	63.83	57.34	1.69	1.58	4.78	158.02
	<b>Total (1+5)*</b>	<b>489.20**</b>	<b>488.24**</b>	<b>457.59**</b>	<b>35.42</b>	<b>63.45</b>	<b>46.04</b>	<b>1,579.94</b>

\* 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 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.	–	–	–	1,610.94	122.46
	P.Y.	–	–	–	1,078.17	102.63
(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, 2022**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 53 :**

**Expenditure on R&D**

(₹ In lakhs)

<i>Particulars</i>	<i>2021-22</i>	<i>2020-21</i>
Building	5.44	1.93
Equipment & other capital expenditure	1,550.38	593.09
<b>Total Capital Expenditure</b>	<b>1,555.82</b>	<b>595.02</b>
Revenue Expenditure	7,464.19	5,970.36
<b>Total R &amp; D Expenditure</b>	<b>9,020.01</b>	<b>6,565.38</b>

**Note 54 :**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ In lakhs)

<i>S.no.</i>	<i>Particulars</i>	<i>2021-22</i>	<i>2020-21</i>
A	Principal Amount & Interest due on the above	<b>NIL</b>	<b>0.59</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 55 :**

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  
 Sd/-  
**Tejas Parikh**  
*Partner*  
 M. No. 123215

For and on behalf of the Board of Directors

Sd/-  
**Aditi Panandikar**  
*Managing Director*  
 DIN : 00179113  
 Sd/-  
**Pramod Ghorpade**  
*Chief Financial Officer*

Sd/-  
**Sundeep V Bambolkar**  
*Jt. Managing Director*  
 DIN : 00176613  
 Sd/-  
**Jayshankar Menon**  
*Company Secretary & AVP Legal*  
 Mumbai : May 17, 2022

# 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.



Saptasopan event to promote the Neuropsychological Nurturance Centre for Senior Citizens



Digital Classroom equipped with updated system to Shoshit Mukti Abhiyan Sanstha, Sindhudurga



13 ECG machines providing easy accessibility and affordable health care to the poor and needy at IPC, Goa



Renovation of Gram Hitawardhak Mandal Kelus School to provide education to the village children



Distribution of free medicines at Abha Seva Sadan – West Bengal and the Indian Medical Manufacturer's Association, Worli, through Lion's Club of Byculla



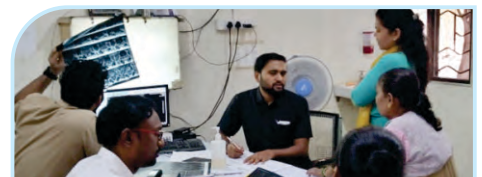
Setting up of a Laboratory to teach Robotics, IOT, AI and 3D animation to the underprivileged students of Pancholia School, Mumbai



Treadmill and recumbent bikes for the special children's gym cum physiotherapy centre at Chetana Apangmati Vikas Sanstha



Distribution of Free medicines at Swami Vivekananda Kendra Arun Jyothi – Guwahati



Centre for Neuro Spine Care to the tribal and rural people of the villages in Gadchiroli



Setting up of a Solar Power Plant for 'The Goa Hindu Association Sneha Mandir' the old age home in Goa



Distribution of free medicines at Ram Krishna Mission Ashram – Assam



Distribution of free medicines at BSS – Guwahati

# BUZZ @ INDOCO



Dussera Pooja @ Rabale



Felicitation of an Indocoite on completing 25 years of service



Winner of '75<sup>th</sup> Year of Excellence' logo



Parents of Std. X felicitated for excellent academic performance



Document Management System launch @ Goa



Lohri Celebrations @ Baddi



Women's Day Celebrations @ Baddi



Navaratri Celebrations @ Goa



Aditi Madam with winners of Coffee with MD Award



The Catalyst Teams



Fire Fighting Drill @ Waluj



Speaker's Club event @ HO



World Environment Day @ Patalganga



National Safety Week celebrated with primary school children @ Cortalim, Goa



Expressions 2022



Inspira - Talent Hunt for kids of Doctors



# BUZZ @ INDOCO



74<sup>th</sup> Foundation Day, 2021



Aditi Madam receives the IDMA 'Past National President (2005-2006)' award on behalf of Kare Sir



Dr. Kavita Inamdar, CTO, receives the 'IDMA Margi Patel Choksi Memorial Best Patent Award 2019-2021' on behalf of Indoco



Inauguration of new CQA office in Goa



Inauguration of the 'Bodhi' - SAP S/4 HANA project



Sales Meet in Mumbai



Goa plant I completes 25 years of excellence!



Pedicon 2022 Conference



Launch of New Product - 'Dropizin'



Indoco receives the 'Digitally Visible Company of the Year' award



25 years of hard work in the field recognized and appreciated



Achievers from Indoco Pharma, Sangli



Speracon, Mumbai



The MIMA CME 2022, Goa



GEMS initiative for Associates @ Goa

## 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.



75 YEARS YOUNG, BOLD AND DYNAMIC



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