



GOOD PEOPLE  
for GOOD HEALTH

July 28, 2022

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
G-Block, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051.

**Stock Symbol: JBCHEPHARM**

Dear Sir,

**Sub: Submission of Annual Report for the year 2021-22**

In compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find Annual Report for the year 2021-22 alongwith notice of the Annual General Meeting scheduled on August 24, 2022 at 3.30 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM). The dispatch of Annual Report alongwith notice of the Annual General Meeting to the shareholders of the Company has commenced today.

We request you to take the above on record.

Thanking you,

Yours faithfully,

**For J.B. Chemicals & Pharmaceuticals Limited**

**Sandeep Phadnis**  
**Vice President – Secretarial**  
**& Company Secretary**

**Registered Office:**

J.B. Chemicals & Pharmaceuticals Limited,  
CIN: L24390MH1976PLC019380  
Neelam Centre, 'B' Wing, 4<sup>th</sup> Floor, Hind Cycle Road,  
Worli, Mumbai – 400030, T:+91 22 24822222

**Corporate Office:**

J.B. Chemicals & Pharmaceuticals Limited,  
CIN: L24390MH1976PLC019380  
Energy IT Park, Unit A, 8<sup>th</sup> Floor, Appa Saheb Marathe Marg,  
Prabhadevi, Mumbai – 400025, T:+91 22 24395200/5500

[www.jbpharma.com](http://www.jbpharma.com)

# This is us.



ANNUAL REPORT  
2021-2022



GOOD PEOPLE  
*for* **GOOD HEALTH**





## OUR 'LOOK' HAS CHANGED, OUR VALUES REMAIN.

For over 45 years we, at JB have worked successfully to create innovative technologies, therapies, and brands preferred by doctors and patients across India and internationally. JB has built a strong foundation of integrity, trust and reliability by providing quality medicine and strong compliance across global markets. We have been and will always be committed to being there for our partners.

Our finger is firmly on the pulse of the world of healthcare and evolving customer needs. Our ideas and innovations in products, manufacturing processes and distribution stem from this effort. We constantly upgrade our progressive thinking and keep our manufacturing processes robust and lean. Be it in India or at a global level, we are championing the cause of spreading good health.

Our new identity has a simple, solid look that reflects the way we think and conduct ourselves. It is a symbol of our belief in continuing to be **GOOD PEOPLE** *for* **GOOD HEALTH**



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# Rich Legacy, *promising future.*



1st brick in the foundation laid by late Mr. J.B. Mody by incorporating **J. B. Mody Chemicals & Pharmaceuticals Limited** (JBCPL).

**1976**



Forayed into the cardiac segment with the revolutionary product **Nicardia**

**1985**



Iconic product **Rantac** introduced

**1987**

Received first FDA approval for our **Panoli Plant: T10.**

**2003**



**J.B. CHEMICALS & PHARMACEUTICALS LTD.**

**1977**

Introduced the product **Metrogyl**, that went on to become the 'gold standard' in the industry

Got publicly listed and expanded from API to Formulation



**2000**

Introduced leading OTC brand in Russia for cough and cold







Made a strategic investment in a company in South Africa called **Biotech Laboratories**.

2008



Leading private equity firm **Kohlberg Kravis Roberts & Co. Inc. (KKR)**, acquired a controlling stake of JB.

2020



Acquisition of **Azmarda and Sporlac** brands

2022

2007

Launched the product **Cilacar** that went on to become a leading brand in cardiology and nephrology.



2016

Received a silver award from the United States Pharmacopeia (USP) for participation in the Monograph Development & Upgradation Program and preparation and distribution of USP reference substance



2021

Ranked 28th in the Industry (ORG- IMS) with 5 brands: **Rantac, Metrogyl, Nicardia, Cilacar-T and Cilacar** featuring in top 300 brands of the Indian pharmaceutical market.

New therapeutic categories introduced: **Diabetes, Nephrology, Respiratory, Virology.**



Launch of **New JB identity**



**GOOD PEOPLE  
for GOOD HEALTH**

# JB at a *Glance*

**MKT SHARE: JB CHEM OUTSHINES**

**JB - FASTEST GROWING PHARMACEUTICAL COMPANY IN IPM IN FY'22 (MAT MAR'22).**

Source: IQVIA  
Acquisition strengthens position in Indian market

**45 years of pharmaceutical experience**

In the last one year, JB has become India's fastest growing pharmaceutical company, entering the list of India's top 25 pharmaceutical companies.

(IQVIA, MAT March 2022)

**5 brands featuring in India's top 300 pharmaceutical brands**

**Cilacar, Cilacar-T, Rantac, Metrogyl, and Nicardia** have achieved undisputed leadership in their respective therapeutic categories through incremental innovation and life cycle management.

**Generations of people have got well with our brands**

The medicines we manufacture are household names...Rantac, Metrogyl, Cilacar, Nicardia, Sporlac... your own family has surely used one or more of these at some time!

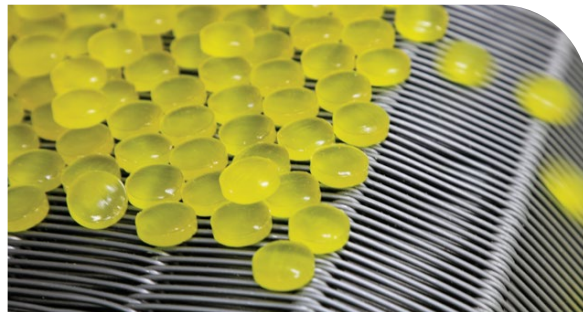
**Committed to doing more good for more people**

Making the highest quality drugs affordable and accessible. Our brands are available across more than 600,000 pharmacies of India. Literally in every PIN code!



### Manufacturing to the world's highest standard across 7 facilities

Over 40+ global accreditations including certification from major regulated markets such as US, UK, EU, Australia, South Africa, Russia/CIS and Australia.



### Innovative technologies

JB is one of the few Indian pharma companies employing the **OROS (Osmotic-controlled Oral delivery System)** technology. We also have set an unmatched technological lead in lozenges as a drug delivery format and are today one of the world's top 5 manufacturers of medicated and herbal lozenges.



### Quality in demand the world over

JB exports a wide range of formulations to 40+ regulated and semi-regulated markets. JB is among the top 15 companies in the South Africa market with a strong public and private presence. In Russia, we have over 30 years of brand equity and a direct presence with our field force in the high growth OTC segment.



### Trusted for unfailing reliability

JB is a leading partner for global pharma innovators and OTC companies; pioneer in supporting growth via contract manufacturing of big brands for large MNCs.



# CEO's *message.*



“TIME  
MOVES FAST,  
WE ARE MOVING  
FASTER”

## Dear Shareholders,

It has been an eventful year for the entire world. COVID-19 impacted every single person on the planet. However, I must say that everyone around the world stood united in this fight against this deadly virus, and we have managed to control the virus and its spread. Pandemic always poses different types of challenges. And now, as we emerge out of this pandemic, we can also see a different side of the universe being unfolded.

In this background, I am pleased with the legacy we are creating at JB, with a strong growth orientation approach built on the values of integrity, trust, and reliability. During the year, we retained our position as the fastest growing company within the top 30 pharma companies in India. Our big brands are growing bigger. Five of our brands feature within the top 300 in the

industry, and quite a few of these are household names. These too have stood out in their respective molecule segments.

We have the required determination and discipline to succeed in a post-pandemic era. Team-mates across the organization have gone above and beyond to secure a strong future for the company, and I wish to compliment all of them. Underlining our achievements and aspirations, we have assumed a new identity of JB Pharma to our customers, vendors, and partners. We wish to be future-ready and poised for growth, and this will happen through investment in advancing our portfolio in leadership as well as novel segments, smart marketing strategies in select export markets and driving home better productivities.

The domestic business has shown significant momentum, where the emphasis has been on the following aspects:

- **New Go-To-Market Model:** We launched a new Go-To-Market model which has helped us increase productivity and bring greater focus to the domestic business.
- **Increased Focus on the Chronic Segment:** During the year, we entered the fast growing chronic segment like heart failure, diabetes, and nephrology. Our acquisition of the 'Azmarda' brand from Novartis, will also be instrumental in driving a higher share of the chronic business.
- **New Product Launches:** During the year, we launched over 15 new products. Correspondingly the share of new offerings to domestic sales has increased from 1.4% in FY21 to 4% in FY22, and we are eager to push this metric even further.
- **Acquisition-led Growth via Strong Franchises:** While we are driving our organic strategies, the business is open to value-creating opportunities. The two acquisitions underline the prudent utilization of our capital and our free cash flows. Sporlac marks our foray into the highly attractive probiotics segment. The acquisition of the brand Azmarda from Novartis marks our entry into one of the fastest growing segments within cardiology, i.e. heart failure.

Our well-scripted progress in the international business continues: Beyond India, we count South Africa and Russia as home markets. Ours is the fastest growing company in South Africa, where we are ranked #15 in the market. In Russia, given the geo-political instability that the region has seen, we have been cautious in the management of the operations, although the demand has stayed on trend.

Further, our products are available across 40 countries, referred to as the ROW region. We operate through a distributor-led model, and we see demand picking up for the region post the pandemic. In the US, the focus shall be on low volume but high value offerings with a niche peer profile and where we are backed up with our in-house APIs. The US will continue to remain a cost-plus business model, which ensures our returns are good from the business.

The CMO business, especially Lozenges, represents an area of excellence for us, with a top 5 global position in

the production of medical and herbal lozenges. Backed by key regulatory citations and approvals in markets such as the UK, Canada, EU, Australia, South Africa, Russia/CIS, and other markets, our offerings form part of the global portfolios of leading multinational pharma/consumer health companies. We endeavor to achieve closer cooperation with our key customers, and given a comfortable availability of capacities, we are seeking to scale up progressively. The future portfolio will cater to immunity-focused products beyond the norm of cough, cold, and flu. Given our thrust on ROCE and good operating margins, we are keen to grow this business further.

FY22 is been a continuation of our journey to consolidate our foundation and prepare for sustained growth. On the one hand, we have taken measures to drive up therapy-wise and brand-focused expansion, especially within the domestic arena and on the other we are creating differentiation through sizeable opportunities within Lozenges. This journey will get augmented with opportune investments in growth creating acquisitions. On the operational aspect, we will continue the journey towards higher productivity and better cost management while enhancing our offering profile amongst key customers. All of this is and shall be possible on the back of a robust organization backbone and healthy governance platform that we are investing in.

Very recently, we have unveiled our new identity, which is a representation of our aspirations. Our new identity has a simple, solid look that reflects the way we think and conduct ourselves. It is a symbol of our belief in continuing to be **GOOD PEOPLE FOR GOOD HEALTH**. Thereby, with a defined growth agenda, team spirit, and dedication to creating sustainable advantages through key products, we are approaching the new year with new vigor and purpose.

I thank you for your support, and we will continue to create value for all our shareholders.

Yours sincerely,

**Nikhil Chopra**

# Board of *Directors*



**Mr. Ranjit Shahani**  
Chairman and Independent Director

Mr. Ranjit Shahani is a global business leader with over forty years of experience in industries such as healthcare, pharmaceuticals, health technology and special chemicals. He served as Vice Chairman and Managing Director of Novartis India Ltd.

He holds a Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Kanpur and a Master's in Business Administration from Jamnalal Bajaj Institute of Management Studies.



**Mr. Nikhil Chopra**  
CEO and Whole-Time Director

Mr. Nikhil Chopra is a Business leader with over twenty years of experience with consistent record of sustainable growth and shareholder value creation. For over two decades, he has spearheaded breakthrough ideas focused on creating greater access to high quality treatment and medicines, and gained a significant competitive advantage over peers, especially in therapies such as Respiratory, Urology HIV and Paediatric Care. He previously worked as CEO-India Business for Cipla Ltd.

He holds M.Sc. (Organic Chemistry) from Gujarat University.





**Mr. Gaurav Trehan**  
Non-executive Director

Mr. Gaurav Trehan is Partner and Head of the Private Equity business for KKR India. Prior to joining KKR, he spent more than 15 years with TPG Capital Asia and was a partner in its India office.

Mr. Trehan acquired a BS in mathematics/applied science and economics from UCLA.



**Mr. Prashant Kumar**  
Non-executive Director

Mr. Prashant Kumar is a Managing Director at KKR private equity team. Prior to joining KKR, Mr. Prashant Kumar was a Director and member of the investment committee at Chrys Capital, an emerging markets focused private equity firm.

Mr. Prashant Kumar holds a B.Tech. from the Indian Institute of Technology Delhi, a post-graduate diploma in management from the Indian Institute of Management Kolkata, and a masters in Business Administration from The Wharton School at the University of Pennsylvania.



**Ms. Padmini Khare Kaicker**  
Independent Director

Ms. Padmini Khare Kaicker is the Managing Partner of B. K. Khare & Co., Chartered Accountants, one of the leading and reputed Indian Accounting Firms in the profession for more than five decades. Ms. Padmini has over 25 years of wide and varied experience serving large and mid-sized clients in variety of businesses such as Manufacturing, Oil and Gas, Banking and Financial services, Insurance, IT, Hospitality, Real estate and Retail sectors.

She holds B.Sc. in Mathematics. Apart from being a Chartered Accountant from ICAI, she is also a Certified Public Accountant (USA) and holds a Diploma in Business Finance from Institute of Chartered Financial Analysts of India.

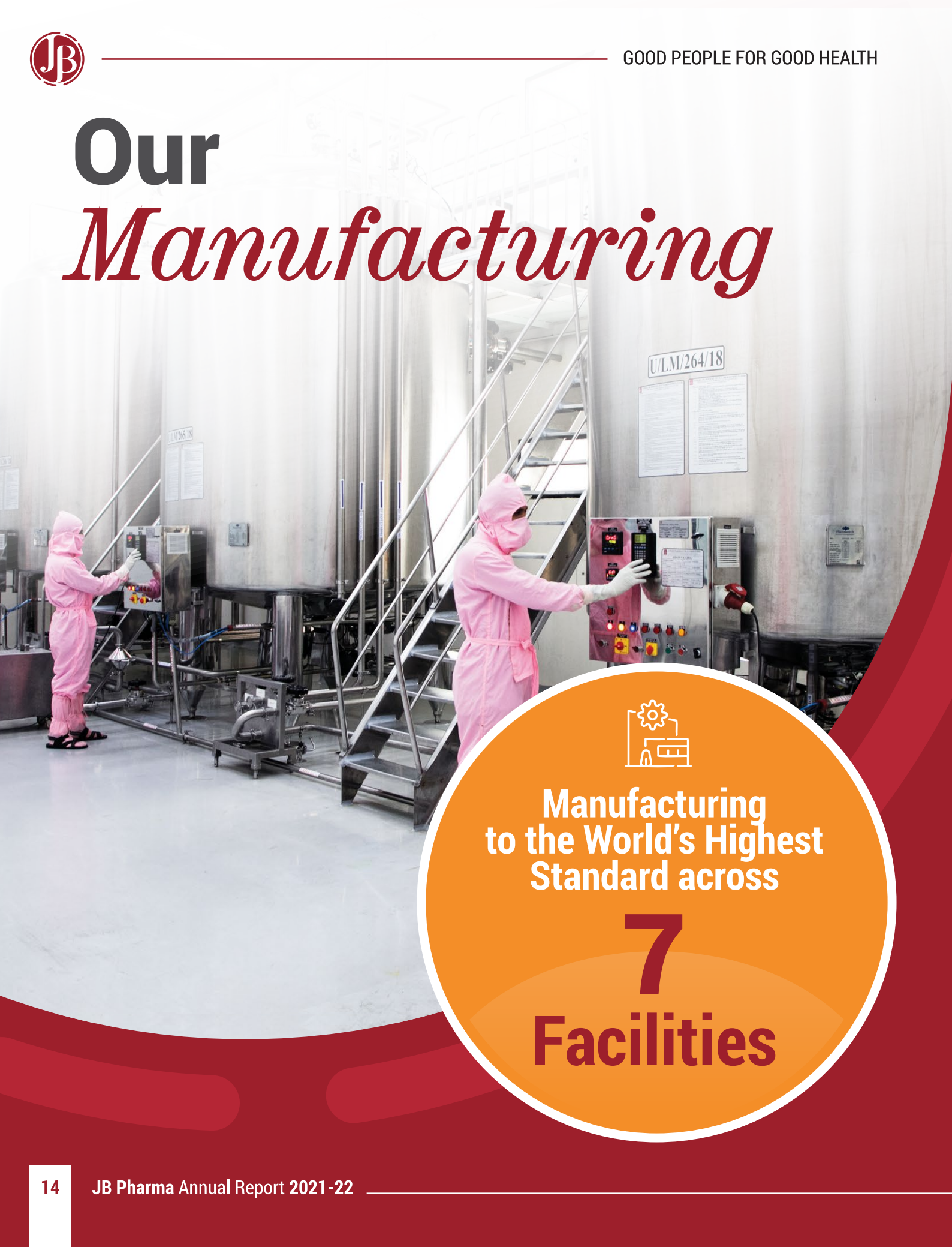


**Mr. Sumit Bose**  
Independent Director

Mr. Sumit Bose was a member of the Indian Administrative Services. He served Government of India in several capacities such as Union Finance Secretary (as Secretary, Department of Revenue), Secretary (Expenditure), Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission.

Mr. Bose holds a Master of Science (Social Policy and Planning) from the London School of Economics, a Master of Arts (History) from St. Stephen's College, University of Delhi and an Indian School Certificate from The Doon School, Dehradun.

# Our *Manufacturing*



Manufacturing  
to the World's Highest  
Standard across

**7**  
**Facilities**

Quality for us is a driving force, in **processes, practices, products and people.**



Sr. No	Health Authority	Facility Approved
1	US FDA	Tablets, APIs
2	EU GMP	Tablets, Capsules, Lozenges, Ointments, Gel, Creams, Liquid
3	SAHPRA, South Africa	Tablets, Lozenges, Injections, Creams, Ointments, Liquid, Hard shell Capsules, Eye drops
4	TGA, Australia	Tablets, Lozenges, Liquid, Ointments, Gel, Creams
5	PIC/S (MOH, Ukraine)	Tablets, Lozenges, Injections, Ointments, Gel, Creams, Liquid, Powder
6	MOH, Japan	API
7	MOH, Russia	Tablets, Hard shell Capsules, Lozenges, Injections, Ointments, Gel, Cream, Liquid
8	Health Canada	Liquid, Lozenges
9	MOH, Korea	API



State-of-the-art Tablets manufacturing facility at Panoli, Gujarat



State-of-the-art Formulations manufacturing facility at Panoli, Gujarat



State-of-the-art US FDA approved API facility at Panoli, Gujarat



State-of-the-art Tablets and Lozenges manufacturing facility at Kadaiya, Daman

## Producing a wide array of dosage forms



TABLETS



CAPSULES



LIQUIDS



IV INFUSIONS



AMPOULES



VIALS



OINTMENTS



COLD RUBS



LOZENGES



SIPS



# Innovative *Technologies*

Technology that  
sets us apart!

## OROS

(Osmotic-controlled Release  
Oral delivery System)

JB is amongst the handful of companies in India to successfully implement Osmotic Release Technology for some of its medicines. This technology is an advanced controlled release oral drug delivery system in the form of a rigid tablet with a semi-permeable outer membrane and a small, laser-drilled hole in it. It is built for a sustained release of the drug over 24 hours.



## AMONG THE TOP 5 MANUFACTURERS OF *Lozenges* Globally

**AN UNMATCHED TECHNOLOGICAL  
LEAD IN CUSTOMIZING HERBAL  
AND MEDICATED LOZENGES**

**Myriad  
flavours that  
suit all tastes**



Orange



Mint



Herbal



Pineapple



Strawberry



Lemon



Mixed Fruit



All lozenges,  
herbal, medicated, and  
soft-centred can be  
made in sugar and  
sugar-free options



Shapes produced under stringent quality  
control measures



Square



Oval



Oblong



Round



Our lozenges plant in Gujarat, India is fully automated,  
with state-of-the-art machines.

**It is GMP compliant and has TGA - Australia,  
SAHPRA - South Africa, and EU - GMP accreditations**



# *Reaching Out &* **Giving Back**

The Company has long been involved in 'giving back to society' and has regularly supported and contributed to a variety of causes. The operating philosophy of the Company has been guided by this approach and the Company thus regularly contributes to socially responsible activities as an integral part of its governance.

Corporate Social Responsibility is Company's sense of responsibility towards the society and the environment in which it operates and the Company has imbibed this philosophy in its CSR Policy and strives to conduct its business in socially, environmentally and ethically responsible manner and contribute to the society and environment in which it operates; with aim to assist people at large to improve their life or condition. The objective of Company's CSR Policy is to create and encourage, directly or indirectly, a positive impact on the society at large through CSR activities undertaken by the Company. The Company undertakes CSR activities directly or through not-for profit organizations.

The Company undertakes CSR activities in the area of healthcare, education, environment, alleviation of poverty or as a humane response to any other cause presented by the external environment.

**DISASTER MANAGEMENT:**

- Distributed oxygen concentrators to hospitals/centres for treatment of patients affected by covid.
- Covid vaccination camps organised for poor and slum residents of Mumbai under arrangement with Apollo Hospital, Mumbai.
- Provided ventilators to Shri Vinoba Bhave Civil Hospital, Silvassa, to combat covid cases.



- Treatment of poor and needy children suffering from Growth Hormone Deficiency (GHD), at All India Institute of Medical Sciences (AIIMS), New Delhi.

**Liver Foundation, West Bengal**

- Contribution to Liver Foundation, West Bengal, for procurement of Fibrosan machine for treatment of poor patients at Indian institute of Liver and Digestive sciences, West Bengal.



- Contribution towards treatment of children born with clubfoot in Gujarat State through Miracle Feet Foundation for Eliminating clubfoot.



- Contributed to Jayaben Mody Hospital at Ankleshwar, Gujarat towards furniture, fittings and equipment at Emergency Response Unit and ICU.
- Contribution to Jayaben Mody Hospital at Ankleshwar, Gujarat, towards setting up of Radiation Centre.



- Contribution for smart and development oriented education of children studying in 40 public schools in Bharuch district of Gujarat State through Agastya International Foundation.



- Contribution for education and removal of malnourishment of poor tribal children from Chhindwara district of Madhya Pradesh through Parivar Education Society.



- Contribution for provision of free meals to relatives of poor patients admitted in public hospitals at Mumbai through HKM Charitable Foundation.





# Initiatives & *Achievements*



**2,424 Cr Revenue**  
~19% growth



JB retained the **Fastest Growing Company** spot among top 30 companies in IPM



**IPM rank gain**  
from 32 to 25



2 aquisitions into fast growing **Pro-biotics & Heart Failure** segment



### 15+ key new product launches

in FY22 with contribution 4%



### Key pillar brands

continue their market beating performance



Growth in  
**International business**  
in FY22, despite external volatility



### South Africa achieved record growth

in public and private market



New elite partners in our  
**CMO Clientele**



Best-in-Class  
**Manufacturing Facilities**



A new R&D -  
**50+ new products**  
under development



**Governance and Policy Strengthening**



**Cost saving initiatives**  
Implemented



A strong  
**Investor Relations & Engagement Program**



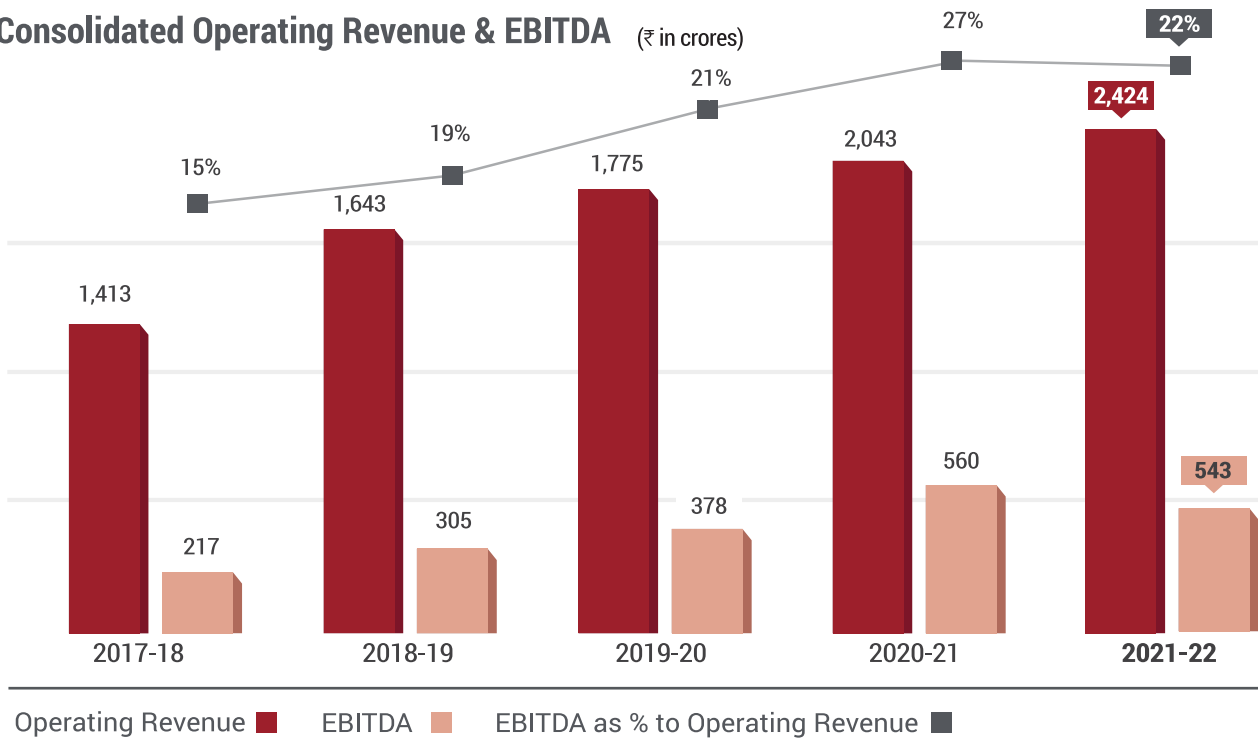
Introduced  
**>20+ HR initiatives**  
under 'PeopleFirst'



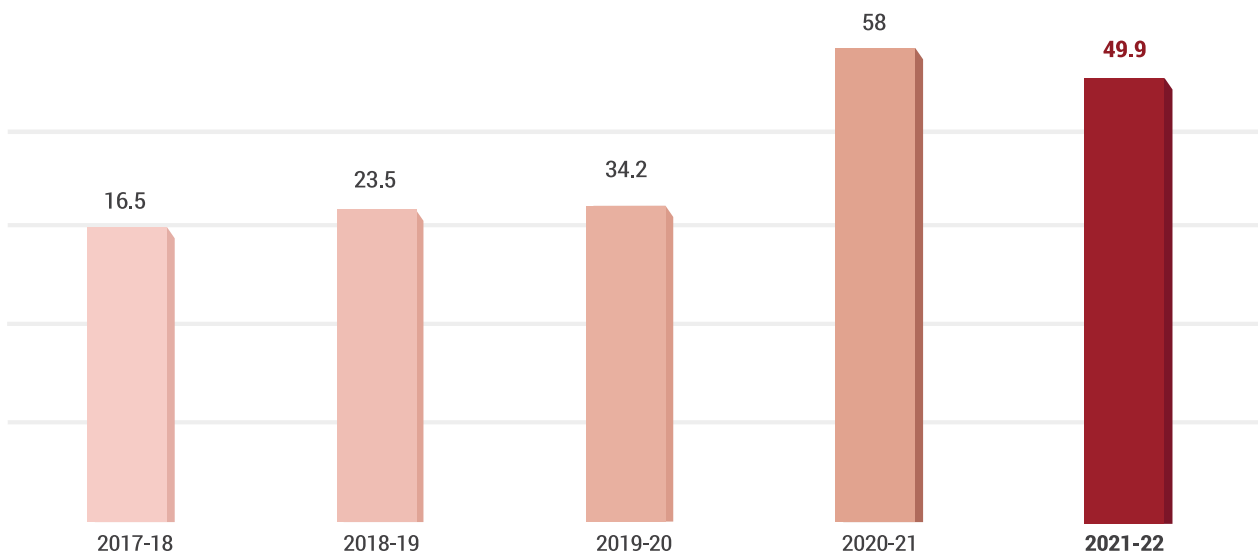
**50+ training programs & 1000+ hours**  
of training & development clocked

# Financial *Highlights*

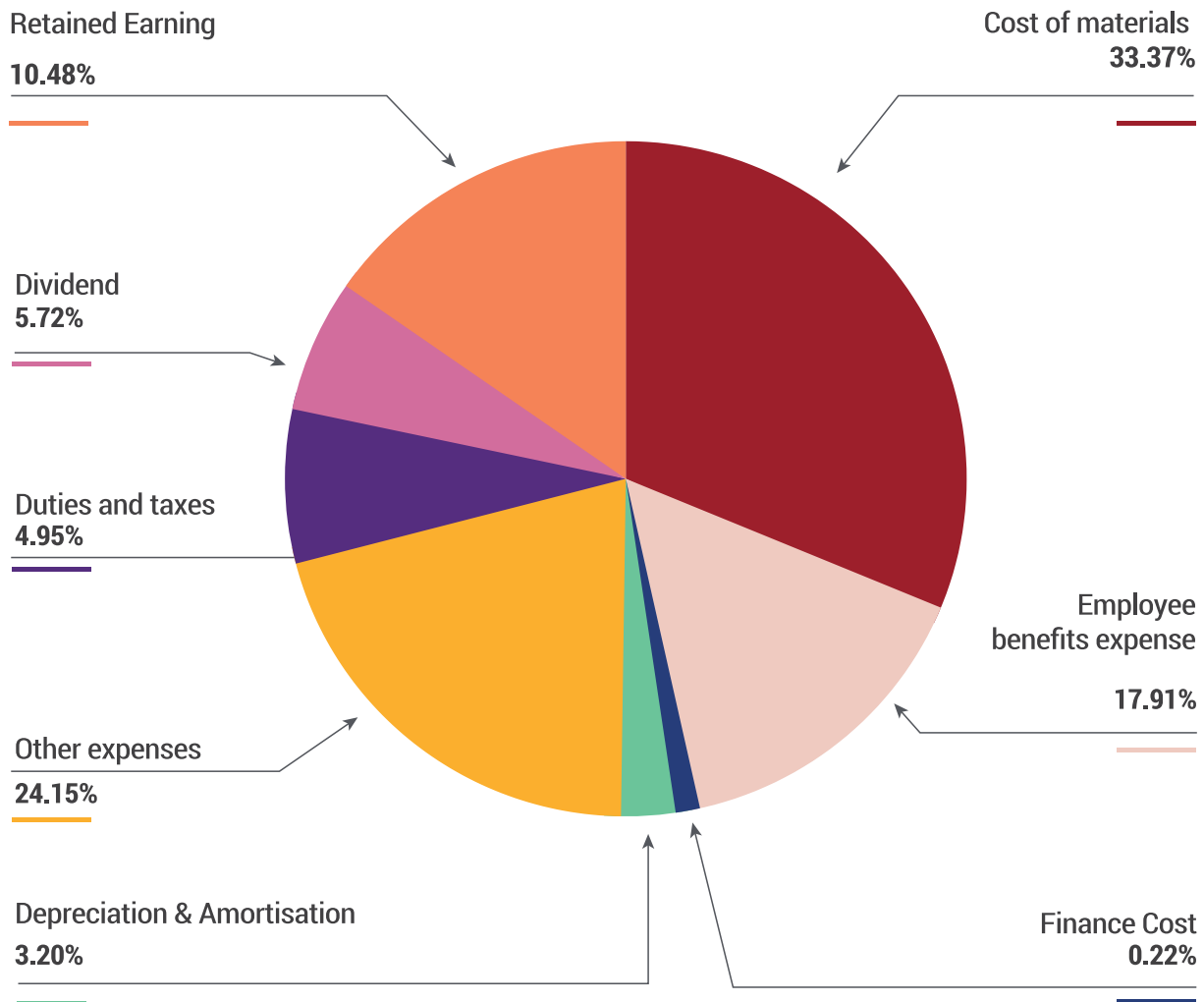
Consolidated Operating Revenue & EBITDA (₹ in crores)



Consolidated EPS (₹)



## Distribution of Revenue for FY 2021-2022







# Corporate *Information*

## AUDIT COMMITTEE

Ms. Padmini Khare Kaicker (Chairperson)  
Mr. Ranjit Shahani  
Mr. Sumit Bose  
Mr. Prashant Kumar

## CHIEF FINANCIAL OFFICER

Mr. Lakshay Kataria (from 4.10.2021)  
Mr. Vijay Bhatt (upto 31.08.2021)

## COMPANY SECRETARY

Mr. Sandeep Phadnis (from 15.07.2021)  
Mr. M. C. Mehta (upto 14.07.2021)

## AUDITORS

Deloitte Haskins & Sells LLP  
Chartered Accountants  
Mumbai

## BANKERS

Bank of India  
BNP Paribas  
Standard Chartered Bank  
Citibank N. A.  
Axis Bank

## SENIOR LEADERSHIP TEAM

Mr. Nikhil Chopra, Chief Executive Officer & Whole-time Director  
Mr. Kunal Khanna, President – Operations  
Mr. Dilip Singh Rathore, President – Sales & Marketing (India Business)  
Mr. P. K. Singh, President - Global Business  
Dr. Milind Joshi, President – Global Regulatory Affairs (upto 30.06.2022)  
Mr. Anurag Agrawal, Vice President - Regulatory (from 16.5.2022)  
Dr. Sujay Rajhans, President - R&D  
Mr. Savya Sachi, President – Sales & Marketing (India Business)  
Mr. Parmeshwar Bang, Vice President – Works  
Mr. Bharat Dhanani, Vice President – Operations  
Mr. Manoj Chitnis, Vice President – CQA  
Mr. Bhushan Sachdev, Vice President – Supply Chain Management  
Mr. Lakshay Kataria, Chief Financial Officer  
Mr. Sandeep Phadnis, Company Secretary  
Mr. Sandeep Rathod, Vice President - Legal  
Mr. Jason D'Souza, Vice President – Investor Relations  
Mr. Sridhar Bharadwaj, Vice President – HR  
Mr. Suresh Bhise, Vice President – IT

## REGISTERED OFFICE

Neelam Centre, 'B' Wing,  
4<sup>th</sup> floor, Hind Cycle Road,  
Worli, Mumbai 400 030.  
Tel No. (022) 2482 2222  
Fax No. (022) 2493 0534

## CORPORATE OFFICE

Cnergy IT Park,  
Unit A2, 3<sup>rd</sup> floor, Unit A, 8<sup>th</sup> floor,  
Appa Saheb Marathe Marg,  
Prabhadevi,  
Mumbai 400 025.  
Tel No. (022) 24395200/24395500  
Fax No. (022) 2431 5331/24315334

## REGISTRARS & SHARE TRANSFER AGENT

Datamatics Business Solutions Ltd.  
Plot B- 5, Part- B, Cross Lane,  
M.I.D.C., Andheri (East),  
Mumbai 400 093.  
Tel No. (022) 6671 2001-06  
Fax No. (022) 6671 2011

Website : [www.jbpharma.com](http://www.jbpharma.com) | Email id for investors: [secretarial@jbpharma.com](mailto:secretarial@jbpharma.com) | [investorelations@jbpharma.com](mailto:investorelations@jbpharma.com)

# STATUTORY REPORT

# DIRECTORS' REPORT

Your directors are pleased to present forty-sixth report and audited financial statement of the Company for the financial year ended on March 31, 2022.

## 1. FINANCIAL HIGHLIGHTS

The following are the highlights of financial performance of the Company during the year under review.

(₹ in lakhs)

	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Sales	216,239.43	184,907.75	239,761.56	200,211.39
Other Operating revenue	2,748.20	4,291.80	2,662.83	4,040.76
Other Income	3,861.38	11,188.94	3,922.63	11,238.32
Total Income	222,849.01	200,388.49	246,347.01	215,490.47
Profit before finance cost and depreciation	54,752.34	66,825.48	58,268.24	67,279.21
Less: Finance cost	494.87	719.18	512.05	724.12
Less: Depreciation & Amortisation expense	7,128.21	6,735.50	7,265.99	6,866.55
Profit before tax	47,129.26	59,370.80	50,490.20	59,688.54
Tax Expense (Net)	11,029.06	14,662.32	11,886.31	14,836.24
Net Profit after tax	36,100.20	44,708.48	38,603.89	44,852.30
Other Comprehensive Income	106.60	(1,249.67)	400.60	33.46
Total Comprehensive Income after tax	36,206.80	43,458.81	39,004.49	44,885.76
Earnings per share of ₹ 2 (in ₹)				
- Basic	46.71	57.85	49.86	57.96
- Diluted	46.67	57.85	49.82	57.96

## 2. DIVIDEND

Your directors recommend a final dividend of ₹ 8 (400%) per equity share of face value of ₹ 2, payment whereof will be subject to deduction of tax at source. During the year, Board of directors declared interim dividend of ₹ 8.50 (425%) per equity share, which was paid on March 4, 2022. The final dividend, if declared, together with interim dividend already paid would result in total outgo of ₹ 127.52 crores. The Board has not proposed any transfer out of profit for the financial year to reserves in relation to these dividend payments. The Company paid interim dividend of ₹ 8.50 (425%) and final dividend of ₹ 8 (400%) per equity share in the previous year.

## 3. OPERATIONS/STATE OF AFFAIRS

The Company's strong performance and sales momentum continued throughout the year, with several businesses outperforming. Revenue for the organisation was at ₹ 2,424 crores as compared to ₹ 2,043 crores recording growth of

19 %. The domestic business continued its outperformance while the international business bounced back strongly in the fourth quarter to record double digit growth for the financial year.

Total standalone sales during the year at ₹ 2,189.88 crores were 15.7% higher over the previous year.

Domestic formulations business revenue was at ₹ 1,173 crores as compared to ₹ 892 crores for the previous financial year registering growth of 32%. Domestic business continued to maintain its stellar performance. The business continued to retain its position as the fastest growing company in IPM amongst top 30. This outperformance is mainly attributed to factors such as – the 5 pillar brands driving market-beating growth, increasing contribution from Chronic Therapies, improved field-force productivity, acceleration in new launches. Going forward, we will continue to capitalize on synergies from the acquired brands. Consequently, we have seen a significant improvement in our IPM ranking over the past 12 months – from 32 to 25. As per IQVIA MAT Mar'22 data, the Company grew

at 29% vs market growth of 18%. Its main brands continue their market-beating performance and remain well above market growth rates. During the year, the business introduced fifteen new products. Further, the integration of the newly acquired brands from Sanzyme is on track towards stability and maximization of synergistic growth.

The international business revenue was at ₹ 1,236 crores for FY 22 as compared to ₹ 1,127 crores recording growth of 10%. International business delivered a good performance against the odds of a challenging and volatile market. This strong bounce-back especially in the fourth quarter was made possible by surging demand in Contract Manufacturing & Lozenge business, and revived demand in several pockets of ROW business. Exports formulation business revenue was at ₹ 892 crores growing at 10% over the previous year. CMO business aided by new launches and new customers performed well with revenue at ₹ 253 crores, registering a growth of 12% over the previous year. The API sales at ₹ 91 crores achieved growth of 1% over the previous year.

The business saw a challenging cost environment during the year especially in the second half of the year. Inflation in material costs, power & fuel and shipping costs accentuated alongwith the normalisation of operating costs. These could be partly mitigated through cost savings initiative, pricing & business mix. Reported EBIDTA was ₹ 655 crores (previous year ₹ 560 crores). Adjusted EBIDTA (after adjusting non-cash ESOP & one-time costs) was ₹ 543 crores (previous year ₹ 560 crores).

Profit Before Tax was at ₹ 505 crores as compared to ₹ 597 crores. Profit After Tax was at ₹ 386 crores as compared to ₹ 449 crores. PAT and PBT was impacted due to the non-cash ESOP charge and one time related non-recurring charges in this financial year and higher other income recorded in the previous year.

#### 4. ACQUISITIONS

During the year, the Company acquired portfolio of brands from Sanzyme Private Limited, which has marked the Company's entry into the fast-growing probiotics, therapeutic nutraceuticals and reproductive health market in the country.

Subsequent to the year end, the Company acquired the brand Azmarda® indicated for heart failure patients with reduced ejection fraction (HFrEF) from Novartis AG, Switzerland for India. The said brand shall help the Company in strengthening its presence in the Cardiology segment in the country.

#### 5. RESPONSIBILITY STATEMENT

The directors confirm:

- (i) that in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed;
- (ii) that they have selected appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year 2021-22 and of profit of the Company for that year;

- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the annual accounts for the year ended on March 31, 2022 on a going concern basis;
- (v) that they 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
- (vi) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 6. SUBSIDIARIES

The highlights of performance of subsidiary companies in Rupee terms for the year 2021-22 is presented in Schedule-A. After inter-company adjustments, subsidiary companies contributed ₹ 234.37 crores to consolidated income and ₹ 33.60 crores to consolidated profit before tax of the Company.

Sales of Biotech Laboratories (Pty.) Ltd., South Africa, for the financial year 2021-22 were Rand 576.66 million, which represents growth of 20.84% over the previous year, while its operating profit and profit after tax at Rand 38.77 million and Rand 28.53 million were 12.12% and 11.14% higher over the previous year respectively. Sales of LLC Unique Pharmaceutical Laboratories, Russia, for the financial year 2021-22, at Rouble 734.56 million were 12.39% higher over the previous year, while it earned net profit of Rouble 26.96 million against loss of Rouble 1.45 million in the previous year. Unique Pharmaceutical Laboratories FZE, Dubai is presently not engaged in any business activity. It has incurred loss of AED 0.78 million due to operating and other expenses.

#### 7. CORPORATE GOVERNANCE AND COMPLIANCES

A certificate from practising company secretary on compliance with conditions of corporate governance is annexed to this Board's report. Management Discussion and Analysis Report, Compliance report on Corporate Governance, Business Responsibility Report and Dividend Distribution Policy form part of this annual report.

#### 8. PUBLIC DEPOSITS

The Company has not accepted any deposit covered under Chapter V of the Companies Act, 2013 during the year. All the public deposits accepted prior to the commencement of the said Act have been repaid in 2014-15.

#### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members of the Company at annual general meeting held on September 9, 2021 appointed Mr. Gaurav Trehan as Non-executive director liable to retire by rotation and re-appointed Ms. Ananya Tripathi, who was retiring by rotation.



Mr. Sanjay Nayar and Ms. Ananya Tripathi, resigned from the Board of directors with effect from January 25, 2022 and March 11, 2022 respectively.

In accordance with provisions of the Companies Act, 2013, Mr. Prashant Kumar would retire by rotation at the ensuing annual general meeting. Being eligible, he has offered himself for re-appointment.

In the opinion of the Board of directors, Mr. Ranjit Shahani, Mr. Sumit Bose and Ms. Padmini Khare Kaicker, independent directors, are persons of integrity and they all possess relevant expertise and experience necessary for effective functioning of the Company. These independent directors have given declarations to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 as well as in Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also confirmed that they have registered with the Indian Institute of Corporate Affairs to include their names in the databank of independent directors. However, in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended, these independent directors are not required to pass an online proficiency self-assessment test conducted by the said Institute notified under sub-section (1) of section 150 of the Companies Act, 2013.

Ten meetings of the Board of directors were held during the financial year ended on March 31, 2022. These meetings were held on April 1, 2021, April 28, 2021, June 14, 2021, July 14, 2021, August 12, 2021, October 1, 2021, November 11, 2021, January 25, 2022, February 14, 2022 and March 22, 2022.

Mr. Vijay Bhatt resigned as Chief Financial Officer with effect from August 31, 2021 and Mr. Lakshay Kataria was appointed as Chief Financial Officer of the Company with effect from October 4, 2021. Mr. Mayur Mehta resigned as Company Secretary with effect from July 14, 2021 and Mr. Sandeep Phadnis was appointed as Company Secretary and compliance officer with effect from July 15, 2021.

## 10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on directors' appointment is set out in Schedule-B. The salient features of the Company's policy on remuneration for the directors, key managerial personnel and other employees is set out in Schedule-C. The said Policy including criteria for determining qualifications, positive attributes and independence of a director has been posted on the Company's website [www.jbpharma.com](http://www.jbpharma.com).

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

The particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in Schedule-D.

## 12. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) Committee of the Board consists of Mr. Ranjit Shahani, Mr. Sumit Bose, Mr. Nikhil Chopra and Mr. Prashant Kumar. The CSR Committee formulated and recommended revised CSR Policy to the Board, which the Board approved on February 10, 2021. The salient features of the said CSR Policy of the Company and the annual report on CSR in the prescribed form are set out in Schedule-E. The CSR Policy and annual report on CSR are posted on the Company's website [www.jbpharma.com](http://www.jbpharma.com).

The Company spent ₹ 6.95 crores on CSR activities (₹ 6.61 crores on CSR activities and ₹ 0.34 crore on administrative overheads for general management and administration of CSR function) on prescribed CSR activities during financial year 2021-22 as against obligation of ₹ 6.94 crores being 2% of the average net profits of the Company made during three immediately preceding financial years.

## 13. AUDIT COMMITTEE AND VIGILANCE MECHANISM

The Board has constituted Audit Committee that consists of Ms. Padmini Khare Kaicker, Chairperson, Mr. Ranjit Shahani, Mr. Sumit Bose and Mr. Prashant Kumar. There has been no instance of non-acceptance of recommendation of Audit Committee by the Board.

The Board of directors has on November 10, 2020, adopted revised vigil mechanism in the form of Whistle Blower Policy to enable directors, employees and other stakeholders to make Protected Disclosures (as defined in the Policy) in relation to Alleged Wrongful Conduct (as defined in the Policy) to the Redressal Committee for evaluation and investigation in consultation with the Audit Committee. The Policy empowers the Redressal Committee to initiate inquiry and investigation if the issue raised constitutes bona fide Protected Disclosure made in good faith. The Redressal Committee is required to complete the investigation in a time bound manner. Where it concludes that Unethical and/or Improper Activity (as defined in the Policy) has been committed, it shall recommend, after consultation with the Audit Committee, to the management of the Company to take such disciplinary or corrective action as it or the Audit Committee deems fit. The Policy provides for access of whistle blower to the Chairman of the Audit Committee in appropriate or exceptional circumstances. The Policy provides for adequate safeguards of whistle blowers against any kind of victimisation or unfair treatment but also provides for taking stern disciplinary action against who abuses the protection so granted. This functioning of vigil mechanism will be periodically reviewed by the Audit Committee. The Company has posted the Whistle Blower Policy and the associated Complaint Response Plan Policy on its website [www.jbpharma.com](http://www.jbpharma.com).

## 14. ANNUAL PERFORMANCE EVALUATION

The Board of directors carried out formal annual evaluation of performance of the Board, its Committees and individual directors during 2021-22 in accordance with the manner specified by the Nomination and Remuneration Committee (NRC) and using evaluation criteria recommended by the NRC and approved by

the Board. The performance evaluation was carried out in the following manner, being manner recommended by the NRC.

Evaluation of performance of the Board: Each member of the Board evaluated the Board on the given criteria on scale of 1 to 4 (4 being highest). The aggregate of simple average of rating assigned by each Board member was further averaged to ascertain Board's performance.

Evaluation of performance of the Board Committees: Each member of the concerned committee evaluated performance of the committee on the given criteria on scale of 1 to 4. Aggregate of simple average of rating assigned by each such member was further averaged to ascertain performance of the concerned committee.

Evaluation of performance of Individual Director: Each Board member (excluding director being evaluated) evaluated performance of all other Board members on the given criteria on scale of 1 to 4. Aggregate of simple average of rating assigned to each Board member was further averaged to ascertain performance of such director.

## 15. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Form AOC-2 prescribed under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 provides for disclosure of (a) details of contracts or arrangements or transactions not at arm's length basis, and (b) details of material contracts or arrangement or transactions at arm's length basis.

All the transactions entered into by the Company with the related parties during the year were pursuant to the contract or arrangement approved by the Audit Committee and the Board of directors. The transactions so entered into were in the ordinary course of business of the Company and on arm's length basis. The contract or arrangement or transactions were neither material in terms of the Policy on materiality of related party transactions adopted by the Company nor it exceeded the threshold limit prescribed pursuant to first proviso to Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. However, disclosure on related party transactions as per IND AS-24 has been provided under Note No. 46 of the standalone financial statements and Note No. 44 of the consolidated financial statements.

## 16. PARTICULARS OF EMPLOYEES AND OTHER REMUNERATION RELATED DISCLOSURES

The remuneration related and other disclosure required in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are given in Schedule-F.

A statement showing name and other particulars of the employees in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is given in Schedule-G.

## 17. EMPLOYEE STOCK OPTION SCHEME

During the year, the Company implemented "JBCPL Employee Stock Option Scheme 2021" ("Scheme") as approved by the shareholders on July 31, 2021 and has also received in-principle listing approval from the Stock Exchanges in respect thereof. The Compensation Committee of the Board administers the Scheme and granted time based options and performance based options to eligible employees and director(s) of the Company and its subsidiary companies with a view to achieve overall growth objective. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (saved under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021) and there has been no change in the Scheme since the shareholders' approval date.

Disclosure of details of the Scheme as required under (a) Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are posted on the Company's website [www.jbpharma.com](http://www.jbpharma.com) and web link thereto is <https://jbpharma.com/download/esop-disclosure-for-the-year-ended-31-03-2022/?wpdmdl=6061&refresh=62cbdc37cecb81657527351> and (b) the Companies (Share Capital and Debentures) Rules, 2014, is set out in Schedule-H to this report.

## 18. RISK MANAGEMENT

The Board of directors has developed and implemented risk management policy for the Company. Pursuant to the Listing Regulations, the Board has constituted Risk Management Committee and delegated monitoring and review of the risk management plan to the Committee. Committee would periodically review status of mitigation measures taken in respect of risk management plan and would report progress thereof and new risks identified to the Board and Audit Committee. Board at present does not perceive any element of risk, which may threaten existence of the Company.

## 19. INTERNAL FINANCIAL CONTROLS

The Board has adopted internal financial controls encompassing policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to Company's policies, safeguarding the Company's assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The specific internal financial controls with reference to financial statements include internal audit of important activities and processes relating to preparation of financial statements, adoption of well-defined standard operating procedure for business transactions and compliance relating thereto, use of ERP for accuracy and control, review of periodically prepared financial statements with objective to ensure that financial statements present true and fair view and are sufficient/credible and in compliance with legal and regulatory requirement. The Board has appointed Ernst & Young LLP as internal auditor to periodically audit systems and controls in all key areas of operations to ascertain effective functioning of internal controls including internal financial controls. In the opinion of the Board, the Company has adequate internal controls with reference to the financial statements.

Neither management of the Company has come across any instance of fraud during the year 2021-22 nor the auditors of the Company has reported any such instance to the Audit Committee.

## 20. LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company has not given any loan or guarantee or made any investment attracting the provisions of Section 186 of the Companies Act, 2013. Hence, there is no information to be furnished pursuant to Section 134(3)(g) of the Companies Act, 2013.

## 21. COST RECORDS

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and such accounts and records are duly made and maintained by the Company. The Company is further required to get such cost records audited by a cost auditor in accordance with the Companies (Cost Records and Audit) Rules, 2014 and furnish cost audit report received from the cost auditor to the Central Government within the prescribed time. The Company is in compliance with these provisions.

## 22. SECRETARIAL AUDIT REPORT

Ashish Bhatt & Associates, Practising Company Secretaries, Secretarial Auditor of the Company, carried out secretarial audit for the financial year 2021-22 as provided under Section 204 of the Companies Act, 2013 and the rules made there under. The secretarial audit report given by the said auditor is annexed to this report as Schedule-I.

## 23. AUDITORS

The members at annual general meeting held on September 9, 2021 has appointed Deloitte Haskins & Sells LLP, (having firm registration no. 117366W/W-100018) as statutory auditors of the Company until conclusion of the 49<sup>th</sup> annual general meeting of the Company at such remuneration as may be agreed by the Board of directors with the auditors.

## 24. ESG (ENVIRONMENT, SOCIAL & GOVERNANCE)

We continue to embrace the triple bottom-line philosophy of People, Planet and Profits. During the year under review, we reaffirmed our commitment to ESG (Environment, Social and Governance) and have instituted a sustainable business strategy to positively impact the environment and society while also benefiting shareholders. ESG in today's context is not just about goodwill and reputation but it can be used as a competitive edge at the marketplace. While as an organisation we have focused on all these areas in different aspects, we are committed to dedicating further resources and efforts towards this area. During the year under review, we undertook a detailed gap assessment analysis regarding our ESG parameters. Our gap assessment was based on benchmarks established by GRI (Global Reporting Initiative) and the local ESG standards set by reputed institutions. As you are aware, GRI is the benchmark standard for most

Fortune – 500 companies when reporting on ESG parameters. We have instituted various policies to strengthen the governance mechanism including ABAC, POSH etc. We have also ensured that our employees are trained on various governance mechanisms so that these policies are embraced by every employee in the organisation. We have introduced a framework that will help us monitor, measure and improve our environmental footprint; like water usage, waste and effluent generated, use of renewable energy sources, implementation of zero discharge norms across sites and instituting a strong HSE policy. We have instituted a sustainable business strategy which encompasses short-term and medium-term goals for the organisation. Our efforts will continue to focus on increasing ESG standards within the organisation. We also plan to publish a sustainability report based on GRI standards. All these initiatives and efforts will ensure that we continue raise the bar every year regarding ESG standards.

## 25. OTHER DISCLOSURES AND CONFIRMATIONS

Board has to make further disclosures and provide confirmations, as required, as under:

- The Company has placed annual return referred to in sub-section (3) of section 92 on its website [www.jbpharma.com](http://www.jbpharma.com).
- No regulator or court or tribunal has passed, during the year, any significant or material order affecting the going concern status and Company's operations in future.
- The Company has complied with applicable Secretarial Standards specified by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.
- The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 26. HEALTH AND SAFETY

The Company continues to accord high priority to health and safety of employees and workmen at all manufacturing locations. Annual medical check-up of all employees at all sites was carried out. The Company also conducted safety training programmes and mock-drills for increasing disaster preparedness awareness among all employees at the plants. There was no casualty at any site during the year.

For and on behalf of the Board of Directors

Ranjit Shahani  
Chairman

Place : Mumbai  
Date : May 26, 2022

**SCHEDULE-A**

Highlights of performance of the subsidiary companies for the year ended on March 31, 2022

(₹ in lakhs)

Particulars	LLC Unique Pharmaceutical Laboratories, Russia	Biotech Laboratories (Pty.) Ltd., South Africa	Unique Pharmaceutical Laboratories FZE, Dubai
Sales	7,187.77	28,940.75	Nil
Other operating income	Nil	125.64	Nil
Other income	2,537.15	30.70	Nil
Total income	9,724.92	29,097.12	Nil
Profit before tax	329.33	1,959.03	(157.33)
Provision for current tax	31.09	534.25	Nil
Deferred tax	34.46	(6.90)	Nil
Earlier year tax	(0.01)	Nil	Nil
Profit/(Loss) after tax	263.79	1,431.68	(157.33)

For and on behalf of the Board of Directors

**Ranjit Shahani**  
Chairman

Place : Mumbai  
Date : May 26, 2022

**SCHEDULE-B****Company's Policy on directors' appointment****Policy Statement:**

The following shall be followed/kept in view, to the extent possible and practicable while selecting any person for a position of a director of the Company.

- (a) The appointment of any director should be such as to help maintain/achieve diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
- (b) A candidate proposed for appointment as a director should be a person of integrity.
- (c) A candidate proposed for appointment as independent director shall:
  - (i) be independent of management;
  - (ii) shall possess appropriate skills, experience and knowledge in fields such as finance and financial advisory, law, management, sales, marketing, administration, corporate governance, taxation, regulatory affairs, drugs and medicine, technical operations and any other discipline related to the Company's business;
  - (iii) be such that brings in appropriate balance of skills, experience and knowledge in the Board of Directors;
  - (iv) be willing to devote time for the affairs and activities of the Board and its Committee(s) and otherwise to enable the Board of Directors to discharge its functions and duties effectively; and
  - (v) satisfy criteria of independence as mentioned in the Companies Act, 2013 and the Listing Agreement from time to time.
- (d) For independent directors, requisite professional qualification in the area of expertise is preferred. However, experience and expertise in a given field should be determining factor.
- (e) A candidate proposed for position of executive director may be from the promoter group or outside. Such candidate should have enough experience or potentially fit for the executive responsibilities.

Observance of the Policy: Besides the Board of Directors, this Policy will also be followed by the Nomination and Remuneration Committee.

For and on behalf of the Board of Directors

**Ranjit Shahani**  
Chairman

Place : Mumbai  
Date : May 26, 2022



## SCHEDULE- C

### Salient features of Company's policy on remuneration for the directors, key managerial personnel and other employees

- The objective of remuneration for executives and employees is to focus them on achieving objectives and improving performance, to motivate and retain them and to be able to attract qualified, talented and competent executives and employees to the Company.
- The Nomination and Remuneration Committee ("Committee") shall endeavour to fix the base salaries (fixed salaries) for executive directors keeping in view practices prevailing in the industry and also variety of other factors such as experience, past performance, scope of responsibilities and complexity of functions. The annual increments in their base salaries shall be determined keeping in view performance of the Company and shall also reflect appropriate performance benchmarks.
- Non-Executive directors shall be entitled to receive remuneration by way of fee for attending meetings of the Board of Directors and Committee(s) thereof or any other purpose whatsoever as may be decided by the Board from time to time within the maximum limit prescribed under the Rules made under the Companies Act. Subject to the provisions of the Act, Non-Executive directors may also receive profit related commission as may be decided by the Board.
- The Committee shall endeavour to fix the base salaries (fixed salaries) for Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) at the time of appointment keeping in view practices prevailing in the industry and also variety of other factors such as qualifications, experience, scope of responsibilities, complexity of functions and geographical area. The annual increments in the base salaries of KMP and SMP shall be determined by the Company management keeping in view performance of the Company and performance of the employees.
- The Company management shall endeavour to fix the base salaries (fixed salaries) for other employees keeping in view qualifications, experience, scope of responsibilities, complexity of functions, geographical location and practices prevailing in the industry. The Company management shall also evaluate and explore for other employees in general or employees in any specific department or function an element of variable pay in the form of incentive, bonus etc. keeping in view short term and long term objectives of the Company. The Company management shall determine annual increments of other employees based on performance of employees, performance of the Company and practices prevailing in the industry.
- While fixing the remuneration, the Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMP and SMP of the quality required to run the Company successfully. Further, the Committee or the Company management, as the case may be, shall endeavour to ensure that the remuneration and/or annual increment determined is affordable to the Company and competitive with due consideration to industry trends and the Company's own position, consistently followed practices.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 26, 2022

Ranjit Shahani  
Chairman

## SCHEDULE-D

### Conservation of energy, technology absorption, foreign exchange earnings and outgo

#### (A) Conservation of energy:

- (i) **Steps taken or impact on conservation of energy:** The Company regularly takes measures for conservation of energy and thereby contain the rising energy cost. During the year, the Company (A) at Panoli & Ankleshwar unit(s) (i) installed 35 HP air compressor for night hours and holidays/ Week off run (ii) optimised operation of air compressors by reducing operating pressure (iii) installed auto tube cleaning system for TR chillers at Panoli (iv) Installation of condensate recovery unit and recovered high temperature (above 50 deg. C) condensate and optimised steam to fuel ration, and (B) at Daman unit (i) continued replacement of conventional lights by LED lights (ii) continued installation of high efficiency motors in AHUs, and (iii) usage of PNG in boilers.
- (ii) **The steps taken by the Company for utilising alternate sources of energy:** The Company installed 200 KVA solar power plant at Daman Unit, while it is in the process of purchase of electricity generated through wind & solar hybrid power to replace use of conventional energy at Panoli/ Ankleshwar units.
- (iii) **The capital investment on energy conservation equipment:** During the year, the Company made capital investment on energy conservation equipment of about ₹ 37 lakhs at Panoli unit and ₹ 95 lakhs at Daman unit.

#### (B) Technology absorption:

- (i) **Efforts made towards technology absorption:** The Company continued efforts for absorption of certain technologies developed in-house in relation to development of pharmaceutical formulations, drug delivery system and API. These technologies were absorbed in development of new formulations for developed markets and manufacture of validation batches, exhibit batches, scale up batches and commercialisation therefor. These technologies have been absorbed with the effort of in-house R&D.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** The Company derived the following benefit as a result of technology absorption:
  - Prior approval supplements for alternative API in ANDA
  - Receipt of regulatory approvals
  - Reduction in cost of materials and production
  - Improvement in product yield and quality
- (iii) **The Company has not imported any technology during last 3 financial years.**

- (iv) The expenditure incurred on Research and Development during the year is as under:

the year was ₹ 89,432.82 lakhs, while foreign exchange outgo in terms of actual outflows was ₹ 21,425.84 lakhs.

(₹ in lakhs)

(a) Capital	682.73
(b) Revenue	3,048.09
(c) Total	3,730.82

For and on behalf of the Board of Directors

Ranjit Shahani  
Chairman

(C) Foreign exchange earnings and outgo:

The foreign exchange earned in terms of actual inflows during

Place : Mumbai  
Date : May 26, 2022

## SCHEDULE-E

### Annual Report on CSR

[pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended]

### Annual Report on CSR Activities for financial year ended on March 31, 2022

#### 1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility ("CSR") is a company's sense of responsibility towards the society and the environment in which it operates and the Company has imbibed this philosophy in its CSR Policy to comply with stated requirements of the Companies Act, 2013 ("Act") and the Rules. The objective of Company's CSR Policy is to strive to create and/or encourage, directly or indirectly, a positive impact on the society at large through CSR activities or projects undertaken by the Company. CSR Policy of the Company specifies activities to be undertaken by the Company from time to time in terms of Schedule VII to the Act, criteria for implementing CSR activity/projects through not-for profit organizations, modalities for execution of such activity/projects and implementation schedule.

The Company shall undertake any CSR activity covered under Schedule VII to the Act from time to time and in line with the Company's commitment to conduct its business in a socially, environmentally and ethically responsible manner; and contribute to the society and the environment in which it operates. The CSR Committee may decide to undertake CSR activities in areas such as healthcare, education, environment or any other area that the CSR Committee deems fit and is covered under Schedule VII to the Act. The CSR activity shall be carried out by the Company directly or through permitted partnering organization holding unique CSR registration number and recommended by the CSR Committee.

CSR Committee is, *inter alia*, responsible for formulating and recommending to the Board an annual action plan of CSR activities, identifying and recommending possible implementation platforms and formulating transparent monitoring mechanism to ensure effective implementation of the CSR activities/projects undertaken by the Company. While the Board is, *inter alia*, responsible for approval and overall monitoring of CSR expenditure and ensuring that the Company spends, in every financial year, at least 2% of the average net profits made during the immediately preceding three financial years, in pursuance of CSR Policy.

#### 2. Composition of CSR Committee:

Sr. 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.	Mr. Ranjit Shahani	Chairman, Independent Director	2	2
2.	Mr. Sumit Bose	Member, Independent Director	2	2
3.	Mr. Nikhil Chopra	Member, Chief Executive Officer and Whole-Time Director	2	2
4.	Ms. Ananya Tripathi (upto March 11, 2022)	Member, Non-Executive Director	2	1
5.	Mr. Prashant Kumar (from March 22, 2022)	Member, Non-Executive Director	2	NA

\*During the financial year 2021-22, meetings of CSR Committee were held on May 24, 2021 and March 22, 2022.

**3. Provide the 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 composition of CSR Committee is disclosed at <https://jbpharma.com/download/composition-of-csr-committee/?wpdmdl=5079&refresh=6295a00ff39211653973007> . CSR Policy is disclosed at <https://jbpharma.com/download/corporate-social-responsibility-policy/?wpdmdl=5487&refresh=62cbdeb0a36471657527984> and CSR project approved by the Board is disclosed at <https://jbpharma.com/download/csr-projects-fy-2021-22/?wpdmdl=5731&refresh=6295a0100980c1653973008> .

**4. Provide the 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, if applicable (attach the report)**

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, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakhs)	Amount required to be set-off for the financial year, if any (₹ in lakhs)
1	2020-21	7.40	Nil

**6. Average net profit of the company as per section 135(5): ₹ 34,681.15 lakhs**

(₹ in lakhs)

7.	(a)	Two percent of average net profit of the company as per section 135 (5)	₹ 693.62
	(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	Nil
	(d)	Total CSR obligation for the financial year (7a+7b-7c)	₹ 693.62

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

Total Amount Spent for the Financial Year 2021-22 (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	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
695.09	NA	NA	NA	NA	NA

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No).	Location of the Project	Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (In ₹)	Mode of implementation (Direct) (Yes/No.)	Mode of implementation- Through IA
1	Construction of Seminar cum Day-Care Centre at Radiotherapy Unit of Institute of Post Graduate Medical Education & Research - SSKM Hospital at Kolkata	Promoting healthcare including preventive healthcare (i)	No	Kolkata, West Bengal.	17 months	17.61	17.61	NA	Yes	NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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.	Distribution of oxygen concentrators to COVID-19 hospitals/centres for treatment of patients affected by COVID-19.	Disaster Management (xii)/ Promoting healthcare including preventive healthcare (i)	No	West Bengal Assam Jharkhand Uttarakhand	Howrah Nalbari, Darrang, Dhubri Pakur Tehri Garhwal, Uttarkashi	98.00	No	United Way of Bengaluru	CSR00000324
2.	Distribution of free meals to poor patients/relatives of poor patients admitted in public hospitals at Mumbai/Migrant children under "School on Wheels" project at Mumbai suburbs.	Eradicating hunger and malnutrition (i)	Yes	Maharashtra	Mumbai	68.87	No	Hare Krishna Movement Charitable Foundation	CSR00001738
3.	Treatment of children born with clubfoot in the State of Gujarat and support for development of mould for local manufacture of bars for use in treatment of such children.	Promoting healthcare including preventive healthcare (i)	Yes	Gujarat	Surendranagar, Botad, Arvalli, Porbandar, Dwaraka, Mahisagar	46.73	No	MiracleFeet Foundation for Eliminating Clubfoot	CSR00002321



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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.	Hands-on practical science education for children studying in class 6 to 10 at 40 Government run schools in Bharuch District (Gujarat) through Mobile Science Labs, with aim to transform thinking of underprivileged children and teachers.	Promoting education (ii)	Yes	Gujarat	Bharuch	32.23	No	Agastya International Foundation	CSR00003442
5.	Education and removal of malnourishment of poor tribal children from Tamia block of Chhindwara district of Madhya Pradesh.	Promoting education (ii)/ eradicating malnutrition (i)	No	Madhya Pradesh	Chhindwara	50.25	No	Parivaar Education Society	CSR00000052
6.	COVID-19 vaccination among poor and slum residents of Mumbai at camps organised by philanthropic entities/persons under arrangement with Apollo Hospital, Mumbai.	Disaster Management (xii)/ Promoting healthcare including preventive healthcare (i)	Yes	Maharashtra	Mumbai	39.00	Yes	NA	NA
7.	Provision of Adult & Paediatric ventilator and high-end universal ventilator to Shri Vinoba Bhave Civil Hospital, Silvassa, to combat COVID-19 cases.	Disaster Management (xii)/ Promoting healthcare including preventive healthcare (i)	Yes	Union Territory of Dadra & Nagar Haveli and Daman & Diu	Silvassa	24.92	Yes	NA	NA
8.	Contribution to Ankleshwar Industrial Development Society, towards setting up of Radiation Centre at Shreemati Jayaben Mody Hospital at Ankleshwar, Gujarat, for treatment of poor patients suffering from cancer.	Promoting healthcare including preventive healthcare (i)	Yes	Gujarat	Bharuch	25.00	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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
9.	Contribution to Ankleshwar Industrial Development Society, towards funding of furniture, fittings and equipment at Emergency Response Unit and ICU at Shreemati Jayaben Mody Hospital at Ankleshwar, Bharuch, Gujarat.	Promoting healthcare including preventive healthcare (i)	Yes	Gujarat	Bharuch	25.00	Yes	NA	NA
10.	Contribution to Liver Foundation, West Bengal, towards procurement of Fibroscan machine for use at Indian institute of Liver and Digestive sciences (IILDS), for affordable treatment of needy section of the society.	Promoting healthcare including preventive healthcare (i)	No	West Bengal	South 24 Parganas	70.00	Yes	NA	NA
11.	Contribution to Rajveer Knowledge Foundation towards construction of a new hospital building at Talegaon to cater to healthcare needs of poor and needy people of Pune District.	Promoting healthcare including preventive healthcare (i)	No	Maharashtra	Pune	35.00	Yes	NA	NA
12.	Treatment of poor and needy children suffering from Growth Hormone Deficiency (GHD), at All India Institute of Medical Sciences (AIIMS), New Delhi.	Promoting healthcare including preventive healthcare (i)	No	Delhi	Delhi	128.00	Yes	NA	NA
13.	Health improvement of local residents at Dori Kadaiya suffering from anaemia, tuberculosis, leprosy, HIV and malnutrition through distribution of nutrition kit under public health initiative of the Department of Health & Family Welfare, Dadra & Nagar Haveli and Daman & Diu.	Promoting healthcare including preventive healthcare (i)	Yes	Union Territory of Dadra & Nagar Haveli and Daman & Diu	Daman	0.49	Yes	NA	NA
<b>TOTAL</b>						<b>643.48</b>			

- (d) Amount spent in Administrative Overheads: ₹ 34.00 lakhs
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the Financial Year: (8b+8c+8d+8e) ₹ 695.09 lakhs
- (g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	693.62
(ii)	Total amount spent for the Financial Year	695.09
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.47
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.47

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21			Not Applicable			
2.	2019-20			Not Applicable			
3.	2018-19			Not Applicable			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

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:

(a)	Date of creation or acquisition of the capital asset(s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

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

For and on behalf of Board of Directors

Place : Mumbai  
Date : May 26, 2022

Nikhil Chopra  
Chief Executive Officer and Whole-Time Director

Place : Mumbai  
Date : May 26, 2022

Ranjit Shahani  
Chairman, CSR Committee

**SCHEDULE-F**

Disclosure pursuant to 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 ratio of the remuneration of executive director to the median remuneration of the employees of the Company**

Name	Designation	Remuneration for 2021-22 (₹ in lakhs)	% increase in remuneration of 2021-22	Ratio of remuneration paid in 2021-22 to median remuneration
*Mr. Nikhil Chopra	Chief Executive Officer and Whole- Time Director	593.86	20.47	163:1

\*appointed w.e.f October 5, 2020.

- (ii) The non-executive directors were paid sitting fees during the year for attending meetings of the Board and Committees thereof. Further, Board has approved payment of profit related commission to independent directors for financial year 2021-22. The principles governing increase in the remuneration of executive directors and increase in sitting fees and commission payable to non-executive directors, as per the Company's remuneration policy, are different. Further, the amount of sitting fees received by a non-executive director depends on (a) amount of sitting fee fixed by the Board for meetings of the Board and a particular Committee, and (b) number of meetings of the Board and Committee(s) thereof attended by such director, while payment of commission to non-executive directors is determined based on performance of the concerned director and performance of the Company. The information with regard to sitting fees paid and profit related commission payable for financial year 2021-22 is given here below:

Name of independent/ non-executive director	Sitting fees paid during 2021-22 (₹ in lakhs)	Sitting fees paid during 2020-21 (₹ in lakhs)	% increase in 2021-22 over 2020-21 <sup>1</sup>	Ratio of sitting fee paid during 2021-22 to median remuneration <sup>1</sup>
*Mr. Ranjit Shahani	25.00	13.00	92.31	7:1
*Mr. Sumit Bose	30.00	14.00	114.29	8:1
*Ms. Padmini Khare Kaicker	24.00	9.00	166.67	7:1

\*appointed as independent director on August 31, 2020.

<sup>1</sup>Percentage increase in sitting fee and ratio of sitting fee to median remuneration would vary due to factors such as date of appointment, number of meetings held and attended during the year and number of committee positions held.

Name of independent director	Commission payable for 2021-22 (₹ in lakhs)	Commission paid for 2020-21 (₹ in lakhs)	% increase in 2021-22 over 2020-21 <sup>1</sup>	Ratio of commission payable for 2021-22 to median remuneration
*Mr. Ranjit Shahani	25.00	16.50	51.52	7:1
*Mr. Sumit Bose	15.00	12.50	20.00	4:1
*Ms. Padmini Khare Kaicker	21.00	14.50	44.83	6:1

\*appointed as independent director on August 31, 2020.

<sup>1</sup>Percentage increase in commission and ratio of commission to median remuneration would vary due to factors such as date of appointment, performance of concerned director and performance of the Company.

(iii) **Increase in remuneration of Chief Financial Officer and Company Secretary:**

There was a change in the Chief Financial Officer and Company Secretary effective from October 4, 2021 and July 15, 2021 respectively. Hence, the increase in remuneration of Chief Financial Officer and Company Secretary during the financial year 2021-22 is not comparable with that of the previous year.

- (iv) The percentage increase in the median remuneration of the employees in the financial year was 15%.

- (v) As on March 31, 2022, the Company had 4,340 permanent employees on its rolls.

- (vi) **Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in the remuneration of employees (other than the managerial personnel) during 2021-22 was 9.8% as against 20.47% given to managerial personnel. The average increase in remuneration of managerial personnel was based on performance of the Company and the Remuneration Policy of the Company. There were no exceptional circumstances for increase in their remuneration.

- (vii) **It is affirmed that the remuneration of the directors and employees of the Company is as per Remuneration Policy of the Company.**

**For and on behalf of the Board of Directors**

**Ranjit Shahani**  
**Chairman**

Place : Mumbai  
Date : May 26, 2022



**SCHEDULE-G**

Information as per Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended on March 31, 2022.

Statement of name of top ten employees in terms of remuneration drawn and name of every employee who was in receipt of remuneration of prescribed amount during the financial year.

(a) Name & age (years) (b) Designation (c) Gross remuneration received (₹) (d) Qualification(s) & experience (years) (e) Date of commencement of employment (f) Last employment held before joining the Company

**Employed for full year:**

(a) Bang Parmeshwar (54) (b) Vice President-Works (c) 14,522,790 (d) M. Pharm, D.B.M. (28) (e) 28.08.2003 (f) Ankur Drugs & Pharma Ltd.-General Manager (a) Bharadwaj Sridhar (55) (b) Vice President-HR (c) 10,350,316 (d) MBA, PGDBA (31) (e) 15.09.2016 (f) Cadila Healthcare Limited- Vice President-HR (a) Chopra Nikhil (48) (b) Chief Executive Officer and Whole Time Director (c) 59,385,768 (d) M.Sc. (Chemistry) (25) (e) 5.10.2020 (f) Cipla Ltd.- CEO, India Business (a) Dhanani Bharat (53) (b) Vice President (Operation) (c) 13,979,952 (d) B. Pharm (28) (e) 12.10.2010 (f) Famycare Ltd.- General Manager (a) D'Souza Jason (47) (b) Vice President - Investor Relations (c) 11,919,631 (d) MBA Finance (27) (e) 23.02.2021 (f) Glenmark Pharmaceuticals Ltd.- Senior Vice President- Corporate Strategy & Investor Relations (a) Joshi M. D. (Dr.) (58) (b) President-Global Regulatory Management (c) 23,531,879 (d) M.Sc., Ph.D. (36) (e) 07.12.1989 (f) Adonis Labs Private Limited-Executive- Quality Assurance (a) Khanna Kunal (41) (b) President – Operations (c) 22,150,318 (d) MBA / PGDM Marketing (16) (e) 31.08.2020 (f) Cipla Ltd.- Vice President- India Business (a) Rajhans Sujay (Dr.) (45) (b) President-R&D (c) 10,099,545 (d) M.Pharm, Ph.D. (18) (e) 30.03.2021 (f) Torrent Pharmaceuticals Limited-General Manager (a) Rathore Dilip Singh (45) (b) President- Domestic Business (c) 21,323,811 (d) M.Sc. (20) (e) 28.01.2021 (f) Cipla Limited- Sr. Vice President - India Business Marketing (a) Rathod Sandeep (44) (b) Vice President - Legal (c) 12,844,726 (d) LLM (16) (e) 02.03.2021 (f) USV Private Limited- Vice President-Legal (a) Sachdev Bhushan (52) (b) Vice President-Supply Chain Management (c) 17,709,941 (d) Diploma in Mechanical Engineering, Graduate Diploma in Materials Management (24) (e) 13.06.2005 (f) Balsara Home Products Limited – Head Supply Chain & Projects (a) Sachi Savya (59) (b) President (Domestic Business Unit) (c) 18,034,152 (d) LLB, Diploma in Business Management (35) (e) 17.02.2012 (f) Dr. Reddy's Laboratories Ltd.- Director-Marketing (a) Singh P.K. (58) (b) President (Global Business) (c) 33,436,924 (d) M. Pharm (35) (e) 01.12.2001 (f) Coral Laboratories-General Manager (International Division).

**Employed for part of the year:**

(a) ^Bhatt Vijay (52) (b) Chief Financial Officer (c) 7,819,192 (d) B. Com, Chartered Accountant (29) (e) 21.01.2015 (f) MIRC Electronics Ltd.-Head Finance & Accounts (a) Bendre Vikrant (45) (b) Assistant Vice President (c) 3,822,092 (d) MBA (22) (e) 18.02.2022 (f) Jubilant Generics Limited – Senior Director (a) ^^Kataria Lakshay (43) (b) Chief Financial Officer (c) 13,354,117 (d) Chartered Accountant (20) (e) 04.10.2021 (f) Akzonobel India Limited- Chief Financial Officer.

**Notes:** (1) The nature of employment of the above employees is/was contractual in nature. The other terms and conditions of each of the above are/were as per the contract/letter of appointment and rules of the Company. (2) The amount of remuneration does not include gratuity received as the same was paid by the Gratuity Trust of the Company.

^ ceased to be Chief Financial Officer with effect from August 31, 2021

^^ appointed as Chief Financial Officer with effect from October 4, 2021

For and on behalf of the Board of Directors

Ranjit Shahani  
Chairman

Place : Mumbai  
Date : May 26, 2022

## SCHEDULE-H

### Disclosure of details in respect of Company's Employee Stock Option Plan

Sr. No.	Particulars	Exercise price wise details	
(a)	<b>Options granted:</b>		
	Performance based options granted	1,137,901	434,860
	Time based options granted	758,601	479,359
	Total options granted	1,896,502	914,219
(b)	<b>Options vested</b>	Nil	Nil
(c)	<b>Options exercised</b>	Nil	Nil
(d)	<b>Total number of shares arising as a result of exercise of option</b>	Not applicable	Not applicable
(e)	<b>Options lapsed</b>	Nil	4,637
(f)	<b>the exercise price (₹)</b>	745	1,200
(g)	<b>Variation of terms of options</b>	Not applicable	Not applicable
(h)	<b>Money realized by exercise of options</b>	Not applicable	Not applicable
(i)	<b>Total number of options in force</b>	1,896,502	909,582
(j)	<b>Employee wise details of options granted</b>	As per Table-1, Table-2 and Table-3 below	

**Table-1: Employee wise details of options granted to key managerial personnel**

Sr. No.	Name	Designation	Number of options granted during the year		Exercise price for the Options (₹)
			Time based	Performance based	
(i)	Mr. Nikhil Chopra	Chief Executive Officer and Whole-Time Director	618,257	927,385	745
(ii)	Mr. Lakshay Kataria	Chief Financial Officer	56,000	84,000	1,200
(iii)	Mr. Sandeep Phadnis	Vice President-Secretarial and Company Secretary	11,592	-	1,200

**Table-2: Details of employees who received a grant of options in 2021-22 amounting to 5% or more of options granted during that year**

Sr. No.	Name	Designation	Number of options granted during the year		Exercise price for the Options (₹)
			Time based	Performance based	
(i)	Mr. Nikhil Chopra	Chief Executive Officer and Whole-Time Director	618,257	927,385	745
(ii)	Mr. Kunal Khanna	President – Operations	70,172	105,258	745
(iii)	Mr. Dilip Singh Rathore	President-Domestic Business	70,172	105,258	745

**Table-3: Details of the identified employee who was granted options in 2021-22 equal to or exceeding 1% of the issued capital of the Company at the time of grant**

Sr. No.	Name	Designation	Number of options granted during the year		Exercise price for the Options (₹)
			Time based	Performance based	
(i)	Mr. Nikhil Chopra	Chief Executive Officer and Whole-Time Director	618,257	927,385	745

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 26, 2022

Ranjit Shahani  
Chairman

## SCHEDULE-I

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 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]*

To,  
The Members,  
J. B. Chemicals & Pharmaceuticals Limited  
Neelam Centre, B wing,  
4<sup>th</sup> Floor, Hind Cycle Road,  
Worli, Mumbai 400030.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J. B. Chemicals & Pharmaceuticals Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner, which provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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:

We 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 there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment;
- (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 (Not applicable to the Company during audit period);
  - (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 to the Company during audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during audit period);
  - (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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during audit period);
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure I.

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

- (i) Secretarial Standards 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 Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We 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 and 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, if any, are captured and recorded as part of the minutes.

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

**We further report that** during the audit period the Company has passed the following special/ordinary resolutions, which could be considered as having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Approval of JBCPL Employee Stock Option Scheme 2021 ("Scheme" or "ESOP 2021") for Employees of the Company.
2. Approval of grant of Options to employees of subsidiary and/or holding company under "JBCPL Employee Stock Option Scheme 2021.
3. Approval of grant of Options to Mr. Nikhil Chopra, Chief Executive Officer and Whole-Time Director, exceeding 1% of the issued share capital of the Company under "JBCPL Employee Stock Option Scheme 2021" ("Scheme" or "ESOP 2021").
4. Approval of withdrawal and revocation of employee stock option scheme set-up in the year 2004.
5. Approval of increase in cap of remuneration for Mr. Nikhil Chopra (DIN: 07220097) as Chief Executive Officer and Whole-Time Director of the Company
6. Approval of revision in remuneration of Mr. Nikhil Chopra (DIN: 07220097), Chief Executive Officer and Whole-Time Director of the Company, for financial year 2021-22
7. Re-classification of status of certain promoters and members of the promoter group from "promoter group" to "public".

**For Ashish Bhatt & Associates**

**Ashish Bhatt**  
**Practicing Company Secretary**  
 FCS No: 4650  
 C.P. No. 2956  
 UDIN: F004650D000391707

Place : Thane  
 Date : May 26, 2022

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



**ANNEXURE I****List of applicable laws to the Company****Under the Major Group and Head**

1. Drugs & Cosmetics Act, 1940;
2. Drugs (Prices Control) Order 2013;
3. Factories Act, 1948;
4. Industries (Development & Regulation) Act, 1951;
5. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
6. Acts relating to prevention and control of pollution;
7. Acts relating to Environmental protection;
8. Acts relating to direct tax and indirect tax;
9. Labour Welfare Act of respective States;
10. Trade Marks Act 1999; and
11. The Legal Metrology Act, 2009

Place : Thane  
Date : May 26, 2022

**For Ashish Bhatt & Associates**

**Ashish Bhatt**  
**Practicing Company Secretary**  
 FCS No: 4650  
 C.P. No. 2956  
 UDIN: F004650D000391707

**ANNEXURE -II**

To,  
 The Members,  
 J. B. Chemicals & Pharmaceuticals Limited  
 Neelam Centre, B wing, 4<sup>th</sup> Floor, Hind Cycle Road,  
 Worli, Mumbai 400030.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we 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 is the responsibility of management. Our examination was limited to the verification of procedures on test 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 Ashish Bhatt & Associates**

**Ashish Bhatt**  
**Practicing Company Secretary**  
 FCS No: 4650  
 C.P. No. 2956  
 UDIN: F004650D000391707

Place : Thane  
Date : May 26, 2022

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY DEVELOPMENTS

FY 21-22 was a good year for the Indian pharmaceutical industry. Demand witnessed growth due to Post pandemic normalization and surge in demand for COVID-19 related medicines. The domestic formulations industry sales was at ~INR 185,498 crores (IQVIA, March, MAT 2022) recording growth of 18% in value and 11% in volumes. The market was heavily impacted by the second covid wave which hit the country with the covid portfolio products' sales spurting during that period which resulted in Respiratory and anti-infective segment registering the highest growth across therapies. International/Export business was a mixed bag. Some markets saw macro-economic challenges and the US market was impacted by price erosion but overall business witnessed growth. Overall the industry saw pressure on operating margins led by increase in input costs, freight costs and normalization of operating expenses post covid.

## OPPORTUNITIES & THREATS AND SEGMENTS WISE PERFORMANCE

### Domestic Business:

The Company is engaged in only one segment viz. pharmaceuticals.

During the year under review, the domestic pharma market continued to grow at a healthy pace. As per IMS MAT Mar 22 data, the industry growth rate was at 18%. The Company registered growth at 29 % for the same period and thus emerged the fastest growing Company among the top 25 in the market. It is also important to note that the Company had limited benefit from its COVID portfolio and thus the underlying growth continued to remain strong.

For the year under review, the domestic formulations business recorded revenue of INR 1,173 crores as compared to INR 892 crores for the previous financial year registering growth of 32 %.

During the year, the Company focussed on its five-pronged strategy.

### 1. Realigned Go-To-Market(GTM) model to drive productivity

During the year under review, the Company introduced a new GTM model which focussed on increasing productivity and enhancing focus on key brands. The strategy is beginning to pay dividends with pcm (per capita per month) increasing to ₹ 5.6 lakhs per medical representative from ₹ 4.4 lakhs per medical rep in FY 2021 increasing by 27 %. The Company is now ranked among the top 25 in IPM and ranked #15 by prescription. During the year under review, the Company moved several ranks in the industry. All 5 brands in the top 300 continue to grow well and maintain its leadership position in the covered market. In segments where the Company has strong presence, it outperformed the overall segment growth. As per IMS MAT Mar 22 data, while the overall cardiology segment grew by 10.5 %, the Company grew at 29.4%; in Gastro-Intestinal while the overall segment grew by 17.4 %, the Company grew by 22.2 % and in the anti-parasitic segment where metrogyl is present grew by 14.3 % whereas the Company grew by 28.7 %.

### 2. Increasing Contribution from Chronic Therapies

The Company has been consistently increasing its contribution from chronic therapies over the past several years. As per IQVIA MAT 2018, the Company's revenue from chronic therapies as a percentage to overall domestic sales was 46 %. This has increased to 50 % as per IQVIA MAT Mar 22 data. This was possible due to the lifecycle management of major brands and launches in Heart failure, Diabetes and Nephrology segment. With the acquisition of Azmarda, we are focusing on increasing our contribution from Chronic therapies.

### 3. Making Big Brands Bigger

All the five focussed brands continue to perform well in their respective categories. Rantac (anti-peptic ulcerant), with market share of 41 % in its category was ranked # 45 among the top 300 and grew by 19% as per IMS MAT 22 data. Cilacar (Calcium Channel Blocker) with market share of 51 % in its category was ranked # 52 among the top 300 and grew by 19% as per IMS MAT 22 data. Metrogyl (amoebicide) with market share of 79 % in its category was ranked # 194 among the top 300 and grew by 27% as per IMS MAT 22 data. Cilacar – T (calcium channel blocker/angiotensin receptor blocker) with market share of 38 % in its category was ranked # 203 among the top 300 and grew by 61% as per IMS MAT 22 data. Nicardia (calcium channel blocker) with market share of 89% in its category was ranked # 240 among the top 300 and grew by 25% as per IMS MAT 22 data. The re-aligned GTM model backed with life cycle management /brand line extensions has resulted in market-beating performance.

### 4. Accelerating Growth through New Launches

The Company has begun to focus on introducing new products in the market. During the year under review, the domestic business launched 17 products (excluding line extensions) as against only 5 launches in FY21. These new introductions now contribute ~4.0% of the total domestic sales for the year under review. Notable introductions during the year include JBTor (Torsemide), Dapacose (Dapagliflozin), Nintabid (Nintedanib) amongst others.

### 5. Acquisition-led growth, via strong brand franchises

One of the pillars of the strategy has been acquisition-led growth. The objective was to judiciously deploy capital and free cash flow from the business in value-accretive brands and franchises which can further strengthen the India business. During the past twelve months, the Company completed two major acquisitions (Brands from Sanzyme and Azmarda), thus foraying into the

fast-growing Probiotics segment and the niche Heart Failure segment. The brands acquired from Sanzyme offers entry into the nascent opportunity of probiotics in India which is witnessing double digit growth. The portfolio also offers geographic & distribution synergies, along with prescriber overlap. Sporlac, which is among the top 3 brands in the probiotics segment has significant opportunity to grow through line -extensions.

Azmarda marks the Company's expansion in the cardiac segment with its entry into the niche fast growing heart failure segment. Sacubitril+Valsartan which belongs to the ARNI class is the highest growth segment in cardiology, with a 3-year CAGR of 35%+. There is significant untapped potential as less than 25% of the estimated 15-20 Mn Heart Failure patients are on this therapy.

#### International business:

The Company operates distinct operating models across multiple international businesses with direct presence in Russia and South Africa as well as distributor relationships in the U.S. and a large number of markets across Asia, Africa and Latin America. The Company also has a leading global position in the contract manufacturing (CMO) market driven by marquee client relationships. These businesses are backed by wide-ranging manufacturing capabilities that offer substantial headroom for growth. Overall, the Company's international business derives strong visibility from its wide geographical presence, increased focus on ANDA filings, new product introductions in home markets of Russia and South Africa, focus on contract manufacturing business backed by state-of-the-art manufacturing facilities that are approved by regulatory bodies such as US FDA, TGA Australia, EU GMP, SAHPRA South Africa, MoH-Russia, Ukraine (PICs), MoH Japan with a wide range of products across injectables, solids and semi-solids.

During the year under review, the Company's international business recorded revenue of INR 1,236 crores as compared to INR 1,127 crore recording growth of 10 %. The Company's overall International formulations business during the year under review was INR 892 crores; the CMO business was INR 253 crores and the API business was INR 91 crores.

The South Africa business continues to record growth in both public and private markets and is now ranked among the top 15 companies in the country. The Russia/CIS region continue to see stable demand despite being affected by currency fluctuations and volatility. The ROW markets bounced back in the fourth quarter and thus delivered good overall growth for the year under review. In the US, the key molecules viz. Glipizide and Carbamazepine, continue to retain market share. We continue to progress on ANDA filings with focus on backward integration. The cost-plus business model in the US will ensure that our capital investment is limited, and our returns are sustainable. The supply chain disruptions and higher freight costs remain a challenge. Freight costs increased significantly for all key markets and shipments were affected for most of the year under review.

The CMO business provides a great opportunity for growth. The organisation is currently ranked among the top 5 manufacturers of lozenges globally and boasts of some big consumer health/ FMCG companies. The CMO business recorded good growth in the year under review.

## OUTLOOK

The global macro-economic conditions remain fragile and inflation is on the rise across the world. We have seen significant costs escalation during the year under review. Despite the challenging operating environment, we remain positive about the demand outlook. The India business will continue to remain market-beating and we will continue to strengthen our pillar brands. We also intent to scale up the recently acquired brands. On the international business we expect growth in demand. However, the geo-political & economic scenario across the world is evolving and this could lead to some headwinds. We continue to focus on building our product portfolio, building new customer relationships and leverage our manufacturing capability to mitigate the headwinds.

## RISKS AND CONCERNS

The Company does not perceive any risks or concerns other than those that are common to the industry such as regulatory risks, exchange risk, cyber risks and other commercial and business-related risks.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls, which ensures that its assets are protected from loss and unauthorized use as well as business affairs are carried out in accordance with established procedures. These systems of internal controls also ensure that transactions are carried out based on authority and are recorded and reported in line with generally accepted accounting principles. The Company also has a system of regular internal audit carried out by competent professionals retained by the Company. The internal audit programme is approved by the Audit Committee, and findings of the internal auditor are placed before the Audit Committee and the Board at regular interval. The internal control system is adequate keeping in view size and nature of the Company's business.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Consolidated financial performance of the Company with respect to operational performance for the financial year ended on March 31, 2022 is as under:

Parameter	2021-22 (INR in crores)	2020-21 (INR in crores)	Growth (%)
Revenue from operations	2,424.24	2,042.52	18.69
Total income	2,463.47	2,154.90	14.32
Reported EBITDA	543.46	560.41	(3.12)
Operating EBITDA (excl ESOP Cost)	606.11	560.41	8.16
Profit before tax and exceptional item	504.90	596.89	(15.41)
Profit after tax	386.04	448.52	(13.93)

During the year under review, the Company recorded revenue growth of 19%. The domestic business grew by 32 % while the international

business grew at 10% for the year under review. While the reported EBITDA declined by 3% to INR 543.46 crores, the Operating EBITDA (excl ESOP cost) increased by 8% to INR 606.12 crores despite significant cost pressures during the year under review. PAT development was impacted due to non-cash ESOP charge, lower treasury income and one-off other income in the prior financial year.

Standalone financial performance of the Company for the financial year ended on March 31, 2022 is as under:

Parameter	2021-22 (INR in crores)	2020-21 (INR in crores)	Growth (%)
Revenue from operations	2,189.88	1,892.00	15.74
Total income	2,228.49	2,003.88	11.21
Reported EBITDA	508.91	556.37	(8.53)
Operating EBITDA (excl ESOP Cost)	569.84	556.37	2.42
Profit before tax and exceptional item	471.29	593.71	(25.98)
Profit after tax	361.00	447.08	(19.25)

## HUMAN RESOURCE

There has been no material development on human resources and industrial relations front. The relationship with employees and workers continued to be cordial at all levels. As on March 2022, permanent employees' strength and temporary employees' strength was 4,340 and 680 respectively.

## KEY FINANCIAL RATIOS

The key financial ratio for 2021-22 and changes therein as compared to the immediately preceding financial year along with detailed explanation in cases where the change is 25% or more is as under:

- Debtors Turnover ratio: Net Sales/Average account receivables**  
This ratio for the year was 5.13 (times) as against 5.56 (times) in the previous year.
- Inventory Turnover ratio: Cost of Goods sold/Average inventory**  
This ratio for the year was 2.23 (times) as against 2.26 (times) in the previous year.

- Interest Coverage ratio: EBITDA/Interest Payment**

This ratio for the year was 106.13 (times) as against 77.39 (times) in the previous year. The Company has a healthy interest coverage ratio in absolute terms. The coverage increased by 28.74% on account of finance costs reducing from 7.24 crores to 5.12 crores.

- Current Ratio: Current assets/Current liabilities**

This ratio for the year was 3.32 (times) as against 4.50 (times) in the previous year. This ratio reduced due to redemption of mutual fund investments for acquisitions of trademarks during the year.

- Debt-Equity ratio: Borrowings/Total Shareholders' Equity**

This ratio for the year was 0.026:1 (times) as against 0.025:1 (times) in the previous year.

- Operating Profit Margin: EBITDA (excl ESOP charge)/Sales**

Operating profit margin for the year was 25.00% as against 27.43% in the previous year. The operating margin was lower due to escalation in inputs costs, freight costs and normalisation of operating expenses post pandemic.

- Net Profit Margin: Net Profit/Net Sales**

Net profit margin for the year was 15.92% as against 21.96% in the previous year. This ratio declined by 6.04% due to the ESOP charges, lower treasury income and one-off other income in the prior financial year.

The ratio for the previous year has been re-stated wherever necessary to make it comparable to current year calculation.

## RETURN ON EQUITY

Return on Equity during the year was 15.33% as against 18.56% in the previous year. The ROE was impacted due to ESOP charges, lower treasury income and one-off other income in the prior financial year.

**For and on behalf of the Board of Directors**

**Ranjit Shahani**  
Chairman

Place : Mumbai  
Date : May 26, 2022



# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on code of governance is aimed at assisting the management and the Board of Directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. The philosophy also includes insistence on strict adherence to the governance mechanism laid down in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). These practices are intended to achieve balance between enhancement of stakeholder value and achievement of financial objective.

## BOARD OF DIRECTORS

### (i) (a) Composition, Attendance and Other Directorships:

The strength of the Board of directors of the Company as at the year-end was six. The Company's Board consists of three independent directors including one independent woman director, two non-executive directors and an executive director being the CEO and whole-time director of the Company. The Chairman of the Board, Mr. Ranjit Shahani, is an independent director.

The information on composition and category of directors as well as attendance of each director at the meetings of the Board of directors held during the financial year ended on March 31, 2022 and at the last annual general meeting and their directorships in other companies and committee membership/chairmanship in other public companies as at the year-end is as under:

Name of the director	Category	No. of board meetings attended	Attendance at last AGM	No. of other directorship(s)	Other committee position	
					Member	Chairman
^ Mr. Ranjit Shahani	Independent	10	Yes	3	1	1
Mr. Sumit Bose	Independent	10	Yes	5	1	4
Ms. Padmini Khare Kaicker	Independent	10	Yes	4	–	4
Mr. Sanjay Nayar (up to 25/01/2022)	Non-executive	8	Yes	*	*	*
Mr. Prashant Kumar	Non-executive	10	Yes	2	1	–
Ms. Ananya Tripathi (up to 11/03/2022)	Non-executive	9	Yes	*	*	*
Mr. Gaurav Trehan	Non-executive	9	No	1	–	–
Mr. Nikhil Chopra	Executive	10	Yes	–	–	–

\*Not applicable as has ceased to be a director as on March 31, 2022.

^ Pursuant to provisions of Regulation 17 (1A) of the Listing Regulations, the Company passed special resolution on September 30, 2020 for continuation of directorship on and after his attaining age of seventy-five years during his tenure as non-executive director of the Company.

Notes : (1) The directorships exclude directorships of private companies and section 8 companies.

(2) The committee positions pertain to memberships held in Audit Committee and Stakeholders Relationship Committee of other public limited companies.

### (b) Directorships in other listed entities:

The information as to directorship held by the Board members in other listed entities is as under:

Name of the director	Category of directorship	Name of listed entity	Security Listed
Mr. Ranjit Shahani	Independent	Hikal Limited	Equity
	Non-executive	Ambuja Cements Limited	Equity
	Independent	Wellness Forever Medicare Limited	Equity

Name of the director	Category of directorship	Name of listed entity	Security Listed
Ms. Padmini Khare Kaicker	Independent	Tata Chemicals Limited	Equity
	Independent	Rallis India Limited	Equity
	Independent	Kotak Mahindra Investments Limited	Debt
	Independent	Tata Cleantech Capital Limited	Debt
Mr. Sumit Bose	Independent	Coromandel International Limited	Equity
	Independent	HDFC Life Insurance Company Limited	Equity
	Independent	BSE Limited	Equity
	Independent	Tata AIG General Insurance Company Limited	Debt
Mr. Gaurav Trehan	Non-executive	Max Healthcare Institute Limited	Equity
Mr. Prashant Kumar	Non-executive	Max Healthcare Institute Limited	Equity

Directorships held by directors of the Company are within the limit prescribed under the Listing Regulations and the Companies Act, 2013.

**(c) Meetings and Review:**

Ten meetings of the Board of directors were held during the financial year ended on March 31, 2022. These meetings were held on April 1, 2021, April 28, 2021, June 14, 2021, July 14, 2021, August 12, 2021, October 1, 2021, November 11, 2021, January 25, 2022, February 14, 2022 and March 22, 2022.

The Board of directors reviews compliance of applicable laws on quarterly basis. The Board has constituted Risk Management Committee. Board has formulated a risk management plan and delegated monitoring and reviewing of the plan to the Risk Management Committee. The Committee would review mitigation measures taken by the Company and new risks that may be identified by the management following risk management policy of the Company. The Company has also laid down system to inform Board members about risk assessment and minimization procedures. The Company places all information, as and when applicable, as specified in Part A of Schedule II of the Listing Regulations before the Board of directors.

**(d) Code of Conduct:**

The Board has laid down the code of conduct incorporating duties of independent directors, for members of the Board and senior management personnel of the Company. Board members and senior management personnel have affirmed compliance with the code and based thereon a declaration by the Chief Executive Officer & Whole-Time Director of the Company in this regard has been annexed to this report.

**(e) CEO/CFO Certification:**

The Chief Executive Officer & Whole-Time Director and Chief Financial Officer have provided certificate as specified in Part B of Schedule II of the Listing Regulations for financial year 2021-22 to the Audit Committee and the Board of directors.

**(f) Independent directors and confirmation of independence:**

Independent directors of the Company met once in the year without the presence of non-independent directors and members of management for review and assessment of the matters, *inter alia*, set out in Regulation 25(4) of the Listing Regulations. The maximum tenure of independent directors is in accordance with the provisions of the Companies Act, 2013 and rules made there under.

Independent directors have furnished declaration that they fulfil the criteria of independence specified in the Listing Regulations and the Companies Act, 2013 as well as confirmed that he/she is not aware of any circumstance or situation, which exists or may reasonably be anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Based on assessment of veracity of the same, the Board of directors confirm that in their opinion the independent directors fulfil the conditions of independence specified in the Listing Regulations and are independent of the management.

Independent directors have also confirmed that their names are included in the databank for independent directors maintained by the Indian Institute of Corporate Affairs in accordance with the Companies Act, 2013 and Rules made thereunder.

The Company has purchased Directors' & Officers' Liability insurance for all the directors against comprehensive risks and for appropriate quantum of sum insured.

**(g) Performance Evaluation:**

The Board of Directors (excluding director being evaluated) have carried out performance evaluation of independent directors for the year 2021-2022 as well as evaluation of fulfilment of independence criteria as specified in the Listing Regulations and their independence from the management.

**(ii) Relationship between directors *inter-se* and shareholding of non-executive directors:**

None of the directors are related *inter-se*. None of the non-executive directors hold any share in the Company as on March 31, 2022.

**(iii) Familiarisation programme**

The Company conducted a familiarisation programme for all its directors to familiarize them with (a) Company's current business position and key initiatives planned for its growth over next five years (b) composition and size of domestic pharmaceutical industry, industry growth, disruption anticipated in the domestic industry, new initiatives for India business and growth opportunities available for the Company over medium to long term and (c) Current business and business model in South Africa, Russia-CIS business, US business and other rest of the world markets and new initiatives and investments being considered for growth over medium to long term. The Company has posted the details of this familiarisation programme on its website and web link thereto is <https://jbpharma.com/download/details-of-familiarisation-programme-for-directors-2/?wpdmdl=5067&refresh=62b298de47efa1655871710>.

**(iv) List of core competency and expertise:**

The Company is a listed entity engaged in the business of manufacture and marketing of pharmaceutical formulations, herbal products, active pharmaceutical ingredients and provision of product development services. Major competency and expertise, as identified by the Board, required in the context of this business for the Company to function effectively are the following.

Sr. No.	Core competency/expertise
1.	Leadership
2.	New product development
3.	Marketing
4.	Business strategy
5.	Business finance
6.	Regulatory compliance
7.	Accountancy & audit
8.	Corporate Governance
9.	Business Management; and
10.	Business Administration.

The directors-wise competence/expertise as aforesaid is as under:

Sr. No.	Name of the director	Competence/ expertise
1	Mr. Ranjit Shahani	Leadership, Business management, corporate governance.
2	Mr. Sumit Bose	Business administration, corporate governance.
3	Ms. Padmini Khare Kaicker	Accounts, audit, corporate governance.
4	Mr. Gaurav Trehan	Leadership, business strategy, business finance, business management, corporate governance.
5	Mr. Prashant Kumar	Leadership, business strategy, business finance, business management, corporate governance.
6	Mr. Nikhil Chopra	Leadership, marketing, new products development, regulatory compliance.

## AUDIT COMMITTEE

### Composition and attendance at the meetings:

Name of the director	Position held	Category	No. of meetings attended
Ms. Padmini Khare Kaicker	Chairperson	Independent Director	8
Mr. Ranjit Shahani	Member	Independent Director	8
Mr. Sumit Bose	Member	Independent Director	8
Mr. Prashant Kumar	Member	Non-Executive Director	8

Eight meetings of the Audit Committee were held during the financial year ended on March 31, 2022. These meetings were held on May 24, 2021, June 14, 2021, August 12, 2021, October 1, 2021, November 11, 2021, December 17, 2021, February 14, 2022 and March 22, 2022.

The Committee complies with the requirements laid down under the Listing Regulations and the Companies Act, 2013. Company Secretary acts as Secretary to the Audit Committee. Chief Executive Officer & Whole-Time Director, Chief Financial Officer and Statutory Auditors are regular invitees to the Audit Committee meetings.

The Audit Committee, *inter alia*, discharges the role specified in Section A of Part C of Schedule II of the Listing Regulations and reviews information specified in Section B of Part C of the said Schedule, to the extent applicable.

The terms of reference of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations. The terms of reference are:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;



11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, 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;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. 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 control systems of a material nature and reporting the matter to the Board;
15. Discussion with 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;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the whistle blower mechanism;
18. Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
19. Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in force from time to time;
20. Examination of the financial statements and the auditors' report thereon;
21. Reviewing the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
22. Monitoring the end use of funds raised through public offers and related matters;
23. To review the information and the matters specified in Part C(B) of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
24. Such other items of business as per the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the time being in force requires or may hereinafter require the audit committee to consider, review, evaluate, examine, scrutinise, value, approve, monitor, report, note or otherwise.

## NOMINATION AND REMUNERATION COMMITTEE

### Composition and attendance at the meetings:

Name of the director	Position held	Category	No. of meetings attended
Mr. Sumit Bose	Chairperson	Independent Director	5
Mr. Ranjit Shahani	Member	Independent Director	5
Mr. Sanjay Nayar (upto 25/01/2022)	Member	Non-Executive Director	4
Mr. Prashant Kumar	Member	Non-Executive Director	5

Five meetings of the Nomination and Remuneration Committee were held during the financial year ended on March 31, 2022. These meetings were held on April 28, 2021, June 9, 2021, July 14, 2021, August 10, 2021 and October 1, 2021. Company Secretary acts as Secretary to the Nomination and Remuneration Committee.

The terms of reference of the Committee are as per the provisions of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Committee are:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee shall, while formulating such policy, ensure that: (a) 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; (b) relationship of remuneration to performance is clear and

meets appropriate performance benchmarks; and (c) 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;

2. To formulate criteria for evaluation of performance of independent directors and the Board of directors;
3. To devise a policy on diversity of the Board of directors (including diversity of thought, experience, knowledge, perspective and gender);
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. To decide as to whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors and make recommendation to the Board in this behalf.
6. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
7. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
8. To determine remuneration package for executive directors and chief executive officers and also approve remuneration of executive directors in the event of absence or inadequacy of profits in any year pursuant to Schedule V to and other related provisions of the Companies Act, 2013;
9. To carry out such other function and duty as is or may be prescribed under the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

The Nomination and Remuneration Committee has, inter alia, formulated criteria for evaluation of performance of independent directors, which are approved by the Board. The criteria for performance evaluation of the Independent directors are:

1. Possesses sufficient skills, experience and level of preparedness which allows the person to clearly add value to discussions and decisions.
2. Sufficient understanding and knowledge of the Company and the sector in which it operates.
3. Understands and fulfils the functions as assigned to him/her as director.
4. Able to function as an effective team member.
5. Actively takes initiatives with respect to various areas.
6. Available for meetings of the Board and attends the meetings regularly, without causing delay. Adequately committed to the Board and the Company.
7. Contributes effectively to the Company and in the Board meetings.
8. Demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
9. Exercises his/her own judgment and voices opinion freely.
10. Independence: Whether person is independent from the other directors and there is no conflict of interest.
11. Independent views and judgement: Whether the person exercises his/her own judgement and voices opinion freely.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Sumit Bose, independent director, heads the Committee as Chairman, and Mr. Prashant Kumar and Mr. Nikhil Chopra, directors, are other members of the Committee. Mr. Sandeep Phadnis, Vice President- Secretarial & Company Secretary is Compliance Officer and acts as Secretary to the Committee.

The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. One meeting of the members of the Stakeholders Relationship Committee was held on March 22, 2022 and all the members attended the meeting. During the year, the Company received four (4) investor complaints all of which have been resolved before the end of the year, and believed to have been resolved to the satisfaction of the investors. No investor grievance was pending at the year-end.

## RISK MANAGEMENT COMMITTEE

### Composition and attendance at the meeting

Name of the member	Position held	Category	Meeting attended
Ms. Padmini Khare Kaicker	Chairperson	Independent Director	2
Mr. Prashant Kumar	Member	Non-Executive Director	2
Mr. Nikhil Chopra	Member	Executive Director	2
Mr. Vijay Bhatt (upto 31/08/2021)	Member	Chief Financial Officer (Member of management)	–
Mr. Lakshay Kataria (w.e.f 04/10/2021)	Member	Chief Financial Officer (Member of management)	2

Two meetings of the members of the Risk Management Committee were held during the financial year ended on March 31, 2022. These were held on December 17, 2021 and March 22, 2022. The terms of reference of the Committee are:

- (1) To periodically review risks/additional risks, including cyber security, identified by the Company's management and evaluate the effectiveness of the mitigations measures and report to the Board risks/additional risks identified along with mitigation measures.
- (2) To formulate a detailed risk management policy which shall include:
  - (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (3) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (4) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (5) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (6) To keep the Board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
- (7) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

## REMUNERATION OF DIRECTORS

### (i) Remuneration of Non-executive directors

The independent directors are paid sitting fees for attending meetings of the Board and Committee(s) thereof. At present, sitting fee is not being paid to other non-executive directors. The sitting fee presently being paid does not require prior approval of the shareholders. Further, for the financial year 2021-22, Board has also approved payment of profit related commission to independent directors. Based on the role and responsibilities of non-executive directors, being the criteria relied upon by the Board, the Board decides the amount of sitting fees to be paid from time to time and profit related commission to independent directors, in accordance with the Remuneration Policy of the Company. The amount of sitting fees paid to the non-executive directors during the financial year ended on March 31, 2022 and profit related commission payable to independent directors is as under:

Name of the director	Sitting Fees (₹)	Commission (₹)
Mr. Ranjit Shahani	2,500,000	2,500,000
Mr. Sumit Bose	3,000,000	1,500,000
Ms. Padmini Khare Kaicker	2,400,000	2,100,000

During the year, the non-executive directors neither had any other pecuniary relationship nor entered into any other transaction *vis-à-vis* the Company.

## (ii) Remuneration of Executive directors

The remuneration of the executive directors of the Company for the year ended on March 31, 2022 summarized under major elements is as under:

(₹ in lakhs)

Sr. No.	Name of the director	Salary (Fixed component)	Salary (Variable component)	Allowances & Perquisites	Retiral benefits	Total
1	Mr. Nikhil Chopra	176.91	<sup>^</sup> 190.59	198.06	28.30	593.86

<sup>^</sup> Provided for in the accounts for financial year 2021-22 but not paid in the said year.

Notes:

- The appointment of Mr. Nikhil Chopra, as Chief Executive Officer and Whole-Time Director, was made on 5-10-2020 pursuant to the Employment Contract of even date setting out the terms and conditions of appointment. The appointment is for a period of five years from 5-10-2020 and can be terminated by the employee by notice period of 270 days and by the Company by notice period of 90 days. The said contract does not provide for payment of severance fees.
- Performance criteria for payment of variable component to Mr. Nikhil Chopra would vary from year to year. Such criteria for financial year 2021-22 were (i) target growth in revenue, EBITDA, EBITDA% and sales in key markets (ii) commercial model alignment and therapy shaping for key businesses of the Company (iii) business process realignment and cost improvement initiatives (iv) new portfolio launch and strategy, and (v) organisation and leadership development, as agreed.
- The appointment and payment of remuneration to Mr. Nikhil Chopra as Chief Executive Officer and Whole-Time Director was approved by the shareholders on 23-12-2020 and the revised remuneration was approved by the shareholder on 31-07-2021.
- Pursuant to the above referred Employment Contract as amended on 11-2-2021 and 15-06-2021, Mr. Nikhil Chopra is entitled to (i) performance based Options aggregating to 1.2% of the total issued and paid up share capital of the Company as on date at a share price of ₹ 745/- per equity share, and (ii) time based Options aggregating to 0.8% of the total issued and paid up share capital of the Company as on date at a share price of ₹ 745/- per share. The Compensation Committee had granted 927,385 performance based options and 618,257 time based options to Mr. Nikhil Chopra.

## GENERAL BODY MEETINGS

- (i) The information relating to the location and time of last three annual general meetings and the special resolutions passed thereat is as under:

Year	Location	Date	Time	Whether any special resolution passed
2018-19	Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400020.	August 23, 2019	3.30 p.m.	Yes. One special resolution passed.
2019-20	Conducted through video conferencing/ other audio visual means in accordance with circulars issued by the Ministry of Corporate Affairs.	September 30, 2020	3.30 p.m.	Yes. One special resolution passed.
2020-21	Conducted through video conferencing/ other audio visual means in accordance with circulars issued by the Ministry of Corporate Affairs.	September 9, 2021	3.30 p.m.	No.

- (ii) During the year 2021-22, the Company passed five special resolutions and one ordinary resolution as under through postal ballot vide notice dated June 25, 2021. Mr. Ashish Bhatt, proprietor of Ashish Bhatt & Associates, Practising Company Secretary, was appointed as scrutinizer to conduct the remote e-voting process for postal ballot in a fair and transparent manner. The result of the voting was as under:

Sr. no.	Particulars	Votes in favour of the resolution		Votes against the resolution	
		No. of votes	% to votes polled	No. of votes	% to votes polled
Special resolutions:					
1.	Approval of Employee Stock Option Scheme termed as 'JBCPL Employee Stock Option Scheme 2021' for employees of the Company	49,743,145	84.98	8,793,761	15.02

Sr. no.	Particulars	Votes in favour of the resolution		Votes against the resolution	
		No. of votes	% to votes polled	No. of votes	% to votes polled
2.	Approval of grant of Options to employees of the subsidiary and/or holding company under JBCPL Employee Stock Option Scheme 2021	49,741,467	84.98	8,794,514	15.02
3.	Approval of grant of Options to Mr. Nikhil Chopra, CEO and Whole-Time Director, exceeding 1% of the issued share capital of the Company, during any one year under the JBCPL Employee Stock Option Scheme 2021	49,581,733	84.72	8,945,263	15.28
4.	Withdrawal and revocation of employee stock option scheme set up in year 2004	58,559,842	99.95	26,603	0.05
5.	Increase in cap of remuneration for Mr. Nikhil Chopra – CEO & Whole-Time Director of the Company	54,582,945	93.17	4,003,500	6.83
<b>Ordinary resolution:</b>					
1.	Revision in remuneration of Mr. Nikhil Chopra, CEO & Whole-Time Director, for financial year 2021-22	49,286,773	84.21	9,240,223	15.79

The results of the postal ballot were submitted to the Stock Exchanges as well as posted on the website of the Company and website of NSDL.

The Company, at present, does not propose to conduct any special business by postal ballot.

## MEANS OF COMMUNICATION

The quarterly results are generally published in Business Standard and Sakal, and also displayed on the Company's website [www.jbpharma.com](http://www.jbpharma.com). The official news releases are also displayed on the Company's website. The presentation to institutional investors / analysts made by the Company are communicated to the Stock Exchanges and also posted on the Company's website [www.jbpharma.com](http://www.jbpharma.com).

## GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	August 24, 2022 at 3.30 p.m. (This AGM shall be conducted through video conferencing/other audio visual means due to ongoing COVID-19 pandemic.)
Record Date ( for electronically held shares)	August 17, 2022.
Book closure date (for physically held shares)	August 18, 2022 to August 24, 2022 (both days inclusive)
Financial year	April to March
Dividend Payment Date	On or after September 1, 2022
Listing on Stock Exchanges	-BSE Limited Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.  -National Stock Exchange of India Limited Address: Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.  The Company has paid annual listing fee for the period April 1, 2022 to March 31, 2023 to both the Exchanges.
Stock Code	BSE: 506943    NSE: JBCHEPHARM
Market Price Data	Annexure A
Performance in comparison to BSE Sensex	Annexure B
Registrar and Share Transfer Agents	Datamatics Business Solutions Ltd. Plot No. B-5, Part B Cross Lane, MIDC, Andheri (E), Mumbai - 400 093. Tel. No.: 022-6671 2001 - 06 Fax No.: 022-6671 2011 Email: <a href="mailto:investorquery@datamaticsbpm.com">investorquery@datamaticsbpm.com</a>



Share Transfer System	<p>SEBI vide Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020 notified March 31, 2021 as the cut-off date for re-lodgement of transfer deeds earlier returned for deficiency in documents.</p> <p>Accordingly, effective April 1, 2021, transfer of shares has to be only through shares held in dematerialised form.</p> <p>Further, SEBI, vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated processing of request for issue of duplicate shares, renewal or exchange of certificate, endorsement, sub-division /split/consolidation of certificates, transmission and transposition of shares in dematerialised form only. The necessary forms in this regard are available on Company's website <a href="http://www.jbpharma.com">www.jbpharma.com</a>.</p>
Distribution of Shareholding as on 31-03-2022	Annexure C
Shareholding pattern	Annexure D
Dematerialization of shares and liquidity	Annexure E
Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.	The Company has not issued any GDRs/ADRs/warrants or any other convertible instrument.
Commodity price risk and hedging activities	The Company does not have material commodities price risk. Hence, no hedging activities are undertaken.
Foreign exchange risk and hedging activities	<p>The significant sales of the Company come from exports to a number of countries. The Company transacts its business in international markets in various foreign currencies such as USD, EURO, RUB, AUD and GBP. Therefore, exchange risk assumes significance for the Company and volatility of currencies bears direct relationship on performance of the Company.</p> <p>Primarily the foreign exchange exposure is under USD, EURO and RUB and exposure under these currencies is hedged by taking forward cover for appropriate period of time on past performance basis under respective currencies / equivalent USD as per the guidelines prescribed by the Reserve Bank of India (RBI).</p>
Plant Locations	Company's seven plants are located across Ankleshwar and Panoli (Gujarat) and Daman (Union Territory).
Address for correspondence	<p>Corporate Office: Cnergy IT Park, Unit A2, 3<sup>rd</sup> floor, Appa Saheb Marathe Marg, Prabhadevi, Mumbai 400 025. Tel. No.(022) 2439 5500/2439 5200 Fax No. (022) 2431 5331 / 2431 5334 E-mail: <a href="mailto:secretarial@jbpharma.com">secretarial@jbpharma.com</a></p> <p>The investors may register their grievance on <a href="mailto:investorelations@jbpharma.com">investorelations@jbpharma.com</a>, an exclusive e-mail ID for registration of complaints by the investors.</p>
Credit rating	During 2021-22, the Company did not obtain any credit rating for any debt instrument, fixed deposit programme or any fund mobilisation scheme or proposal.

## DISCLOSURES

- The Company has not entered into any materially significant related party transaction with any related party that may have potential conflict with the interest of the Company at large.
- To the best of the Company's knowledge, there has been no incidence of non-compliance with the requirement of Stock Exchange, SEBI or other statutory authority, on matters relating to capital markets during last three years. During last three years, no penalty or stricture has been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market.
- The Board of Directors of the Company has established vigil mechanism in the form of whistle blower policy, the details whereof are provided in the Board's report, which forms part of this Annual Report. The Whistle Blower Policy is available on the Company's website [www.jbpharma.com](http://www.jbpharma.com). It is affirmed that none of the personnel has been denied access to the Audit Committee.

- The details of compliance with mandatory requirements of corporate governance and status on adoption of discretionary requirements is set out in this report.
- The Company has formulated (a) the Policy for determining material subsidiaries and has posted the same on its website [www.jbpharma.com](https://jbpharma.com/download/policy-for-determining-material-subsidiaries-2/?wpdmdl=5464&refresh=62b94739a0c5a1656309561). The web link thereto is <https://jbpharma.com/download/policy-for-determining-material-subsidiaries-2/?wpdmdl=5464&refresh=62b94739a0c5a1656309561> (b) the Policy on dealing with Related Party Transactions and has posted the same on its website [www.jbpharma.com](https://jbpharma.com/download/policy-on-materiality-and-dealing-with-related-party-transactions/?wpdmdl=5465&refresh=62b94739818501656309561). The web link thereto is <https://jbpharma.com/download/policy-on-materiality-and-dealing-with-related-party-transactions/?wpdmdl=5465&refresh=62b94739818501656309561>
- The Company does not have material commodities price risk. Hence, no hedging activities are undertaken.
- The Company has not raised any funds through preferential allotment or qualified institution placement.
- A certificate from Ashish Bhatt & Associates, company secretary in practice, certifying that none of the directors of the Company is disqualified or has been debarred from being appointed or continuing as director of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed as Annexure F.
- During the year, there was no incidence of non-acceptance by Board of directors of any recommendation of any committee of the Board, which is mandatorily required.
- The Company and its subsidiaries have paid an amount of ₹ 108.06 lakhs, on consolidated basis, as statutory audit fee for 2021-22. No payment for any service has been made to any entity in the network firm/network entity of which the statutory auditor is a part.
- During the financial year 2021-22, the Company did not receive any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- During the financial year 2021-22, the Company has not provided any Loan or advanced any amount in the nature of Loan to any firms/companies in which the Directors were interested.

### CORPORATE GOVERNANCE COMPLIANCE:

The Company has complied with all the requirements of corporate governance report as mentioned in sub-para (2) to (10) of Part C of Schedule V of the Listing Regulations. The Company has also submitted to the Exchanges periodical compliance reports on corporate governance within the prescribed period.

### DISCRETIONARY REQUIREMENTS:

The extent of adoption of discretionary requirements set out in Part E of Schedule II of the Listing Regulations is as under :

- The Board: Need to maintain regular office is not expressed by Chairman of the Board. In case such need is expressed, the Company would support maintenance of such office at Company's expense and also reimburse expenses incurred by him in performance of his duties.
- Shareholders rights: The half-yearly financial results are published in the newspapers as mentioned above as well as posted on the Company's website. The significant news, if any, too are posted on the Company's website. In view of this, the same are not separately sent to the shareholders.
- Modified opinion(s) in the audit report: The Company's financial statement is with unmodified audit opinion.
- Reporting of Internal Auditor: Internal auditor at present reports to the management. However, their detailed observations on each audit area are thoroughly reviewed by the Audit Committee.

### VIGIL MECHANISM

The Board of directors has established vigil mechanism in the form of Whistle Blower Policy to enable directors, employees and other stakeholders to make written protected disclosures (as defined in the Policy) to the Chairman of the Redressal Committee constituted under the Policy for evaluation and investigation of such disclosure. The Company has also framed a Complaint Response Plan Policy, which lays down the guidelines for responding to any complaint and provides for information regarding collection, collation and preservation of evidences. The Whistle Blower Policy provides for adequate safeguards against any kind of victimisation or unfair treatment of whistle blowers. The Policy also provides for access of whistle blower to Chairman of the Audit Committee in appropriate or exceptional circumstances.

### RELATED PARTY TRANSACTIONS

Board of directors has formulated a policy on materiality of related party transactions and on dealing with related party transactions. Audit Committee reviews details of the related party transactions on quarterly basis. The Company submits disclosure of related party transactions as required to the Stock Exchanges on half-yearly basis and posts the same on Company's website. All related party transactions are entered into with prior approval (including omnibus approval wherever warranted) of the Audit Committee and the Board. In case of omnibus approval by the

Audit Committee, the conditions mentioned in the Companies Act, 2013 and Listing Regulations have been complied with. Disclosures in respect of the related party transactions in compliance with accounting standard on "Related Party Disclosures" have been made in the note no. 46 of the accompanying standalone financial statement of the Company for the year ended on March 31, 2022, forms part of this annual report. None of the related party transactions is material within the meaning of Regulation 23 of the Listing Regulations. The related party transactions entered into by the Company are at arm's length and in ordinary course of business and none of them is material in nature.

## SUBSIDIARY COMPANIES

The Audit Committee reviews the financial statements of the subsidiary companies including the investments, if any, made by them. The minutes of meetings of the board of directors of subsidiaries have been placed at the meeting of the Board of directors of the Company. Presently, the Company is not required to appoint its independent director on the board of subsidiary company.

## SECRETARIAL AUDIT AND COMPLIANCE REPORT

Secretarial audit report given by a company secretary in practice for financial year 2021-22 has been annexed to Directors' report and forms part of this annual report. The Company has also submitted to the Stock Exchanges secretarial compliance report within the prescribed time and posted the same on Company's website.

## SENIOR MANAGEMENT

All members of the senior management submit on quarterly basis, a letter of disclosure of interest to the Board relating to all material, financial and commercial transactions, where they have personal interest, if any, that may have a potential conflict with the interest of the Company at large. Appointment of and remuneration payable to CEO/executive director and senior management is reviewed and approved by the Nomination and Remuneration Committee and recommended by it to the Board for approval.

## QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

During the year 2021-22, the Company has submitted to the Exchanges quarterly compliance report on corporate governance within the prescribed time and have placed such report before the Board of directors at the next meeting.

## DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy formulated by the Company pursuant to Regulation 43A of the Listing Regulations, as revised effective from April 1, 2020, is set out in Annexure-G.

## DISCLOSURES ON WEBSITE

The Company has, *inter alia*, disseminated the following information on its website [www.jbpharma.com](http://www.jbpharma.com):

- (a) Terms and conditions of appointment of independent directors.
- (b) Composition of various Committees of the Board of directors.
- (c) Code of Conduct for Board of directors and senior management personnel.
- (d) Details of establishment of vigil mechanism/Whistle Blower Policy along with Complaint Response Plan Policy.
- (e) Criteria for making payment to non-executive directors, which forms part of Remuneration policy.
- (f) Policy on dealing with related party transactions.
- (g) Policy for determining material subsidiary.
- (h) Details of familiarisation programme imparted to non-executive directors.
- (i) Dividend Distribution Policy.
- (j) Business Responsibility Policy.
- (k) Secretarial compliance report.
- (l) Presentations made to investors/analysts.

## SHARES SUSPENSE ACCOUNT

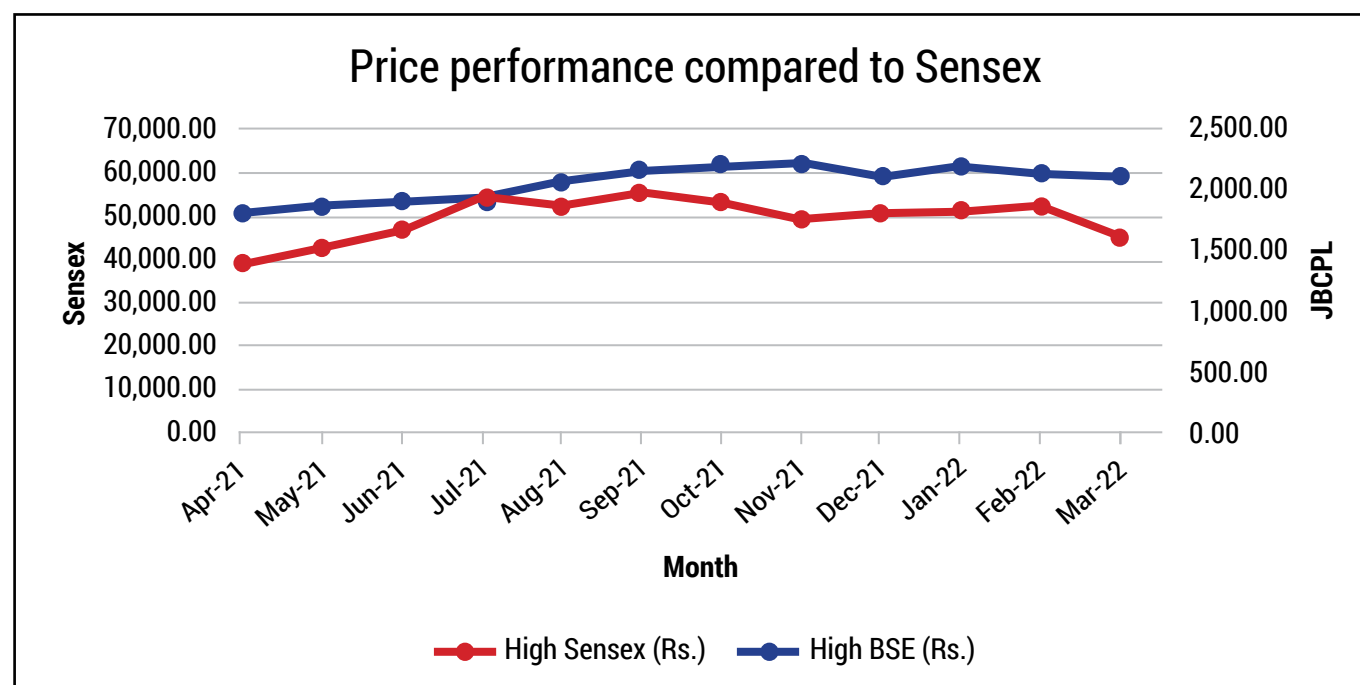
No shares issued by the Company are unclaimed. Thus, no shares have been transferred to demat suspense account or unclaimed suspense account.

## ANNEXURE A

The high and low prices of the Company's equity shares (face value - ₹ 2 each) on BSE Limited (BSE) and on National Stock Exchange of India Limited (NSE) during each month in the financial year 2021-22 were as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
April 2021	1,409.30	1,206.35	175,309	1,410.00	1,208.00	3,127,874
May 2021	1,514.00	1,363.50	192,192	1,513.55	1,364.00	2,753,652
June 2021	1,682.45	1,437.60	290,471	1,684.30	1,437.00	3,538,075
July 2021	1,938.75	1,647.45	354,637	1,937.70	1,646.15	4,509,890
August 2021	1,874.05	1,634.10	125,865	1,874.30	1,633.30	2,231,223
September 2021	1,984.75	1,671.00	210,535	1,985.00	1,670.00	4,137,698
October 2021	1,908.80	1,432.00	230,243	1,909.70	1,609.95	2,505,533
November 2021	1,769.90	1,542.35	120,921	1,769.90	1,538.00	1,874,153
December 2021	1,807.65	1,550.00	92,235	1,806.30	1,550.00	2,348,306
January 2022	1,826.20	1,639.00	101,709	1,828.00	1,641.05	1,727,355
February 2022	1,873.00	1,535.00	101,069	1,875.00	1,562.05	2,201,709
March 2022	1,629.95	1,485.00	68,682	1,643.15	1,485.00	2,123,737

## ANNEXURE B



## ANNEXURE C

Distribution of shareholding as on March 31, 2022 is as under.

Range of equity shares held	No. of shareholders	% of shareholders	No. of equity shares held	% of capital
Upto 500	57,971	92.36	3,189,353	4.13
501 – 1000	1,980	3.16	1,560,647	2.02
1001 – 2000	1,396	2.22	2,145,648	2.78
2001 – 3000	586	0.93	1,501,986	1.94
3001 – 4000	216	0.34	771,536	1.00
4001 – 5000	118	0.19	547,629	0.71
5001 – 10000	219	0.35	1,546,449	2.00
10001 – 50000	183	0.29	3,641,171	4.71
50001 and above	96	0.15	62,377,678	80.71
<b>Total</b>	<b>62,765</b>	<b>100.00</b>	<b>77,282,097</b>	<b>100.00</b>

## ANNEXURE D

Shareholding pattern as on March 31, 2022 is as under.

Category	No. of shares	% holding
Promoters & Promoter Group	41,732,332	54.00
Mutual Funds, Banks & Insurance Companies	12,879,232	16.66
Foreign Portfolio Investors	7,121,677	9.22
Alternate Investment Funds	176,964	0.23
Clearing Member	14,084	0.02
IEPF Authority	242,013	0.31
Bodies Corporate	543,334	0.70
Individuals	14,572,461	18.85
<b>Total</b>	<b>77,282,097</b>	<b>100.00</b>

## ANNEXURE E

The position as to dematerialization of shares as on March 31, 2022 is as under:

Category	No. of shares	% of shares	No. of Shareholders	% of Shareholders
Electronic Form	76,641,755	99.17	62,190	99.08
Physical Form	640,342	0.83	575	0.92
<b>Total</b>	<b>77,282,097</b>	<b>100.00</b>	<b>62,765</b>	<b>100.00</b>

The information as to liquidity of shares (i.e. number of shares traded) is provided in Annexure A above.



## ANNEXURE F

## 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,  
The Members,  
J. B. Chemicals & Pharmaceuticals Limited  
Neelam Centre, B wing,  
4<sup>th</sup> Floor, Hind Cycle Road,  
Worli, Mumbai 400030.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of J. B. Chemicals & Pharmaceuticals Limited having CIN L24390MH1976PLC019380 and having registered office at Neelam Centre, B wing, 4<sup>th</sup> Floor, Hind Cycle Road, Worli, Mumbai 400030 (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our 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 us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 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:

Sr.No	Name of Director	DIN
1	Mr. Ranjit Gobindram Shahani, Chairman, Independent Director	00103845
2	Mr. Nikhil Ashok kumar Chopra, Chief Executive Officer and Whole-Time Director	07220097
3	Mr. Prashant Kumar, Director	08342577
4	Mr. Gaurav Trehani, Director	03467781
5	Ms. Padmini Bhalchandra Khare, Independent Director	00296388
6	Mr. Sumit Bose, Independent Director	03340616

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our 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 Ashish Bhatt & Associates

Ashish Bhatt  
Practicing Company Secretary  
FCS No: 4650  
C.P. No. 2956  
UDIN: F004650D000391652

Place : Thane  
Date : May 26, 2022

## ANNEXURE G

### Dividend Distribution Policy

#### 1. Preamble and Objective:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Regulations") requires top 500 listed companies (by market capitalisation) to formulate a dividend distribution policy including certain specified parameters as well as disclose the same in annual report and on its website.

J.B. Chemicals & Pharmaceuticals Limited ("Company") has, in past, regularly paid dividends and this Policy reflects intent of the Company to continue to reward shareholders by sharing a portion of its profit after retaining sufficient cash for its growth. The objective of this Policy is to set out the broad frame work that the Board of Directors of the Company shall keep in view before declaring a dividend. The Board of Directors shall declare or recommend a dividend in compliance with the provisions of the Companies Act, 2013, Rules made there under, other applicable legal provisions and this Policy. The decision to pay dividend and quantum thereof is at discretion of the Board of Directors and this policy does not aim to substitute the discretion and decision making of the Board of Directors.

#### 2. Dividend Payout:

Dividend for any financial year will be declared out of profit after tax of the Company or out of profits of the Company after tax for previous financial years or out of both. Provided in computing profit for the purpose of declaration or recommendation of dividend, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement thereof at fair value shall be excluded as provided in Section 123 of the Companies Act, 2013.

Keeping in view the provisions of this Policy, the Board will endeavour to achieve dividend pay-out in the range of 10% to 30% of profit after tax after considering the long term plans and other parameters/factors stated hereunder. However, the actual quantum of dividend pay-out may vary in any financial year on account of financial/internal and external parameters specified hereunder.

#### 3. Financial Parameters/Internal factors:

The Board of directors will consider all relevant financial parameters/internal factors, including but not limited to the following before recommending or declaring any dividend for any financial year as such parameters/factors has direct bearing on dividend distribution decision.

1. Existing and expected operational/financial performance;
2. Profit available for distribution;
3. Availability of free cash;
4. Stability of earnings;
5. Liquidity position;
6. Working capital requirement;
7. Capital expenditure requirement;
8. Cash required to repay debt;
9. Buy-back of shares or any other measure involving return of cash to shareholders.

#### 4. External Factors:

The Board of directors will consider relevant external factors, including but not limited to the following before recommending or declaring any dividend for any financial year as such factors influence dividend distribution decisions as well as future earnings.

1. Macro-economic conditions; national and international;
2. Industry outlook;
3. Overall economic and regulatory environment;
4. Impact of currencies;
5. Capital market condition;

6. Statutory provisions;
7. Dividend payout followed by similar sized companies in the same industry.

As such, the actual dividend payout may vary in a given year depending on the above stated or similar parameters/factors.

**5. Circumstances under which the shareholders of the company may or may not expect dividend:**

The Shareholders may expect dividend in a financial year when the Company has earned sufficient profit after tax. However, the shareholders may not expect dividend when the Board believes (a) that resources need to be conserved for the business of the Company or (b) the available cash is proposed to be used for any purpose set out in 3 above or (c) there are no profit or inadequate profit in any year.

**6. Interim Dividend/Special Dividend:**

The Board may declare interim dividend/Special one-time dividend if they so deem fit in case of availability of distributable surplus, profits during the year, any exceptional gain accruing to the Company or otherwise keeping in view parameters/factors mentioned above.

**7. Utilisation of retained earnings:**

The retained earnings will be used, *inter alia*, for pursuing Company's growth plans, meeting working capital requirement, making long-term investments, meeting contingencies, issue of bonus shares, buy-back of shares and every other purpose permitted by or under law. Further, retained earnings may also be utilised as a part of overall scheme of any merger, acquisition or any other form of restructuring.

Subject to provisions of the Companies Act and the Rules made there under, the free reserves may also be utilised for payment of dividend in the year of no profit or inadequate profit.

**8. Parameters with regard to other classes of shares:**

The share capital of the Company currently comprises of only equity shares. All aspects of this Policy accordingly apply to equity shares. In case of issue of other class of shares, the Board shall appropriately modify this Policy.

**9. Disclosure:**

As required under the Regulations, this Policy shall be disclosed in the Company's annual report and on its website [www.jbpharma.com](http://www.jbpharma.com).

**10. Miscellaneous:**

- a) The Board may revise, modify or alter this Policy from time to time if they deem fit or necessary. Such revised Policy shall be disclosed as mentioned above.
- b) In case of any doubt arising out of this Policy, clarification provided or decision taken by the Board of the Company shall be final and binding.
- c) This Policy does not intend to give or shall not be taken as giving assurance of any guaranteed returns on equity shares of the Company.
- d) This Policy is subject to the provisions of the Companies Act, 2013, Rules framed thereunder and the Regulations.

## DECLARATION

I hereby declare that the members of the Board of directors and senior management personnel have affirmed compliance with the code of conduct, for the financial year ended on March 31, 2022.

For and on behalf of the Board of directors

**Nikhil Chopra**  
Chief Executive Officer and Whole-Time Director

Place : Mumbai  
Date : May 26, 2022

# BUSINESS RESPONSIBILITY REPORT

The following is the Business Responsibility Report pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Regulations").

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24390MH1976PLC019380
2.	Name of the Company	J .B. Chemicals & Pharmaceuticals Ltd.
3.	Registered address	Neelam Centre, 'B' Wing, 4 <sup>th</sup> Floor, Hind Cycle Road, Worli, Mumbai - 400 030.
4.	Website	<a href="http://www.jbpharma.com">www.jbpharma.com</a>
5.	E-mail id	<a href="mailto:secretarial@jbpharma.com">secretarial@jbpharma.com</a>
6.	Financial Year reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceuticals
8.	List three key products that the Company manufactures (as in balance sheet)	Cilnidipine, Ranitidine and Metronidazole.
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	The Company has representative office in Russia and Ukraine. Excepting this, the Company does not have its own location outside India.
	(b) Number of National Locations	7 manufacturing facilities across Ankleshwar, Panoli and Daman, 45 distribution locations across the country, 1 area office each in New Delhi, Kolkata, Thane, Hyderabad and Ahmedabad, R & D Centre at Thane, samples warehouse at Bhiwandi and Registered and Corporate office at Mumbai.
10.	Markets served by the Company	India and over 50 countries across Asia, Gulf & Middle East, USA, Europe, Canada, Australia, New Zealand, Latin & Central America, Africa and Russia-CIS.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 1,545.64 lakhs
2.	Total Turnover (INR)	₹ 216,239.43 lakhs
3.	Total profit after taxes (INR)	₹ 36,100.21 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Company's total spending of ₹ 695.09 lakhs on CSR during FY 2021-22 was 1.92% of the profit after tax for the year.
5.	List of activities in which expenditure in 4 above has been incurred	Expenditure on CSR has been incurred on activities/projects in the area of (i) Promoting health care including preventive healthcare, (ii) Disaster Management, (iii) Eradication of hunger and malnutrition, and (iv) Promotion of education.

## SECTION C: OTHER DETAILS

1.	Does the Company have Subsidiary Companies?	Yes.
2.	Do the Subsidiary Companies participate in the BR Initiatives of the parent company?	The subsidiary companies are encouraged to participate in the Company's BR initiatives and observe the requirements of the local laws relevant to their country.
3.	Do any other entity (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	The Company encourages the other stakeholders viz suppliers, distributors, value chain partners, sales and marketing agents etc. to adhere to and observe the Company's BR initiatives.

## SECTION D: BR INFORMATION

## 1. Details of Director responsible for BR

## (a) Details of the Director responsible for implementation of the BR policies

No.	Particulars	Details
1.	DIN Number	07220097
2.	Name	Nikhil Chopra
3.	Designation	Chief Executive Officer & Whole-Time Director

## (b) Details of the BR head

No.	Particulars	Details
1	DIN Number	Not applicable
2	Name	Sandeep Phadnis
3	Designation	Company Secretary
4	Telephone number	(022) 2439 5200 / 5500
5	e-mail id	secretarial@jbpharma.com

## 2. Principle-wise (as per NVGs) BR Policy/policies

## (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being 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? (50 words)	The Company has formulated Code of conduct and anti-bribery policy which meet industry standards. BR Policy conform to principles laid down in NVG on Social, Environmental and Economic Responsibilities of Business.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ CEO/ appropriate Board Director?	Yes.								
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://jbpharma.com/download/fy-2019-2020-14/?wpdmdl=1171&amp;refresh=62a9cfefb38611655295979">https://jbpharma.com/download/fy-2019-2020-14/?wpdmdl=1171&amp;refresh=62a9cfefb38611655295979</a> <a href="https://jbpharma.com/download/anti-bribery-and-anti-corruption-policy2/?wpdmdl=5460&amp;refresh=62a9cfefbd4ca81655295979">https://jbpharma.com/download/anti-bribery-and-anti-corruption-policy2/?wpdmdl=5460&amp;refresh=62a9cfefbd4ca81655295979</a> (for P1)								
		<a href="https://jbpharma.com/download/business-responsibility-policy-2/?wpdmdl=5461&amp;refresh=62a9cfefbcfa5d1655295979">https://jbpharma.com/download/business-responsibility-policy-2/?wpdmdl=5461&amp;refresh=62a9cfefbcfa5d1655295979</a> (for P2 to P9)								



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 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?	No. However, working of the policies is monitored by the functional heads. Formal evaluation will be carried out when deemed appropriate.								

### 3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	This is an annual process.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This BR report will be published annually as per the Regulations. This report is available at <a href="https://jbpharma.com/download/business-responsibility-report-2021-22/?wpdmdl=6063&amp;refresh=62d550deac49b1658147038">https://jbpharma.com/download/business-responsibility-report-2021-22/?wpdmdl=6063&amp;refresh=62d550deac49b1658147038</a>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and accountability

#### 1. Does the policy relating to ethics, bribery and corruption cover only the company?

No.

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Yes.

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

The Company did not receive any complaint in the past financial year from any stakeholder in relation to BR Policies.

### Principle 2: Product safety and sustainability

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

The Company adheres to highest standards of product quality and safety at all levels of its value chain. Further, being in pharmaceutical business, the products are manufactured as per pharmacopoeial standards.

#### 2. 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 has a well-established procedure for vendor development. The vendors' facilities and documentations are

audited before being included in the approved vendor list. The quality assurance teams audit all key vendors every two years. The Company also has approved vendors for transportation of goods. There is a process of identifying and developing alternate vendors for critical materials sourced from single vendor.

#### 3. 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?

Currently, about 70% of the Company's procurement is from local and small vendors and 30% from international vendors. The vendors are made aware of best practices regularly and during the audits necessary guidance is given to enable them to upgrade their manufacturing process capabilities.

#### 4. 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.

Being in pharmaceutical business, recycling of waste is not permitted. Waste water generated at the manufacturing facilities is treated in effluent treatment plant, followed by RO. The recovered water from RO plant is used in cooling towers and boilers. The Company disposes off by selling hazardous wastes, recovered solvents and recovered material generated in API manufacturing process, as per GPCB approval. Other hazardous wastes are disposed off as per GPCB approval. Further, hazardous waste having calorific value is sent for co-processing to cement kilns and the same is used in place of fossil fuel in cement industry.

### Principle 3: Employee well-being

#### 1. Please indicate the total number of employees.

Total permanent employees as on March 31, 2022 were 4,340.

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

Total temporary workers as on March 31, 2022 were 680, while total workers hired through contract labour contractors were 783.

**3. Please indicate the number of permanent women employees.**

363

**4. Please indicate the number of permanent employees with disabilities**

12

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

The Company does not have employee association.

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

Not applicable.

**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.**

No.	Category	No. of complaints filed during the year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour/involuntary labour	Nil	Not applicable
2.	Sexual harassment	Nil	Not applicable
3.	Discriminatory employment	Nil	Not applicable

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

(a) Permanent Employees	Safety training at all locations: 100%. Skill upgradation training i.) at all location (except Daman): 100% ii.) at Daman – 60%
(b) Permanent Women Employees	Safety training at all locations: 100%. Skill upgradation training i.) at all location (except Daman): 100% ii.) at Daman – 60%
(c) Casual/Temporary/ Contractual Employees	Safety training at all locations: 100% Skill upgradation training at plant i.) at all location (except Daman): 100% ii.) at Daman – 78%
(d) Employees with Disabilities	Safety Training at plant location where there are such employees: 100%

**Principle 4: Stakeholder Engagement**

**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.**

No.

**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.**

The Company has not identified any stakeholder as disadvantaged, vulnerable and marginalized stakeholders.

**Principle 5: Human Rights**

**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?**

It covers only the Company.

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

The Company did not receive any complaint from any stakeholder in the past financial year.

**Principle 6: Environment**

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

It covers only the Company.

**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.**

As a responsible corporate, the Company is committed to environmental sustainability and accordingly strives to improve climate within the sphere of its activities. The Company is committed to use resources efficiently and thereby reduce greenhouse gases emission.

The Company's manufacturing facilities are zero liquid discharge for waste water and it otherwise takes steps to discharge and dispose-off effluents and waste in a manner that does not affect environment adversely. The Company has installed Soil Biotechnology - which is a green engineering approach, for treatment and recycling of the waste water generated at its plants. The Company uses the recycled water for gardening and domestic purpose.

This information is not separately placed on the Company's website, as there is no specific policy.

### 3. Does the company identify and assess potential environmental risks?

Yes. In case of setting up a unit or modification in manufacturing process, the Company carries out environmental risk assessment before undertaking such project or process and addresses potential environmental risks. The Company also periodically assesses potential risk to environment due to possible release of gas or solvents or chemical vapour or liquid in case of failure or break down of any device or equipment, and takes necessary preventive action to avoid such risk.

### 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?

The Company at present does not have any project that can generate certified emission reduction units. However, regular environmental audits of the Company's manufacturing facilities are undertaken by competent agencies and the reports are submitted to the pollution control board.

### 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. The Company regularly takes initiatives for conservation of energy. Please refer to Schedule-D of Directors' Report for steps taken for conservation of energy and use of alternate energy during financial year 2021-22.

### 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The emissions/waste generated by the Company were within permissible limit specified by CPCB/SPCB.

### 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.

No show cause/legal notice was received during the year from CPCB/SPCB.

#### Principle 7: Policy Advocacy

### 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.

Yes. The major ones that our business deals with are as under:

- Indian Drugs Manufacturers' Association
- Pharmaceuticals Export Promotion Council
- Ayurvedic Drug Manufacturers Association.

### 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.

No.

#### Principle 8: Inclusive growth and equitable development

### 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company through its CSR activities supports social development. The Company regularly incurs CSR expenditure in the area of promoting healthcare with object to make medical facility available to unprivileged and needy local community. Besides this, the Company also contributes to activities/projects in the area of education, eradication of hunger and poverty.

### 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects are undertaken through external NGOs as well as direct contribution to NGO/Government hospitals engaged in providing services.

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

No formal impact assessment is done. However, in respect of contributions made to hospitals, we carry out assessment of number of patients availing the services and also the services that are required by them.

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

The Company's contribution to community development project is through CSR activities undertaken every year. During 2021-22, the Company spent ₹ 695.09 lakhs on such projects/activities. Please refer to Schedule-E to Directors' report for details of the projects / activities undertaken during 2021-22.

### 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.

Such steps are taken keeping in view the nature of community development measure taken.

#### Principle 9: Customer value

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

No customer complaints/consumer cases are pending as on the end of financial year. No customer complaint was received during the year.

### 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)

Yes. The Company provides information such as (a) indication of the dosage in terms of the units of the dosage forms [for all solid dosage form other than prescription drugs.] (b) direction for use

of the drug, and (c) cautionary statement (in case of large-volume injections) not to use the injection if drug is not clear or the bottle or container containing it is found damaged or leaking.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of 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?**

No. Not relevant keeping in view business of the Company.

**For and on behalf of the Board of Directors**

**Ranjit Shahani**  
Chairman

Place : Mumbai  
Date : May 26, 2022

# **STANDALONE FINANCIAL STATEMENTS**



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF J.B. CHEMICALS & PHARMACEUTICALS LIMITED

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying standalone financial statements of J.B. Chemicals & Pharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 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 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 matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition – Sale of products [Note 31 to the financial statements]	Assessed the appropriateness of the Company's revenue recognition policy by mapping them with the applicable accounting standards.
Company being a listed entity, revenue is one of the critical components of the financial statements considered by the stakeholders. There may be pressures to meet the expectations that may result in recording revenues for sales for which the revenue recognition criteria may not have been met by the year end. We have therefore specifically focused on the said risk and have considered this to be a key audit matter.	<p>Performed a walkthrough of the revenue business cycle to obtain an understanding of the relevant risks and controls around the timing of revenue recognition. Tested the design, implementation and operating effectiveness of the relevant controls.</p> <p>From the revenue recorded towards the year end, we tested transactions on a sample basis by, agreeing the recorded balances with the invoices, purchase orders, delivery documents/ other documents evidencing transfer of control.</p> <p>On a test check, we reviewed the contracts / purchase orders, as applicable, to assess the terms of sale and ensured that they were recorded in the accounting period in which the control in the goods was transferred to the customer and other revenue recognition criteria as specified under Ind AS 115 'Revenue from contracts with customers' were met.</p> <p>We sought confirmations from customers on a test check basis and performed other alternate procedures, where applicable, to support the assertion that revenue has been recognised in the correct period.</p> <p>We made enquiries of the management and obtained written representations as to whether there exist any side agreements or unusual arrangements which may impact revenue recognition.</p> <p>We also checked subsequent sales returns to determine whether the initial recognition of revenue was appropriate.</p>

## INFORMATION OTHER THAN THE 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 Director's report, Corporate Governance report and the Business Responsibility report but does not include the consolidated financial statements, 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.

## MANAGEMENT'S RESPONSIBILITY 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, cash flows and changes in equity 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - 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 the notes 60 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes 60 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed 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. 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.

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

As stated in note 58(a) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/  
W-100018)

**Rajesh K. Hiranandani**  
Partner  
(Membership No.36920)  
UDIN: 22036920AJQKSU9784

Place: Mumbai  
Date: May 26, 2022

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF J.B. CHEMICALS & PHARMACEUTICALS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022)

## REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of J.B. Chemicals & Pharmaceuticals Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

### AUDITOR'S 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

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 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 Institute of Chartered Accountants of India

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/  
W-100018)

Rajesh K. Hiranandani

Partner

(Membership No.36920)

UDIN: 22036920AJQKSU9784

Place: Mumbai

Date: May 26, 2022



# ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 2 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF J.B. CHEMICALS AND PHARMACEUTICALS LIMITED OF EVEN DATE)

(i) In respect of the Company's property, plant and equipment:

- (a) (I) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in progress and relevant details of right-of-use assets.
- (II) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, capital work-in progress and right-of-use assets to cover all the items once every 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year, were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed / transfer deed /conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us, 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 (amended in 2016) and rules made thereunder.

(ii) In respect of the Company's Inventories:

- (a) The inventories, except for goods in transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed

on such physical verification of inventories when compared with books of account.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the statements comprising stock statements and book debt statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Section 186 of the Act in respect of making investments. The Company has not granted any loans covered under Section 185 and Section 186 of the Act and has also not provided guarantees and securities covered under Section 186 of the Act.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom and corresponding cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.



- (c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount paid / adjusted under protest
				(Rs in Lakhs)	(Rs in Lakhs)
The Uttar Pradesh Sales Tax Act	Sales Tax	Supreme Court of India	2006-2009	0.25	-
Tamil Nadu VAT Act, 2006	Value Added Tax	Commissioner (Appeals)	2006-2007 to 2011-2012	3.53	-
Central Excise Act, 1944	Excise Duty & Penalty	CESTAT	2006-2009	7.59	0.40
			2011-12 to 2014-15	50.22	3.35
			July 2010 to October 2011	2.22	1.00
			November 2011 to March 2012	0.67	-
			April 2012 to September 2013	3.20	1.50
The Finance Act, 1994	Service Tax & Interest	CESTAT	2010-2011	28.38	8.12
Income Tax Act, 1961	Income Tax	Commissioners (Appeals)	2012-2013	50.81	-
The Finance Act, 1994	Service Tax & Penalty	CESTAT	2010-2011	1.46	-

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion and according to the information and explanations given to us, during the year, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) 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 by the Company.

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and

hence reporting under clause (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 paragraph (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, 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 were no whistle blower complaints received by the company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties undertaken during the year and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable 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 according to the information and explanations given to us, during the year the Company has not entered any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly reporting under clause (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 the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization 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.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/  
W-100018)

**Rajesh K. Hiranandani**

Partner

(Membership No.36920)

UDIN: 22036920AJQKSU9784

Place: Mumbai

Date: May 26, 2022

# STANDALONE BALANCE SHEET

as at March 31, 2022

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(I) Non-current assets</b>			
(a) Property, plant and equipment	5	51,728.37	51,773.05
(b) Right-of-use assets	5a	3,125.50	2,454.16
(c) Capital work-in-progress	6a	1,390.57	2,556.68
(d) Goodwill	41	431.92	431.92
(e) Intangible assets	6	65,080.78	1,801.25
(f) Intangible assets under development	6b	476.94	–
(g) Financial assets			
(i) Investments	7	14,568.89	14,587.55
(ii) Loans	8	74.41	54.90
(iii) Other financial assets	9	481.99	482.38
(h) Other non-current assets	10	1,216.06	106.89
<b>Total non-current assets</b>		<b>138,575.43</b>	<b>74,248.78</b>
<b>(II) Current assets</b>			
(a) Inventories	11	34,978.44	27,891.28
(b) Financial assets			
(i) Investments	12	–	66,497.48
(ii) Trade receivables	13	51,804.80	37,410.81
(iii) Cash and cash equivalents	14	3,768.77	2,426.29
(iv) Bank balances other than cash and cash equivalents	14	198.38	216.62
(v) Loans	15	74.53	35.59
(vi) Other financial assets	16	4,317.33	3,054.19
(c) Current tax assets (net)	17	2,145.86	1,683.83
(d) Other current assets	18	17,942.99	6,578.05
<b>Total current assets</b>		<b>115,231.10</b>	<b>145,794.14</b>
<b>Total assets</b>		<b>253,806.53</b>	<b>220,042.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	19	1,545.64	1,545.64
(b) Other equity	20	208,821.06	179,100.45
<b>Total equity</b>		<b>210,366.70</b>	<b>180,646.09</b>
<b>Liabilities</b>			
<b>(I) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	21	1,875.75	514.14
(b) Provisions	22	1,321.86	1,257.14
(c) Deferred tax liabilities (net)	23	5,191.50	6,376.60
(d) Other non-current liabilities	24	316.64	493.22
<b>Total non-current liabilities</b>		<b>8,705.75</b>	<b>8,641.10</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	2,631.50	2,643.28
(ii) Lease liabilities	25A	720.10	704.38
(iii) Trade payables	26		
A) Total outstanding dues of micro enterprises and small enterprises		2,063.86	1,309.55
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		17,559.99	15,092.41
(iv) Other financial liabilities	27	5,571.28	6,563.43
(b) Other current liabilities	28	1,454.99	1,377.54
(c) Provisions	29	4,128.97	2,461.75
(d) Current tax liabilities (net)	30	603.39	603.39
<b>Total current liabilities</b>		<b>34,734.08</b>	<b>30,755.73</b>
<b>Total liabilities</b>		<b>43,439.83</b>	<b>39,396.83</b>
<b>Total equity and liabilities</b>		<b>253,806.53</b>	<b>220,042.92</b>

The accompanying notes form an integral part of these Standalone Financial Statements 1-60

As per our report of even date

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Rajesh K. Hiranandani

Partner

Place : Mumbai

Date : May 26, 2022

For and on behalf of the Board of Directors

Nikhil Chopra

Chief Executive Officer &amp; Whole-Time Director

DIN - 07220097

Lakshay Kataria

Chief Financial Officer

Place : Mumbai

Date : May 26, 2022

Prashant Kumar

Director

DIN - 08342577

Sandeep Phadnis

Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
I Revenue From Operations	31	218,987.63	189,199.55
II Other Income	32	3,861.38	11,188.94
III <b>Total Income (I+II)</b>		<b>222,849.01</b>	<b>200,388.49</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	33	60,186.87	54,216.52
Purchases of stock-in-trade		16,739.84	9,929.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(2,557.36)	(1,570.03)
Employee benefits expense	35	39,906.20	30,597.97
Finance costs	36	494.87	719.18
Depreciation and amortisation expense	5 & 6	7,128.21	6,735.50
Other expenses	37	53,821.11	40,389.47
<b>Total expenses</b>		<b>175,719.74</b>	<b>141,017.69</b>
V <b>Profit before tax (III-IV)</b>		<b>47,129.27</b>	<b>59,370.80</b>
VI <b>Tax expense:</b>	30		
Current tax		12,250.00	13,750.00
Deferred tax (credit)/charge		(1,220.94)	912.32
<b>Total Tax expense</b>		<b>11,029.06</b>	<b>14,662.32</b>
VII <b>Net Profit after tax (V-VI)</b>		<b>36,100.21</b>	<b>44,708.48</b>
VIII <b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan		9.54	(1,669.97)
Income tax relating to these items		(2.40)	420.30
Items that will be reclassified to profit or loss			
Gains on cash flow hedges		132.89	-
Income tax relating to these items		(33.44)	-
<b>Total other comprehensive income (net of tax)</b>		<b>106.59</b>	<b>(1,249.67)</b>
IX <b>Total comprehensive income (VII+VIII)</b>		<b>36,206.80</b>	<b>43,458.81</b>
X <b>Earnings per equity share of face value of ₹ 2 each</b>	47		
Basic (in ₹)		46.71	57.85
Diluted (in ₹)		46.67	57.85
The accompanying notes form an integral part of these Standalone Financial Statements	1-60		

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

Place : Mumbai  
Date : May 26, 2022

For and on behalf of the Board of Directors

**Nikhil Chopra**  
Chief Executive Officer & Whole-Time Director  
DIN - 07220097

**Lakshay Kataria**  
Chief Financial Officer

Place : Mumbai  
Date : May 26, 2022

**Prashant Kumar**  
Director  
DIN - 08342577

**Sandeep Phadnis**  
Company Secretary

# STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>47,129.27</b>	<b>59,370.80</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	7,128.21	6,735.50
Unrealised foreign exchange loss/(gain) (net)	98.04	(605.68)
Interest expense	391.32	689.35
Net (gain)/loss on sale/disposal of property, plant and equipment	(226.10)	(1,868.30)
Net gain on sale of current investments carried at fair value through profit or loss	(3,522.97)	(1,000.81)
Profit on sale of product registration along with its marketing authorisation and trademark	-	(3,368.66)
Fair value loss/(gain) on financial instruments at fair value through profit or loss	18.67	(4,054.22)
Interest income	(48.32)	(141.19)
Dividend income	(0.50)	(0.50)
Government grant	(171.98)	(165.66)
Re-measurement of defined benefits plan	9.54	(1,669.97)
Sundry balances written back	(39.81)	(223.09)
Share based payment expense	6,092.91	-
Discontinuance of lease assets	(14.22)	(7.19)
Allowances for credit losses	-	39.47
	<b>9,714.79</b>	<b>(5,640.95)</b>
<b>Operating profit before working capital changes</b>	<b>56,844.06</b>	<b>53,729.85</b>
<b>Adjustments for:</b>		
Increase in trade and other receivables	(26,927.81)	(5,331.50)
Increase in inventories	(7,087.16)	(4,418.32)
Increase in trade payables and other liabilities	4,593.04	3,604.77
	<b>(29,421.93)</b>	<b>(6,145.05)</b>
<b>Cash generated from operations</b>	<b>27,422.13</b>	<b>47,584.80</b>
Income taxes paid (including tax deducted at source)	(12,712.03)	(14,041.31)
<b>Net cash flow generated from operating activities</b>	<b>14,710.10</b>	<b>33,543.49</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (refer note 2 below)	(6,129.07)	(4,730.49)
Purchase of intangible assets (including intangible asset under development)	(64,305.91)	-
Proceeds from sale of property, plant and equipment	764.25	2,641.44
Proceeds from sale of product registration along with its marketing authorisation and trademark	-	2,156.75
Payment for acquisition of a business undertaking on slump sale basis	-	(850.00)
Purchase of current investments	(50,847.46)	(54,097.97)
Proceeds from sale of current investments	120,867.92	31,691.35



(₹ in lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
Change in other bank balances	18.24		(22.60)	
Interest received	49.07		143.30	
Dividend received	0.50		0.50	
<b>Net cash flow from/(used in) investing activities</b>		<b>417.54</b>		<b>(23,067.72)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds/(repayment) from current borrowings (net)	(32.13)		32.22	
Interest paid	(240.74)		(633.95)	
Dividend paid	(12,756.30)		(7,324.02)	
Repayment of lease liabilities	(756.09)		(763.95)	
<b>Net cash flow used in financing activities</b>		<b>(13,785.26)</b>		<b>(8,689.70)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>1,342.38</b>		<b>1,786.07</b>
<b>Cash and cash equivalents at the beginning of the year*</b>	<b>2,426.29</b>		<b>636.67</b>	
Exchange difference on restatement of foreign currency cash and cash equivalents	0.10		3.55	
<b>Cash and cash equivalents at the end of the year*</b>	<b>3,768.77</b>		<b>2,426.29</b>	

\*Cash and cash equivalents comprise the following

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks	2,287.22	2,170.78
Cheques on hand	5.11	243.16
Cash on hand	8.60	12.35
Remittance in transit	1,467.84	-
<b>Cash and cash equivalents</b>	<b>3,768.77</b>	<b>2,426.29</b>

**Note:**

- The above statement of cash flow has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7-Statement of Cash Flows.
- Purchase of property, plant and equipment represents additions to property, plant and equipment, adjusted for movement of capital work in progress, capital advances and capital creditors during the year.

The accompanying notes form an integral part of these Standalone Financial Statements (Note 1-60).

**As per our report of even date**

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

Place : Mumbai

Date : May 26, 2022

**For and on behalf of the Board of Directors**

**Nikhil Chopra**  
Chief Executive Officer & Whole-Time Director  
DIN - 07220097

**Lakshay Kataria**  
Chief Financial Officer

Place : Mumbai

Date : May 26, 2022

**Prashant Kumar**  
Director  
DIN - 08342577

**Sandeep Phadnis**  
Company Secretary

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL ( refer note19)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,545.64	1,545.64
Changes in equity share capital during the year	–	–
<b>Balance at the end of the year</b>	<b>1,545.64</b>	<b>1,545.64</b>

## B. OTHER EQUITY (refer note 20)

(₹ in lakhs)

Particulars	Capital Reserves (transferred from amalgamating company)		Reserves and Surplus							Other reserves	Other Equity
	Investment allowance reserve (utilised)	Capital reserve	Capital reserve	Contingency reserve	Securities premium reserve	Capital redemption reserve	General reserve	Retained earnings	Employee stock options reserve	Cash flow hedge reserve	
Balance as on April 1, 2020	34.86	63.53	4.21	2,020.00	4,946.15	150.76	14,363.36	121,400.57	–	–	142,983.44
Profit for the year	–	–	–	–	–	–	–	44,708.48	–	–	44,708.48
Other comprehensive income for the year	–	–	–	–	–	–	–	(1,249.67)	–	–	(1,249.67)
<b>Total comprehensive income for the year</b>	–	–	–	–	–	–	–	<b>43,458.81</b>	–	–	<b>43,458.81</b>
Payment of dividend	–	–	–	–	–	–	–	(7,341.80)	–	–	(7,341.80)
<b>Balance as on March 31, 2021</b>	<b>34.86</b>	<b>63.53</b>	<b>4.21</b>	<b>2,020.00</b>	<b>4,946.15</b>	<b>150.76</b>	<b>14,363.36</b>	<b>157,517.58</b>	–	–	<b>179,100.45</b>

(₹ in lakhs)

Particulars	Capital Reserves (transferred from amalgamating company)		Reserves and Surplus							Other reserves	Other Equity
	Investment allowance reserve (utilised)	Capital reserve	Capital reserve	Contingency reserve	Securities premium reserve	Capital redemption reserve	General reserve	Retained earnings	Employee stock options reserve	Cash flow hedge reserve	
Profit for the year	–	–	–	–	–	–	–	36,100.21	–	–	36,100.21
Other comprehensive income for the year	–	–	–	–	–	–	–	7.14	–	99.45	106.59
<b>Total comprehensive income for the year</b>	–	–	–	–	–	–	–	<b>36,107.35</b>	–	<b>99.45</b>	<b>36,206.80</b>
Payment of dividend	–	–	–	–	–	–	–	(12,751.54)	–	–	(12,751.54)
Share based payment expense	–	–	–	–	–	–	–	–	6,265.35	–	6,265.35
<b>Balance as on March 31, 2022</b>	<b>34.86</b>	<b>63.53</b>	<b>4.21</b>	<b>2,020.00</b>	<b>4,946.15</b>	<b>150.76</b>	<b>14,363.36</b>	<b>1,80,873.39</b>	<b>6,265.35</b>	<b>99.45</b>	<b>208,821.06</b>

The accompanying notes form an integral part of these Standalone Financial Statements (Note 1-60).

**As per our report of even date**

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

Place : Mumbai  
Date : May 26, 2022

**For and on behalf of the Board of Directors**

**Nikhil Chopra**  
Chief Executive Officer & Whole-Time Director  
DIN - 07220097

**Lakshay Kataria**  
Chief Financial Officer

Place : Mumbai  
Date : May 26, 2022

**Prashant Kumar**  
Director  
DIN - 08342577

**Sandeep Phadnis**  
Company Secretary

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 1. CORPORATE INFORMATION

J. B. Chemicals & Pharmaceuticals Limited ("the Company") is a public limited company incorporated in India (Corporate identity number: L24390MH1976PLC019380) having its registered office at Neelam Centre, 'B' Wing, 4<sup>th</sup> Floor, Hind Cycle Road, Worli, Mumbai-400030. The Company is engaged in the business of manufacturing and marketing of diverse range of pharmaceutical formulations, herbal remedies and Active Pharmaceutical Ingredients (APIs). These Standalone Financial Statements for the year ended March 31, 2022, were approved for the issue by the Board of Directors, vide their resolution dated May 26, 2022. Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 2.1 Basis of Preparation

#### 2.1 a) Statement of Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended March 31, 2022, have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and the other relevant provisions of the Act and accounting principles generally accepted in India. The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities, which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

These financial statements have been prepared by the Company as a going concern on the basis of relevant (Ind-AS) that are effective or elected for early adoption at the Company's annual reporting date, March 31, 2022

#### 2.1 b) Basis of Measurement:

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

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Derivative financial instruments and contingent consideration is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined Benefits Plans – plan assets measured at fair value;

- Employee Stock Options Plans measured at fair value;
- Lease Liabilities and Right of use of Assets –measured at fair value; and
- Share-based payments – measured at fair value.

#### 2.1 c) Consistency of Accounting Policy:

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto use.

#### 2.1 d) New and Amended Standards Adopted by the Company

The Company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2020:

- Amendment to Ind AS 103, Business Combinations, Definition of business
- Amendment to Ind AS 116, Leases, lease modification accounting for COVID-19, rent concession
- Amendment to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Change in definition of materiality
- Amendment to Ind AS 109, Financial Instruments, Temporary exceptions from applying hedge accounting
- Amendment to Ind AS 107, Financial Instruments: Disclosures, Disclosure for uncertainty arising from interest rate benchmark reform
- Ind AS 10, Events after reporting period, Definition for non-adjusting events and its effective date of application
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. Consequential amendment and accounting of restructuring plan.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### 2.1 e) Functional Currency and Rounding off of the Amounts:

The functional and presentation currency of the Company is Indian Rupees (₹). Accordingly, all amounts disclosed in the financial statements and notes have been shown in Indian Rupees (₹) and all values are shown in lakhs and rounded to two decimals thereof as per the requirement of Schedule III, except when otherwise indicated.

**2.2. Current Versus Non-Current Classification:**

The Company has classified all its assets and liabilities under current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1- Presentation of Financial Statements.

**2.2 a) Assets:**

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**2.2 b) Liabilities:**

All liabilities are current, when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or liability for at least twelve months after the reporting period; and
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

All other liabilities are classified as non-current.

**2.3 Revenue Recognition:**

The Company derives revenue primarily from manufacturing and marketing of diverse range of pharmaceutical products. The Company follows specific recognition criteria as described below before the revenue is recognised.

**(i) Sale of Goods**

Revenue from contracts with customers is recognised when the control of the goods is transferred to a customer and the entity satisfies a performance obligation by delivering a promised goods or services to customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services and

contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Company recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, the Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, but excluding taxes or duties collected on behalf of the government and net of returns (including provision thereof made during the year on the basis of historical experience, future expectation of sales return/claims) and allowances, trade discounts and volume rebates. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment, the Company considers its historical record of performance on similar contracts.

**(ii) Product Development Service:**

Revenue from product development service is recognised upon by reference to the stage of completion of service and the amount of revenue can be measured reliably.

**(iii) Other Operating Revenue:**

Other operating revenue comprises of following items:

**a) Manufacturing Charges/Service Fee:**

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Revenue from manufacturing charges is recognised on completion of contractual obligation of manufacturing and delivery of product manufactured.

**b) Export Incentives:**

Export entitlements from government authorities are recognised in the profit or loss as other operating revenue, when the right to receive is established as per the terms of the scheme in respect of the exports made by the Company with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**c) Sale of Scrap:**

Revenue from sale of scrap is recognised on delivery of scrap items.

**(iv) Other Income:**

Other income mainly comprises of interest income, dividend from investments, profits from redemption of investments and fair value changes on the investments, which are held at the Balance Sheet date.

**a) Interest Income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**b) Dividends:**

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Profits / Losses on redemption of investment is recognised by exercise of power by the Company to redeem the investment held by it in any particular security / instrument (non-current as well as current investment).

**2.4. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated into functional currency at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences, resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities, are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

**2.5. Government Grants:**

Monetary government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to

compensate. The grant related to an asset in the form of EPCG Licence is recognised in the Balance Sheet as deferred income, and is transferred to profit or loss on a systematic basis over the periods during which the obligation attached to the Licence is to be fulfilled.

Grant in the form of cash benefit is recognised in the Balance Sheet as deferred income and it is transferred to profit or loss over the useful life of the concerned asset.

Export entitlements from government authorities are recognised in the profit or loss as other operating revenue, when the right to receive is established as per the terms of the scheme in respect of the exports made by the Company with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**2.6. Employee Benefits:**

**(i) Short term Employee Benefits**

All employee benefits, payable wholly within twelve months of rendering the service, are classified as short-term employee benefits. Benefits such as salaries, wages, etc., and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**(ii) Post employment benefits**

**a) Defined Contribution Plan:**

Defined contribution plans such as Provident Fund and Superannuation, in accordance with the The Employees' Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Company are entitled to receive benefits under the provident fund plan, in which both the employee and employer contribute monthly, and the Company distributes the amounts to employees at the time of separation from the Company or retirement, whichever is earlier. Payments to defined contributions retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions. The Company does not have any obligation other than the contribution made.

**b) Defined Benefits Plan:**

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements recognised in Other Comprehensive



Income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Profit and Loss statement in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liabilities or assets. Defined benefit costs are categorised as follows:

- Service Cost (including current service cost, past service cost, as well as gains or losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement (comprising actuarial gains and losses)

The Company presents the first two components defined benefit cost in the Statement of Profit and Loss in the line items "Employee Benefits Expenses" and "Finance Cost", respectively. Curtailment gain and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

### (iii) Other Long-Term Employee Benefits Plans:

Liability, in respect of compensated absences becoming due or expected to be availed within one year from the reporting date, is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability, in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date, is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

## 2.7. Share-Based Payments:

### Equity-Settled Share-Based Payment Transactions:

The Company has set up Employee Stock Options Scheme in the nature of equity-settled share based remuneration for its eligible employees and eligible employee(s) of its wholly owned subsidiaries.

All services received in exchange for the grant of the options are measured at their fair value on the grant date and is recognised as an employee expense, in the profit or loss, with a corresponding increase in equity, over the period that the employees become

unconditionally entitled to the options. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "Employee stock options outstanding reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that actually vest. Such employee expense arising on account of grant of options to eligible employees of wholly-owned subsidiaries is recorded as receivable from such subsidiary.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth). All share-based remuneration is ultimately recognised as an expense in profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication, that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation, resulting from a revision, is recognised in the current period.

The number of vested options ultimately exercised by option grantee does not impact the expense recorded in any period. Upon exercise of stock options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the equity shares issued with any excess being recorded as share premium.

## 2.8. Tax Expenses:

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

### (i) Current Tax:

Current tax payable is calculated based on taxable profit for the year. Current tax is recognised based on the amount expected to be paid to or recovered from the tax authorities based on applicable tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### (ii) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial

statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary timing difference. Deferred tax assets are recognised for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Current and deferred tax for the year are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

### (iii) Uncertain Tax Positions:

Accruals for uncertain tax positions require the Management to make judgement of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount, depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon the Management interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, the Management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

## 2.9. Property, Plant and Equipment:

### (i) Recognition and Measurement:

Freehold land is stated at historical cost and is not depreciated. Premium paid for the leasehold land is amortised over the lease period. All other items of property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

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 entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other

repairs and maintenance costs are recognised as expense in the Statement of Profit and Loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

### (ii) Depreciation:

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II of the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/ deletion, in the profit or loss.

Cost of the assets less its residual value is depreciated over its useful life. Depreciation is calculated on a straight line basis over the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013, are as follows.

For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

Category	Useful life
Leasehold Land	Lower of lease term or useful life
Buildings	30 to 60 years
Plant and Machinery	3 to 25 years
Furniture and Fixtures	10 years
Vehicles	8 to 10 years
Office equipment	3 to 6 years
Air conditioners	15 years

The Management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, the Management reviews the residual values, useful lives and method of depreciation of property, plant and equipment, and values of the same are adjusted prospectively, where needed.

### (iii) De-recognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as

the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## 2.10. Intangible Assets:

### (i) Recognition and Measurements:

Intangible assets acquired separately are measured on initial recognition at cost. Initial recognition of intangible assets is carried at cost less accumulated amortisation and accumulated impairment losses, if any.

### (ii) Expenditure on Regulatory Approval:

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 entity and the cost can be measured reliably.

The useful lives of all other intangible assets are assessed as either finite or indefinite.

### (iii) Amortisation:

Particulars	Useful life
Computer software	3 to 6 years
Brands, Trademarks and Product related intangible	5 to 25 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset, are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### (iv) De-recognition:

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

## 2.11. Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to

another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

Goodwill is initially measured at the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment.

When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI, and accumulates the same in equity as capital reserve, where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, else the gain is directly recognised in equity as capital reserve.

Consideration transferred does not include amounts related to the settlement of pre-existing relationships and employee service-related payments. Any Goodwill that arises on account of such business combination is tested annually for impairment.

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

## 2.12. Borrowing Cost:

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs directly attributed to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of asset up to the date the asset is substantially ready for its intended use. Other Borrowing costs are charged to the Statement of Profit and Loss account in the year in which they are incurred.

## 2.13. Impairment of Non-Financial Assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets (other than Goodwill as stated above) or group of assets, called cash-generating units (CGUs) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an

individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 2.14. Inventories:

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the basis of Moving average method. Cost includes expenditures incurred in acquiring the inventories, and other related costs incurred in bringing them to their existing location. In the case of manufactured finished goods, cost includes appropriate share of overheads based on normal operating capacity.

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on weighted-average basis. In the absence of cost, waste/scrap is valued at estimated net realisable value. Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for. Proceeds, in respect of sale of raw materials/stores are credited to the respective heads.

## 2.15. Provisions, Contingent Liabilities and Contingent Assets:

### (i) Provisions:

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the Statement of Profit and Loss net of any reimbursement/contribution towards provision made.

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

If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

### (ii) Contingent Assets:

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### (iii) Contingent Liabilities:

#### Contingent Liability is Disclosed in the Case

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- A present obligation that arises from past events but is not recognised as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

## 2.16. Leases:

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

### (i) Company as a lessee:

The Company's leased assets consist of leases for buildings. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for

consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

**(ii) Company as a Lessor:**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss, if the carrying amount of the right-of-use asset has been reduced to zero.

**2.17. 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.

The Company recognises financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

**I. Financial Assets:**

**a) Classification:**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

**b) Initial Recognition and Measurement:**

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs, directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component is measured at transaction price.

**c) Subsequent Measurement:**

For subsequent measurement, the Company classifies financial asset in the following broad categories:

**(i) Financial Assets at Amortized Cost (net of any write down for impairment, if any):**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of Profit and Loss. Cash and bank balances, trade receivables, loans and other financial assets of the Company are covered under this category.

Under the EIR method, the future cash receipts are exactly discounted to the initial recognition value using EIR. The cumulative amortisation using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortised



cost at each reporting date. The corresponding effect of the amortisation under EIR method is recognised as interest income over the relevant period of the financial asset. The same is included under "other income" in the Statement of Profit and Loss. The amortised cost of the financial asset is also adjusted for loss allowance, if any.

**(ii) Debt Instruments at FVTOCI:**

Financial assets under this category are measured initially, as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognised in the other comprehensive income.

The Company does not have any financial asset under this category.

**(iii) Debt Instruments and Derivatives at FVTPL:**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognised in the Statement of Profit and Loss.

**(iv) Investment in Subsidiaries:**

Investments in subsidiaries and associates 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 associates, 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 associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

**(v) Other Equity Investments:**

All other equity investments are measured at fair value, with fair value changes recognised in Statement of Profit and Loss.

All equity investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes 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 recognised in the OCI. There is no recycling of the amounts from OCI to profit or 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 recognised in the profit or loss. Transaction cost of financial assets at FVTPL is expensed in profit or loss.

**(vi) De-recognition:**

A financial asset is primarily derecognised when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial assets.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**(vii) Impairment of Financial Assets:**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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 effective interest rate.

For trade receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed, and changes in the forward looking estimates are analysed. For other assets, the Company uses 12 month ECL to provide for impairment loss, where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

**II. Financial Liabilities:**

**a) Classification**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

**b) Initial Recognition and Measurement:**

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include



trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**c) Subsequent Measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through 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.

**d) De-recognition of Financial Liabilities:**

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 de-recognition 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.

**III. Derivative Financial Instrument:**

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value at each reporting date. Gain or loss arising from changes in the fair value is recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative financial instruments, viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

**IV. Hedge Accounting:**

The Company designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception

of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Standalone Statement of Profit and Loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in other equity at that time remains in other equity and is recognised when the forecast transaction is ultimately recognised in the Standalone Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in the Standalone Statement of Profit and Loss.

**2.18 Fair Value:**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorised within the fair value hierarchy that categorises into three levels, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

**Level 1** – quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

**Level 3** – inputs that are unobservable for the asset or liability for the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.19. Research and Development Expenditure:

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is recognised in the Statement of Profit and Loss, unless the following criteria are satisfied: -

- (i) development costs can be measured reliably,
- (ii) the product or process is technically and commercially feasible,
- (iii) future economic benefits are probable, and
- (iv) the Company intends to and has sufficient resources to complete development and to use the asset.

### 2.20. Offsetting Financial Instruments:

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.21. Cash and Cash Equivalents:

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period 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.

### 2.22. Cash Flow Statements:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a noncash 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 the Company is segregated.

## 3. RECENT PRONOUNCEMENTS

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework:

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds Before Intended Use:

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract:

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021):

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 116 – Annual Improvements to Ind AS (2021):

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

#### 4. KEY ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The company evaluates these estimates and assumptions based on the most recently available information. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

The preparation of financial statements, in conformity with the Ind AS requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. The difference between actual results and estimates is recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

##### a) Income Taxes and Deferred Tax Assets:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Management assumes that taxable profit will be available while recognising the deferred tax assets.

##### b) Property, Plant and Equipment:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life as prescribed in the Schedule II of the Companies Act, 2013 and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. 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 technical or commercial obsolescence arising from changes or improvements in

production or from a change in market demand of the product or service output of the asset.

##### c) Intangible Assets:

Internal technical or user team assesses the remaining useful lives of Intangible assets. The Management believes that the assigned useful lives are reasonable.

##### d) Impairment of Non- Financial Assets:

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

##### e) Impairment of Financial Assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

##### f) Recognition and Measurement of Defined Benefits Obligation:

The obligation arising from the defined benefits plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefits obligations.

##### g) Recognition and Measurement of Other Provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the Balance Sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

##### h) Contingencies:

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but

probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually, and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

The Management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**i) Allowances for Uncollected Trade Receivables and Advances:**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated amounts which are irrecoverable. Individual trade receivables are written off when the Management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**j) Allowances for Inventories:**

The Management reviews the inventory age listing on a periodic basis. The purpose is to compare the carrying value of the aged inventory items with the respective net realisable value and also to identify obsolete and slow-moving items, so as to make adequate allowances for the same. The Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the Standalone Financial Statements.

**k) Research & development costs:**

The Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. The Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

**l) Leases:**

Ind AS 116 "Leases" requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract

will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**m) Sales Returns:**

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. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

**n) Expected Credit Loss:**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables and lease receivables;
- Financial assets measured at amortised cost (other than trade receivables and lease receivables);
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115. For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In the case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such

assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

**o) Impact of Covid/Geopolitical Developments:**

The Company considered the uncertainties relating to the COVID-19 pandemic and the geopolitical situation in Russia and Ukraine, in assessing the recoverability of

receivables, goodwill, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgements, estimates and assumptions, including sensitivity analysis, the Company expects to fully recover the carrying amount of receivables, goodwill, investments and other assets.

The Company will continue to closely monitor any material changes to future economic conditions.

## 5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01 2021	Depreciation charge for the year	On disposals	As at March 31, 2022	As at March 31, 2022"	As at March 31, 2021
Freehold land	57.16	–	–	57.16	–	–	–	–	57.16	57.16
Factory buildings	21,277.47	337.60	2.29	21,612.78	6,708.08	657.56	2.28	7,363.36	14,249.42	14,569.39
Other buildings (Note 1)	5,682.05	1,032.61	–	6,714.66	643.20	101.76	–	744.96	5,969.70	5,038.85
Plant and equipment	60,210.89	3,387.87	1,275.05	62,323.71	36,138.59	3,726.63	1,258.81	38,606.41	23,717.30	24,072.30
Furniture and fixtures	3,845.91	102.39	25.40	3,922.90	1,989.10	275.55	25.33	2,239.32	1,683.58	1,856.81
Vehicles	569.73	140.74	113.91	596.56	315.82	60.80	105.74	270.88	325.68	253.91
Office equipment	4,848.26	622.46	135.33	5,335.39	3,437.36	591.82	129.69	3,899.49	1,435.90	1,410.90
Air conditioners	7,945.80	219.81	22.96	8,142.65	3,432.07	443.90	22.95	3,853.02	4,289.63	4,513.73
<b>Total</b>	<b>104,437.27</b>	<b>5,843.48</b>	<b>1,574.94</b>	<b>108,705.81</b>	<b>52,664.22</b>	<b>5,858.02</b>	<b>1,544.80</b>	<b>56,977.44</b>	<b>51,728.37</b>	<b>51,773.05</b>

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01 2020	Depreciation charge for the year	On disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold land	57.16	–	–	57.16	–	–	–	–	57.16	57.16
Factory buildings	21,404.54	54.72	181.79	21,277.47	6,194.20	652.89	139.01	6,708.08	14,569.39	15,210.34
Other buildings (Note 1)	5,746.09	–	64.04	5,682.05	578.00	93.16	27.96	643.20	5,038.85	5,168.09
Plant and equipment	60,411.58	2,624.44	2,825.13	60,210.89	34,942.84	3,914.81	2,719.06	36,138.59	24,072.30	25,468.74
Furniture and fixtures	3,812.73	94.01	60.83	3,845.91	1,781.20	266.55	58.65	1,989.10	1,856.81	2,031.53
Vehicles	1,509.90	38.87	979.04	569.73	584.33	139.35	407.86	315.82	253.91	925.57
Office equipment	4,424.12	593.78	169.64	4,848.26	3,152.67	449.57	164.88	3,437.36	1,410.90	1,271.45
Air conditioners	7,921.94	56.63	32.77	7,945.80	3,025.93	434.73	28.59	3,432.07	4,513.73	4,896.01
<b>Total</b>	<b>105,288.06</b>	<b>3,462.45</b>	<b>4,313.24</b>	<b>104,437.27</b>	<b>50,259.17</b>	<b>5,951.06</b>	<b>3,546.01</b>	<b>52,664.22</b>	<b>51,773.05</b>	<b>55,028.89</b>



### 5a. Right-of-Use Asset

(₹ in lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	Depreciation charge for the year	On disposals	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Right-of-use asset- Leasehold land (note 2)	1,358.95	–	708.50	650.45	129.93	7.65	38.27	99.31	551.14	1,229.02
Right-of-use asset- Other buildings (note 2)	1,718.67	2,835.78	1,355.91	3,198.54	493.53	713.08	582.43	624.18	2,574.36	1,225.14
<b>Total</b>	<b>3,077.62</b>	<b>2,835.78</b>	<b>2,064.41</b>	<b>3,848.99</b>	<b>623.46</b>	<b>720.73</b>	<b>620.70</b>	<b>723.49</b>	<b>3,125.50</b>	<b>2,454.16</b>

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation charge for the year	On disposals	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Right-of-use asset- Leasehold land (note 2)	1,077.88	292.75	11.68	1,358.95	123.45	12.26	5.78	129.93	1,229.02	954.43
Right-of-use asset- Other buildings (note 2)	1,322.27	1,670.82	1,274.42	1,718.67	772.10	741.71	1,020.28	493.53	1,225.14	550.17
<b>Total</b>	<b>2,400.15</b>	<b>1,963.57</b>	<b>1,286.10</b>	<b>3,077.62</b>	<b>895.55</b>	<b>753.97</b>	<b>1,026.06</b>	<b>623.46</b>	<b>2,454.16</b>	<b>1,504.60</b>

Note 1. Value of buildings includes a sum of ₹ 3600/- being the cost of shares in the societies

Note 2. Refer note 49A

Note 3. No depreciation has been claimed on the assets to the extent of GST claimed.



## 6. INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Deductions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(Acquired)										
Trade Marks*	845.03	63,782.45	–	64,627.48	3.66	508.69	–	512.35	64115.13	841.37
Computer Software	1,117.00	46.53	–	1,163.53	1,062.40	40.76	–	1,103.16	60.37	54.60
Product Dossiers	905.28	–	–	905.28	–	–	–	–	905.28	905.28
<b>Total</b>	<b>2,867.31</b>	<b>63,828.98</b>	<b>–</b>	<b>66,696.29</b>	<b>1,066.06</b>	<b>549.45</b>	<b>–</b>	<b>1,615.51</b>	<b>65,080.78</b>	<b>1,801.25</b>

\* Related to acquisition of trademarks from Sanzyme Private Limited(refer note 42)

(₹ in lakhs)

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Amortisation for the year	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
(Acquired)										
Trade Marks	827.67	17.36	–	845.03	3.66	–	–	3.66	841.37	824.01
Computer Software	1,094.06	27.14	4.20	1,117.00	1,036.13	30.47	4.20	1,062.40	54.60	57.93
Product Dossiers	905.28	–	–	905.28	–	–	–	–	905.28	905.28
<b>Total</b>	<b>2,827.01</b>	<b>44.50</b>	<b>4.20</b>	<b>2,867.31</b>	<b>1,039.79</b>	<b>30.47</b>	<b>4.20</b>	<b>1,066.06</b>	<b>1,801.25</b>	<b>1,787.22</b>

Note: Some of the trademarks are yet to be transferred in the Company's name.

## 6a. Capital Work-in-Progress (CWIP)

As on March 31, 2022

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,345.73	24.53	20.31	–	1,390.57

As on March 31, 2021

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,316.07	234.16	1,006.45	–	2,556.68

## 6b. Intangible Assets under Development

As at March 31, 2022

(₹ in lakhs)

Particulars	Amount in intangible assets under development for a period of	
	Less than 1 year	Total
Projects in progress	476.94	476.94
<b>Total</b>	<b>476.94</b>	<b>476.94</b>

### Acquisition of significant intangibles:

Significant acquisitions during the year

Particulars	Date of completion	₹ in lakhs	Type of deal
Trademarks from Sanzyme Private Limited	February 1, 2022	63,782.45	Acquisition of trademarks.

The Company has recorded the above acquired assets as intangible assets under Ind AS 38 "Intangible Assets" on the assessment that fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets which is controlled by the Company and future economic benefits are probable.

## 7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Investments in equity instruments (unquoted) (Fully paid)</b>		
<b>i) In Subsidiary companies : (carried at cost)</b>		
Equity shares of 000 Unique Pharmaceutical Laboratories, Russia (No. of shares are not denominated as per Law of Russian Federation )	3,881.92	3,881.92
51,885,000 (Previous year 51,885,000) Ordinary shares of AED 1 each of Unique Pharamaceutical Laboratories FZE, Dubai	9,414.76	9,414.76
<b>Total</b>	<b>13,296.68</b>	<b>13,296.68</b>
<b>ii) In Other companies : (carried at fair value through profit &amp; loss (FVTPL)) (fully paid)</b>		
3,866 (Previous year 3,866) Equity shares of ₹ 10 each of BEIL Infrastructure Ltd.	26.45	20.85
612,032 (Previous year 612,032) Equity shares of ₹ 10 each of Narmada Clean Tech	113.64	113.64
20,000 (Previous year 20,000) Equity shares of ₹ 10 each of Enviro Technology Limited	38.19	34.43
60,000 (Previous year 60,000) Equity shares of ₹ 10 each of Panoli Enviro Technology Limited	33.74	23.75
50,000 (Previous year 50,000) Equity shares of ₹ 10 each of Ankleshwar Research & Analytical Infrastructure Limited	3.85	4.08
2,000,000 (Previous year 2,000,000) Equity shares of ₹ 10 each of Asian Heart Institute & Research Centre Private Limited	1,056.34	1,094.12
<b>Total</b>	<b>1,272.21</b>	<b>1,290.87</b>

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Total Investment in Equity Instruments</b>	<b>14,568.89</b>	14,587.55
<b>Total Non-current Investment</b>	<b>14,568.89</b>	14,587.55
Aggregate amount of unquoted investments	14,568.89	14,587.55
<b>Category-wise Non current investment</b>		
Financial assets carried at cost	13,296.68	13,296.68
Financial assets measured at fair value through profit and loss	1,272.21	1,290.87
<b>Total Non-current investment</b>	<b>14,568.89</b>	<b>14,587.55</b>

**8. NON-CURRENT FINANCIAL ASSETS - LOANS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
<b>(Carried at amortised cost)</b>		
Loans to employees	74.41	54.90
<b>Total</b>	<b>74.41</b>	<b>54.90</b>

**9. NON-CURRENT FINANCIAL ASSETS - OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good, except otherwise stated</b>		
<b>(Carried at amortised cost)</b>		
Fixed deposits having remaining maturity more than 12 months #	8.53	18.53
Security deposits for leased premises	309.72	338.85
Other security deposits	163.74	125.00
	481.99	482.38
Other security deposits- credit impaired	75.65	75.65
Less: Loss allowance	(75.65)	(75.65)
	-	-
<b>Total</b>	<b>481.99</b>	<b>482.38</b>

#These fixed deposits are marked as lien with various Government authorities/institutions.

**10. OTHER NON-CURRENT ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
Capital advances	1,120.67	43.43
Prepaid expenses	95.39	63.46
<b>Total</b>	<b>1,216.06</b>	<b>106.89</b>

## 11. CURRENT FINANCIAL ASSETS - INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Lower of cost and net realisable value)</b>		
Raw materials (stock in transit ₹ 0.20 lakh, previous year ₹ 158.94 lakhs)	15,170.15	12,803.86
Packing materials (stock in transit ₹ 0.27 lakh, previous year ₹ Nil)	4,998.65	2,871.52
Work-in-progress	1,887.26	2,413.77
Finished goods (stock in transit ₹ 357.81 lakhs, previous year ₹ 205.64 lakhs)	7,572.38	8,023.09
<b>Stock-in-Trade</b>	<b>5,272.28</b>	<b>1,737.70</b>
Stores and Spares	77.72	41.34
<b>Total</b>	<b>34,978.44</b>	<b>27,891.28</b>

The write-down of inventories to net realisable value during the year amounted to ₹ 18.93 lakhs (Previous year ₹ 48.32 lakhs). The write downs are included in changes in inventories of finished goods.

The cost of inventories recognised as an expense during the year is disclosed in Notes 33, 34, 37 and as purchases of stock-in-trade in the Statement of Profit and Loss.

## 12. CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at fair value through profit and loss)</b>		
Investments in mutual funds - (quoted)	–	66,497.48
<b>Total</b>	<b>–</b>	<b>66,497.48</b>
Aggregate cost of quoted investments	–	52,585.52
Aggregate market value of quoted investments	–	66,497.48

## 13. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Unsecured, considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost, except otherwise stated)</b>		
Considered good *	52,118.80	37,724.81
Less : Allowance for expected credit loss	314.00	314.00
	51,804.80	37,410.81
Credit impaired	–	14.21
Less : Allowance for expected credit loss	–	14.21
<b>Total</b>	<b>51,804.80</b>	<b>37,410.81</b>
* Includes amount due from related parties (refer note 46)	5,851.88	6,335.07

## March, 2022

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment					Total
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed trade receivables - considered good	37,455.18	11,207.20	1,171.70	1,856.32	427.94	0.46	52,118.80
ii. Undisputed trade receivables - credit impaired	–	–	–	–	–	–	–
iii. Disputed trade receivables - considered good	–	–	–	–	–	–	–
iv. Disputed trade receivables - credit impaired	–	–	–	–	–	–	–

## March, 2021

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment					Total
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed trade receivables - considered good	25,931.53	10,537.79	670.45	574.36	7.92	2.75	37,724.81
ii. Undisputed trade receivables - credit impaired	–	–	–	–	13.84	0.37	14.21
iii. Disputed trade receivables - considered good	–	–	–	–	–	–	–
iv. Disputed trade receivables - credit impaired	–	–	–	–	–	–	–

## 14. CURRENT FINANCIAL ASSETS -CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash and cash equivalents</b>		
Balances with banks	2,287.22	2,170.78
Cheques on hand	5.11	243.16
Cash on hand	8.60	12.35
Remittance in transit ^	1,467.84	–
	3,768.77	2,426.29
<b>Other bank balances</b>		
Unclaimed dividend A/cs *	198.38	203.11
Fixed deposits with maturity of more than 3 months but less than 12 months @	–	13.51
	198.38	216.62
<b>Total</b>	<b>3,967.15</b>	<b>2,642.91</b>

^ Remittance in transit from Biotech Laboratories Pty. Ltd.

\*The above balances are restricted for specific use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

@ These fixed deposits are marked as lien with various government authorities/ institutions.

## 15. CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, considered good)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost)</b>		
Loan to employees	74.53	35.59
<b>Total</b>	<b>74.53</b>	<b>35.59</b>

## 16. CURRENT FINANCIAL ASSETS - OTHERS

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost, except otherwise stated)</b>		
Accrued interest on deposits	3.59	4.34
Export incentive receivables	3,285.28	2,073.04
Claim receivables	92.57	–
Derivative designate as hedge - carried at fair value through profit or loss (refer note 53)	293.23	466.62
Receivable for sale of land	200.00	200.00
Tender deposits	45.18	31.75
Fixed deposits having remaining maturity less than 12 months	10.62	–
Other security deposits	133.11	97.43
Other receivables	120.86	181.02
Derivative designate as hedge - carried at fair value through OCI (refer note 53)	132.89	–
	<b>4,317.33</b>	<b>3,054.19</b>
Tender deposits- credit impaired	6.45	6.70
Less: Allowance for credit loss	(6.45)	(6.70)
	–	–
Receivable for sale of land-Credit Impaired	39.47	39.47
Less: Allowance for credit loss	(39.47)	(39.47)
	–	–
<b>Total</b>	<b>4,317.33</b>	<b>3,054.19</b>

## 17. CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes paid	41,094.37	28,382.34
Less: Provision for taxes	(38,948.51)	(26,698.51)
<b>Total</b>	<b>2,145.86</b>	<b>1,683.83</b>



**18. OTHER CURRENT ASSETS**

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	2,983.41	316.57
Prepaid expenses	1,047.76	1,042.82
Balances/Recoverables with/from government authorities	13,510.70 *	4,826.47
Other receivables	401.12	392.19
<b>Total</b>	<b>17,942.99</b>	<b>6,578.05</b>

\*includes GST credit with respect to brands acquired during the year.

**19. EQUITY SHARE CAPITAL**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
101,500,000 (previous year 101,500,000) Equity shares of ₹ 2/- each	2,030.00	2,030.00
<b>Issued, subscribed and fully paid-up</b>		
77,282,097 (previous year 77,282,097) Equity shares of ₹ 2/- each	1,545.64	1,545.64
<b>Total</b>	<b>1,545.64</b>	<b>1,545.64</b>

**Reconciliation of the shares outstanding and amount of share capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Numbers of shares outstanding at the beginning of the year	77,282,097	1,545.64	77,282,097	1,545.64
Numbers of shares outstanding at the end of the year	77,282,097	1,545.64	77,282,097	1,545.64

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

Name of the shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Tau Investment Holdings Pte. Ltd (Holding Company)	41,732,332	54.00	41,732,332	54.00

### % change to computed with respect to numbers at the beginning of the year

Shares held by promoters	No. of shares	% of total shares	% change during the year
Tau Investment Holdings Pte. Ltd (Holding Company)	41,732,332	54.00	Nil

- Mody Family members holding 1.91% have been re-classified from Promoter/ Promoter group to Public on receipt of Stock exchange approval wef November 2, 2021. Therefore, during the year aggregate promoter/ promoter group holding in the Company decreased from 55.91% to 54%.

### Terms and 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 share is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions. The Company declares and pays dividend 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, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

### Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares, shares for consideration other than cash during five years immediately preceding the reporting date.

### Buy-back of Equity Shares

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, the Company has bought back, in aggregate, 7,537,878 (as at Previous year: 7,537,878) equity shares of ₹ 2 each.

### Equity shares reserved for issue under employee stock options scheme

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options by the option holders as per the relevant schemes - refer note 48.

## 20. OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital reserves (transferred from amalgamating company)-</b>		
-Investment allowance reserve (utilised)	34.86	34.86
-Capital reserve	63.53	63.53
Capital reserve	4.21	4.21
Contingency reserve	2,020.00	2,020.00
Securities premium reserve	4,946.15	4,946.15
Capital redemption reserve	150.76	150.76
General reserve	14,363.36	14,363.36
Retained earnings *	180,873.39	157,517.58
Employee stock options reserve	6,265.35	—
Cash flow hedge reserve	99.45	—
<b>Total</b>	<b>208,821.06</b>	<b>179,100.45</b>

\* including re-measurement of defined benefits plan.

For movement from the beginning of the reporting period to the end of the reporting period, please refer "Standalone Statement of Changes in Equity".

### Nature and Purpose of Reserves

#### A. Investment Allowance Reserve (utilised) and Capital Reserve (transferred from Amalgamating Company)

This Reserve was created on amalgamation of J. B. Chemicals and Pharmaceuticals P. Ltd. with this Company w.e.f. April 1, 1984 (appointed date).

#### B. Capital Reserve

Arose pursuant to forfeiture and reissue of shares.

#### C. Contingency Reserve

This reserve has been created out of retained earnings, as a matter of prudence, to take care of any unforeseen adverse contingencies.

#### D. Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share-based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

#### E. Capital Redemption Reserve

Transferred from general reserve on account of buy back of shares as per Section 69 of the Companies Act, 2013.

#### F. General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. The General reserve is used from time to time to transfer profit from retained earnings for appropriation purpose.

#### G. Retained Earnings

Retained Earnings are the profits that the company has earned till date, less any transfer to General Reserve, dividends or other distribution paid to shareholders.

#### H. Employee Stock Options Reserve

Employee stock options reserve is used to record the share-based payments, expense under the various ESOP schemes as per SEBI regulations. The reserve is used for the settlement of ESOP (refer note 48).

#### I. Cash Flow Hedge Reserve

For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts is recognised in cash flow hedging reserve under other equity. Upon de-recognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow (refer note 51C (ii)a,b and c).

## 21. NON-CURRENT FINANCIAL LIABILITIES-LEASE LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 49B)	1,875.75	514.14
<b>Total</b>	<b>1,875.75</b>	<b>514.14</b>

## 22. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for employee benefits</b>		
Gratuity (refer note 43)	–	136.22
Compensated absences (refer note 43)	1,321.86	1,120.92
<b>Total</b>	<b>1,321.86</b>	<b>1,257.14</b>

## 23. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liabilities</b>		
Depreciation	5,957.46	3,796.80
Fair valuation of investments measured at FVTPL	–	3,415.79
Others	73.37	–
	6,030.83	7,212.59
<b>Deferred tax assets</b>		
Retirement benefits	712.50	629.80
Others	126.83	206.19
	839.33	835.99
<b>Deferred tax liabilities (net)</b>	<b>5,191.50</b>	<b>6,376.60</b>

## 24. NON-CURRENT LIABILITIES - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred government grants	316.64	493.22
<b>Total</b>	<b>316.64</b>	<b>493.22</b>

Government grant has been received for the purpose of purchase of certain items of property, plant and equipment. The condition against which the grant is received is the export obligation to be fulfilled within certain specified period.

## 25. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Loans repayable on Demand - from Banks</b>		
<b>Secured (Carried at amortised cost)#</b>		
Export packing credit in Rupees	2,000.00	2,000.00
Export packing credit in foreign currency	631.50	643.28
<b>Total</b>	<b>2,631.50</b>	<b>2,643.28</b>

# Working capital borrowings from the banks at an interest rate of 3.5%, and are secured by first pari passu charge on the stocks and book debts of the Company.

## 25A.CURRENT FINANCIAL LIABILITIES - LEASE

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 49B)	720.10	704.38
<b>Total</b>	<b>720.10</b>	<b>704.38</b>

## 26. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost)</b>		
Total outstanding dues of micro enterprises and small enterprises	2,063.86	1,309.55
Total outstanding dues of creditors other than micro enterprises and small enterprises#	17,559.99	15,092.41
<b>Total</b>	<b>19,623.85</b>	<b>16,401.96</b>
# Includes amount due to related parties (refer note 46)	276.89	399.68

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 0-90 days of recognition based on the credit terms. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## March, 2022

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment			Total
		Less than 1 Year	1-3 Years	More than 3 Years	
i. MSME*	2,063.86	–	–	–	2,063.86
ii. Others	14,669.25	2,626.60	258.01	6.13	17,559.99
iii. Disputed dues - MSME	–	–	–	–	–
iv. Disputed dues - Others	–	–	–	–	–

## March, 2021

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment			Total
		Less than 1 Year	1-3 Years	More than 3 Years	
i. MSME*	1,309.55	–	–	–	1,309.55
ii. Others	13,558.82	1,249.96	255.23	28.40	15,092.41
iii. Disputed dues - MSME	–	–	–	–	–
iv. Disputed dues - Others	–	–	–	–	–

\*The details of amount outstanding to micro enterprise and Small enterprise based on available information with the Company is as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	2,003.27	1,248.99
Interest due thereon	60.59	60.56
b) The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006.	–	–
c) The amount of payment made to supplier beyond the appointed day during the each accounting year.	2.18	128.35
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	0.03	1.83
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	60.59	60.56
f) The amount of further interest remaining due and payable even in succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	60.59	60.56

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors. The delayed payment has been computed having regard to specified credit period for 45 days under Micro, Small and Medium Enterprise Development Act, 2006.

## 27. CURRENT FINANCIAL LIABILITIES-OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued and due on borrowings	0.56	0.17
Unclaimed dividends*	198.38	203.11
Creditors for capital expenditure	351.73	726.89
Other payables (mainly, payable to employees)	4,259.36	5,368.01
Deposits	761.25	265.25
<b>Total</b>	<b>5,571.28</b>	<b>6,563.43</b>

\*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

## 28. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	431.52	253.79
Deferred government grants	170.64	166.04
Statutory dues	852.83	795.71
Advances against disposal of property, plant and equipment	–	162.00
<b>Total</b>	<b>1,454.99</b>	<b>1,377.54</b>



## 29. CURRENT LIABILITIES - PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity (Refer note 43)	928.49	970.23
Compensated absences (Refer note 43)	240.39	275.02
Expected sales returns	2,960.09	1,216.50
<b>Total</b>	<b>4,128.97</b>	<b>2,461.75</b>

## 30. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for taxes	7,723.12	7,723.12
Less: Taxes paid	7,119.73	7,119.73
<b>Total</b>	<b>603.39</b>	<b>603.39</b>

## A. The components of income tax expenses are as under

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>i. Income tax recognised in the statement of profit and loss</b>		
<b>Current Tax:</b>		
On profits for the year	12,250.00	13,750.00
<b>Deferred tax :</b>		
(Credit)/charge	(1,220.94)	912.32
<b>Total Income tax recognised in the statement of profit and loss</b>	<b>11,029.06</b>	<b>14,662.32</b>
<b>ii. Income tax recognized in other comprehensive income</b>		
<b>Deferred tax :</b>		
On re-measurement of the defined benefits plan	(2.40)	420.30
On gain of cash flow hedge reserve	(33.44)	
<b>Total Income tax recognized in other comprehensive income</b>	<b>(35.84)</b>	<b>420.30</b>

## B. Reconciliation of tax expense and the accounting profit is under

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Accounting Profit before tax</b>	<b>47,129.27</b>	<b>59,370.80</b>
Enacted tax rate in India (%)	25.17	25.17
Expected income tax expense	11,861.50	14,942.44
<b>Tax effect of :</b>		
Expenses not deductible	429.33	156.24
Income chargeable at different tax rate and on which indexation benefit is availed	(1,990.55)	(359.70)
Utilisation of brought forward losses on which no deferred tax asset was recognised	–	(22.20)
Others	728.78	(54.46)
<b>Tax expenses recognized in the statement of profit and loss</b>	<b>11,029.06</b>	<b>14,662.32</b>

### 31. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sales of Products and Services</b>		
Sale of pharmaceuticals products	214,890.07	183,457.35
Product development services	365.89	986.62
Realised exchange differences on sale of products and services	983.47	463.78
	216,239.43	184,907.75
<b>Other Operating Revenues :</b>		
Processing charges	–	19.95
Export incentives	848.34	3,283.14
Sale of scrap	347.29	203.67
Government grant #	171.98	165.66
Insurance claims	144.82	14.62
Miscellaneous income	1,235.77	604.76
	2,748.20	4,291.80
<b>Total</b>	<b>218,987.63</b>	<b>189,199.55</b>

# Government grants pertain to subsidy on property, plant and equipment of manufacturing set up. There are no unfulfilled conditions or contingencies attached to these grants.

#### Ind AS 115 disclosure

##### (i) Disaggregation of Revenue

The Company's revenue disaggregated by business unit is as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>India business</b>		
Domestic formulation	117,317.80	89,191.12
<b>International business</b>		
Export formulation	65,812.37	66,826.31
Contract manufacturing	25,270.95	22,577.25
Active pharmaceutical ingredient	9,076.51	8,450.87
<b>Others</b>	<b>1,510.00</b>	<b>2,154.00</b>
<b>Total</b>	<b>218,987.63</b>	<b>189,199.55</b>

##### (ii) Information about Major Customers

One external customer represents 10% or more of the Company's total revenue for the years ended March 31, 2022 and March 31, 2021 respectively.

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Thing Pharma-Cro Pvt. Ltd.	21,475.91	23,295.33

## 32. OTHER INCOME

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial instruments measured at amortised cost-		
Fixed deposits	13.37	8.80
Others	34.95	132.39
Dividend from investments	0.50	0.50
Net gain on financial assets mandatorily measured at FVTPL-		
Net gain on sale of investments	3,522.97	1,000.81
Fair value gain/(loss) on investments measured at FVTPL	(18.67)	4,054.22
Profit on sale of property, plant and equipment (net)	226.10	1,868.30
Profit on sale of product registration along with its marketing authorisation and trademark	-	3,368.66
Sundry balance written back	39.81	223.09
Miscellaneous income	42.35	532.17
<b>Total</b>	<b>3,861.38</b>	<b>11,188.94</b>

## 33. COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw materials and packing materials		
Opening inventories	15,675.38	12,555.89
Purchases	64,680.29	57,336.01
	80,355.67	69,891.90
Less: Closing inventories	20,168.80	15,675.38
<b>Total</b>	<b>60,186.87</b>	<b>54,216.52</b>

## 34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventories at the beginning</b>		
Finished goods	8,023.09	6,441.31
Stock-in-trade	1,737.70	1,915.32
Work-in-progress	2,413.77	2,247.90
	12,174.56	10,604.53
<b>Less: Inventories at the end</b>		
Finished goods	7,572.37	8,023.09
Stock-in-trade	5,272.28	1,737.70
Work-in-progress	1,887.27	2,413.77
	14,731.92	12,174.56
<b>(Increase)/decrease</b>	<b>(2,557.36)</b>	<b>(1,570.03)</b>

### 35. EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other benefits	31,070.32	28,159.69
Contribution to provident fund and other funds	1,801.75	1,682.93
Share-based payments expense (refer note 48) *	6,092.91	–
Gratuity expenses (refer note 43)	427.95	325.33
Staff welfare expenses	513.27	430.02
<b>Total</b>	<b>39,906.20</b>	<b>30,597.97</b>

\* Share-based payments expense charges includes net recovery of ₹ 172.44 lakhs from subsidiaries. (March 31, 2021 - Nil) (refer note 48)

### 36. FINANCE COSTS

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest expense</b>		
Working capital borrowings	97.23	96.78
Lease liabilities	150.19	57.46
Security deposits	21.83	22.63
Others	122.06	492.51
<b>Other borrowing costs-</b>		
Net interest on defined benefits obligation	70.04	19.97
Loan processing charges	10.50	18.81
Guarantee charges	23.02	11.02
<b>Total</b>	<b>494.87</b>	<b>719.18</b>

### 37. OTHER EXPENSES

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Processing charges	1,477.21	1,030.30
Consumption of stores and spares	533.59	551.46
Power and fuel	7,136.50	6,260.49
Lease rent (Refer note 49C)	38.67	40.07
Rates and taxes	83.15	90.47
Insurance	835.78	693.40
Freight and transport charges	7,920.94	4,983.03
Repairs and maintenance-		
Buildings	181.91	284.97
Plant and equipment	1,577.41	1,481.12
Others	491.81	354.75
Sales promotion and publicity expenses	9,716.90	7,135.27
Commission on sales	3,620.92	2,859.10
Travelling and conveyance	3,780.12	3,166.87
Labour hire charges	2,563.07	2,412.98

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Laboratory expenses	2,910.70	2,353.41
Legal and professional fees	4,366.50	1,308.39
Directors' fees	140.00	133.30
Payment to statutory auditors (excluding GST)-		
Audit fees	78.00	54.00
Other services	7.80	2.50
Reimbursement of expenses	2.57	1.34
Corporate social responsibility expenditure (CSR) (refer note 50)	695.09	516.75
Donations	2.61	3.29
Net (Gain)/loss on foreign currency transactions and translation	6.86	(403.45)
Allowance for credit losses (net) (refer note 16)	-	39.47
Miscellaneous expenses <sup>^</sup>	5,653.00	5,036.19
<b>Total</b>	<b>53,821.11</b>	<b>40,389.47</b>

<sup>^</sup> Expenses below 1% of revenue from operations are aggregated in accordance with Schedule III of the Companies Act, 2013.

### 38 A. COMMITMENTS AND CONTINGENCIES:

#### Commitments

- Capital Commitments:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances)	1,493.75	414.74

- Other Commitments:

The Company has imported capital goods including spares under the Export Promotion Capital Goods Scheme (EPCG) utilising the benefit of zero rate or concessional rate of Customs duty. These benefits are subject to the fulfilment of certain export obligation within the stipulated period of time under the EPCG Scheme. Such export obligation remaining to be fulfilled at the year-end is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Export obligation under EPCG Scheme	405.85	4,870.73

#### CONTINGENCIES

- Claim against the Company not acknowledged as debt include claim relating to pricing, commission, etc.
- It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various forum/ authorities.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd (UPLL), which was acquired by the Company on a going concern basis, had received demand notices from Department of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in

respect of the Bulk Drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the Bulk Drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring the Bulk Drugs at alleged lower cost. The Company has filed Writ Petitions bearing No 446 of 2008 in respect of demand for Oxyphenbutazone and Writ Petition No. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These Writ Petitions have been admitted and the Hon. High Court has restrained the Government from adopting coercive steps to recover the amount till the disposal of the Writ Petition on the Company furnishing security as per the Orders. The Company has already furnished the Bank Guarantee of ₹ 402.35 lakhs as Security. As per the legal advice received by the Company, there is no liability and accordingly no provision is being made in the accounts for these claims and demands.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
• Central Excise, Service tax & GST demands / show causes (against which the Company has made pre-deposit of ₹ 6.24 lakhs, Previous year ₹ 6.82 lakhs)	493.31	415.39
• Income Tax (against which the Company has made pre-deposit of ₹ 7.63 lakhs, Previous year ₹ 7.63 lakhs)	2,204.93	2,477.97
• Sales Tax (against which the Company has made pre-deposit of ₹ 0.43 lakhs, Previous year ₹ 0.43 lakh)	4.22	4.22

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of the above matters are dependent on outcome of certain event and/ or decisions of the relevant authorities for the matter under dispute.

### 38. B. OUTSTANDING LETTER OF CREDIT AND GUARANTEES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Letters of Credit by the banks	854.08	811.41
Guarantees issued by bank on behalf of the Company	1,356.84	1,653.36

39. Travelling expenses of field personnel include incidental expenses on conveyance, courier, stationery and miscellaneous expenses etc.

40. Details of Research and Development Expenditure incurred during the year at the following R&D Centres:

(₹ in lakhs)

Research And Development Centers at	Revenue Expenditure		Capital Expenditure		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Thane	1,611.31	966.77	681.40	42.29	2,292.71	1,009.06
Panoli API	65.71	74.25	–	–	65.71	74.25
Panoli Formulation and Development	1,162.93	1,246.43	1.33	28.53	1,164.26	1,272.88
Daman	208.14	305.27	–	–	208.14	305.27
<b>Total</b>	<b>3,048.09</b>	<b>2,592.72</b>	<b>682.73</b>	<b>70.82</b>	<b>3,730.82</b>	<b>2,661.46</b>

41. Pursuant to the Business Transfer Agreement between the Company and Lekar Pharma Limited:

Pursuant to the Business Transfer Agreement, entered during the previous year, between the Company and Lekar Pharma Limited ("the Seller"), a related party up to August 31, 2020, the Company has acquired the Pharmaceutical Business Undertaking of the Seller as a going concern by way of a slump sale for a consideration of ₹ 850.00 lakhs. An amount of ₹ 431.92 lakhs, being the excess of consideration paid, as above, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed of ₹ 418.08 lakhs has been recognised as Goodwill.



**42. ACQUISITION OF TRADEMARK FROM SANZYME PRIVATE LIMITED:**

On February 1, 2022, the Company completed the acquisition of the trademarks. from Sanzyme Private Limited, The said acquisition is recognised as intangible assets.

**Intangible assets**

(₹ in lakhs)

Particulars	Amount
<b>Specified Intangibles Assets</b>	
Trademarks including Stamp duty	<b>63,782.45</b>

**43. EMPLOYEE BENEFITS:****a. Defined Contribution Plan**

Contribution to defined contribution plan, recognised as expenses for the year is as under:

(₹ in lakhs)

Particulars	2021-22	2020-21
Employer's Contribution to Provident Fund and Family Pension Fund	<b>1,644.19</b>	1,424.14
Employer's Contribution to Superannuation Fund	<b>38.75</b>	114.93
Employer's Contribution to various Insurance Schemes	<b>91.00</b>	111.65

**b. Defined benefits Plan-Gratuity**

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972. The benefits would be paid at the time of separation.

**i. Changes in Present Value of defined Benefit Obligation during the year**

(₹ in lakhs)

Particulars	2021-22	2020-21
<b>Present value of Defined Benefit Obligation at the beginning of the year</b>	<b>5,198.98</b>	5,222.33
Interest Cost	<b>329.10</b>	356.16
Current Service Cost	<b>427.95</b>	325.33
Benefits paid from the Fund	<b>(635.02)</b>	(2,275.04)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	<b>2.13</b>	48.40
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	<b>(377.82)</b>	1,193.86
Actuarial (Gains)/Losses on Obligations - Due to Experience	<b>343.96</b>	327.94
<b>Present value of Defined Benefits Obligation at the end of the year</b>	<b>5,289.29</b>	<b>5,198.98</b>

**ii. Changes in fair value of plan assets during the year**

(₹ in lakhs)

Particulars	2021-22	2020-21
<b>Fair Value of Plan Assets at the Beginning of the year</b>	<b>4,092.53</b>	4,929.54
Interest Income	<b>259.06</b>	336.19
Contributions by the Employer	<b>666.40</b>	1,201.61
Benefits paid from the Fund	<b>(635.02)</b>	(2,275.04)
Return on Plan Assets, excluding Interest Income	<b>(22.17)</b>	(99.77)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>4,360.80</b>	<b>4,092.53</b>

## iii. Net (asset)/Liability Recognised in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Present Value of Benefit Obligation at the end of the year	5,289.29	5,198.98
Fair Value of Plan Assets at the end of the year	(4,360.80)	(4,092.53)
Net (asset)/liability recognised in the Balance Sheet	928.49	1,106.45
Net liabilities Non-current	0.00	136.22
Net liabilities Current (refer Note No. 29)	928.49	970.23

## iv. Expenses Recognised in the Statement of Profit and Loss for the Year

(₹ in lakhs)

Particulars	2021-22	2020-21
Current Service Cost	427.95	325.33
Net Interest	70.04	19.97
Expenses recognized	497.99	345.30

## v. Expenses Recognised in Other Comprehensive Income for the Year

(₹ in lakhs)

Particulars	2021-22	2020-21
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	2.13	48.40
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(377.82)	1,193.86
Actuarial (Gains)/Losses on Obligations - Due to Experience	343.96	327.94
Return on Plan Assets, Excluding Interest Income	22.17	99.77
Net (Income)/Expenses For the Period Recognised in OCI	(9.54)	1,669.97

## vi. Principal Actuarial Assumptions Used

(₹ in lakhs)

Particulars	2021-22	2020-21
Expected Return on Plan Assets	6.90%	6.33%
Rate of Discounting	6.90%	6.33%
Rate of Salary Increase	-9.00% p.a. for the next 3 years -7.00% p.a. thereafter, starting from the 4th year	8.00%
Rate of Employee Turnover		
- For service 2 years and below	35.00%	35.00%
- For service 3 years to 4 years	20.00%	20.00%
- For service 5 years and above	5.00%	5.00%
Mortality Rate during Employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

**vii. Maturity Profile of Defined Benefits Obligation**

(₹ in lakhs)

Particulars	2021-22	2020-21
Within 1 year	788.51	972.02
1-2 years	379.72	541.37
2-3 years	504.12	350.81
3-4 years	387.63	431.31
4-5 years	520.97	334.35
5-10 years	2,162.46	1,855.70
11 years and above	5,066.41	4,569.04

**viii. Sensitivity Analysis for Significant Assumptions is as below**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Projected Benefit Obligation on Current Assumptions	5,289.29	5,198.98
Delta Effect of +1% Change in Rate of Discounting	(340.93)	(325.42)
Delta Effect of -1% Change in Rate of Discounting	391.64	376.38
Delta Effect of +1% Change in Rate of Salary Increase	385.07	366.47
Delta Effect of -1% Change in Rate of Salary Increase	(341.67)	(323.53)
Delta Effect of +1% Change in Rate of Employee Turnover	(14.68)	(47.87)
Delta Effect of -1% Change in Rate of Employee Turnover	15.21	53.41

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefits obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

**ix. Investment Details:**

The Company made annual contribution to the LIC of an amount advised by the LIC. The Company was not informed by LIC of the investments made or the break-down of the plan assets by investment type.

The Company expects to make a contribution of ₹ 1,147.67 lakhs (March 31, 2021: ₹ 970.23 lakhs) to the defined benefits plans during the next financial year.

**x. Risk exposure**

Through its defined benefits obligation, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk – The defined benefits obligation calculated uses a discount rate based on Government bonds. If bond yields fall, the defined benefits obligation will tend to increase.

Salary inflation risk – Higher than expected increase in salary will increase the defined benefits obligation.

Longevity risk – The present value of the defined benefits plan liability is calculated by reference to the best estimate of the mortality of plan participants, both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Investment return risk – Lower the expected investment return, higher will be the defined benefits obligation.

### c. Compensated Absences:

The Company's employees are entitled for compensated absences, which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method". Accordingly, the Company has made provision for compensated absences for the year of ₹ 382.01 lakhs (Previous Year ₹ 477.17 lakhs) and accumulated liability is ₹ 1,562.25 lakhs as of March 31, 2022 (Previous Year ₹ 1,395.94 lakhs).

## 44. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the decision maker's at respective entity level in assessing the performance and deciding on allocation of resources. The Company, accordingly has only one reportable business segment i.e., 'Pharmaceuticals'.

In accordance with paragraph 4 of the Indian Accounting Standard (Ind AS 108), segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

## 45. DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at March 31, 2022

	As at April 1, 2021	Recognised in profit or loss	Recognised in other comprehensive income	(₹ in lakhs) As at March 31, 2022
Tax effect of items constituting deferred tax liabilities				
i. Property, plant and equipment	3,796.80	2,160.66	–	5,957.46
ii. Investments measured at FVTPL	3,415.79	(3415.79)	–	–
iii. Others	-	39.92	33.44	73.36
	<b>7,212.59</b>	<b>(1,215.21)</b>	<b>33.44</b>	<b>6,030.82</b>
Tax effect of items constituting deferred tax assets				
i. Employee benefits	629.80	85.10	(2.40)	712.51
ii. Others	206.19	(79.37)	–	126.81
	<b>835.99</b>	<b>5.73</b>	<b>(2.40)</b>	<b>839.32</b>
<b>Net deferred tax liability</b>	<b>6,376.60</b>	<b>(1,220.94)</b>	<b>35.84</b>	<b>5,191.50</b>

As at March 31, 2021

	As at April 1, 2020	Recognised in profit or loss	Recognised in other comprehensive income	(₹ in lakhs) As at March 31, 2021
Tax effect of items constituting deferred tax liabilities				
i. Property, plant and equipment	3,875.56	(78.76)	–	3,796.80
ii. Investments measured at FVTPL	2,533.39	882.40	–	3,415.79
	<b>6,408.95</b>	<b>803.64</b>	<b>–</b>	<b>7,212.59</b>
Tax effect of items constituting deferred tax assets				
i. Employee benefits	304.92	(95.42)	420.30	629.80
ii. Others	219.45	(13.26)	–	206.19
	<b>524.37</b>	<b>(108.68)</b>	<b>420.30</b>	<b>835.99</b>
<b>Net deferred tax liability</b>	<b>5,884.58</b>	<b>912.32</b>	<b>(420.30)</b>	<b>6,376.60</b>

**46. RELATED PARTY DISCLOSURE**

Information on related party transactions is required by Ind AS-24: Related Party Disclosure is given below:

**Names and Relationships of the Related Parties:****I Holding Company**

Tau Investment Holdings Pte. Ltd. (from November 09, 2020)

**II Ultimate Holding Company**

KKR Asia III Fund Investments Pte. Ltd. (from November 09, 2020)

**III Subsidiary Companies:**

- a. OOO Unique Pharmaceutical Laboratories, Russia
- b. Unique Pharmaceutical Laboratories FZE, United Arab Emirates
- c. Biotech Laboratories (Pty) Ltd., South Africa (through Unique Pharmaceutical Laboratories FZE)

**IV Entities controlled by Key Management Personnel (upto August 31, 2020), with whom the Company had transactions:**

a.	Jyotindra Family Trust	e.	Jyotindra Mody Ventures LLP
b.	Dinesh Family Trust	f.	D. B. Mody Entreprises LLP
c.	Shirish Family Trust	g.	Shirish Mody Property LLP
d.	Lekar Pharma Ltd.		

**V Key Management Personnel (KMP)**

- A. Mr. Nikhil Chopra (from October 05, 2020) (Chief Executive Officer & Whole-time Director)
- B. Mr. Lakshay Kataria (from October 04, 2021) (Chief Financial Officer)
- C. Mr. Vijay Bhatt (upto August 31, 2021) (Chief Financial Officer)
- D. Mr. Sandeep Phadnis (from July 15, 2021) (Company Secretary)
- E. Mr. Mayur Mehta (upto July 14, 2021) (Company Secretary)
- F. Mr. Shirish B. Mody (upto August 31, 2020)
- G. Mr. Bharat P. Mehta (upto August 31, 2020)
- H. Mr. Pranabh D. Mody (upto August 31, 2020)
- I. Mr. Kamlesh L Udani (upto August 31, 2020)
- J. Mr. Jyotindra B. Mody (upto July 21, 2020)

**Non-Executive Directors**

- A. Mr. Ranjit Shahani (Non-Executive Director-Independent, Chairman)
- B. Ms. Padmini Khare Kaicker (Non-Executive Director-Independent)
- C. Mr. Sumit Bose (Non-Executive Director-Independent)
- D. Mr. Gaurav Trehan (Non-Executive Director)
- E. Mr. Prashant Kumar (Non-Executive Director)
- F. Mr. Sanjay Nayar (upto January 25, 2022) (Non-Executive Director)
- G. Ms. Ananya Tripathi (upto March 11, 2022) (Non-Executive Director)

**VI Relative of KMP:**

- a. Mr. Nirav S. Mody (upto August 31, 2020)
- b. Mr. Jay B. Mehta (upto August 31, 2020)
- c. D. B. Mody HUF (upto August 31, 2020)
- d. S. B. Mody HUF (upto August 31, 2020)

**Following transactions were carried out with related parties:**

(₹ in lakhs)

	Name of the Related Party	Nature of Transaction	2021-22	2020-21
(I)	<b>Holding Company</b>			
	Tau Investment Holdings Pte. Ltd.	Dividend Paid	6,885.83	3,624.53
(II)	<b>Subsidiary Companies :</b>			
a.	000 Unique Pharmaceuticals Laboratories	Sale of Goods	4,019.81	6,215.49
		Outstanding Receivable	3,649.19	5,014.88
		ESOP Receivables	95.21	N.A.
		Sales Promotion Expenses paid	2,499.63	2,293.61
		Destruction Charges paid	N.A.	15.30
		Outstanding Payable	276.89	399.68
b.	Unique Pharmaceutical Laboratories FZE	ESOP Receivables	77.23	N.A.
c.	Biotech Laboratories (Pty) Ltd.	Sale of Goods	8,586.62	6,141.17
		Technical Service Fee	211.01	260.17
		Outstanding Receivable	2,202.69	1,320.19
(III)	<b>Entities controlled by Key Management Personnel</b>			
a.	Jyotindra Family Trust	Payment of Rent	N.A.	19.62
b.	Dinesh Family Trust	Payment of Rent	N.A.	4.87
c.	Shirish Family Trust	Payment of Rent	N.A.	4.87
d.	Jyotindra Mody Ventures LLP	Payment of Rent	N.A.	174.07
		Reimbursement of Expenses	N.A.	4.07
e.	D. B. Mody Enterprises LLP	Payment of Rent	N.A.	174.07
f.	Shirish Mody Property LLP	Payment of Rent	N.A.	174.07
g.	Lekar Pharma Ltd.	Sale of Goods	N.A.	46.35
		Purchases of Goods	N.A.	2,819.19
		Receipt of Manufacturing Charges	N.A.	22.35
		Acquisition of business undertaking	N.A.	850.00
(IV)	<b>Key Management Personnel:</b>	<b>Remuneration:</b>		
		Short-term employee benefits	967.64	1,011.76
		Post-employment benefits	44.43	108.32
		Other long-term benefits#	57.46	1,876.12
		Outstanding Payable	-	198.13
(V)	<b>Remuneration to Non-Executive &amp; Independent Director</b>	Sitting Fees	79.00	89.80
		Commission	61.00	43.50



(₹ in lakhs)

	Name of the Related Party	Nature of Transaction	2021-22	2020-21
(VI)	Relative of Key Management Personnel			
		Short-term employee benefits	N.A.	167.76
		Post-employment benefits	N.A.	19.98
		Other long-term benefits*	N.A.	136.74
		Payment of Rent	N.A.	14.75

\*Paid through Gratuity Trust

#Gratuity and leave encashment provisions determined on basis of actuarial valuation on an overall Company basis have not been considered in the above information. Further expenses pertaining to ESOP plan are not included above. 1,697,234 number of share options have been granted during the year to the KMPs.

Note: Figures are inclusive of GST wherever applicable.

#### 47. EARNINGS PER SHARE

(₹ in lakhs)

Particulars	2021-22	2020-21
Net Profit attributable to Equity Shareholders (₹ in lakhs)	36,100.21	44,708.48
Weighted Average No. of Equity shares (Nos)		
Basic	77,282,097	77,282,097
Diluted	77,355,224	77,282,097
Nominal value of equity shares (₹)	2.00	2.00
<b>Earnings per share (₹)</b>		
Basic	46.71	57.85
Diluted	46.67	57.85

#### 48. EMPLOYEE STOCK OPTION SCHEME ('ESOP')

- a) Pursuant to approval of the shareholders on July 31, 2021, the Company, during the year, has set up the Employee Stock Option Scheme titled "JBCPL Employee Stock Option Scheme 2021" ("Scheme") with the objects inter alia to create sense of ownership among the employees, attract and retain needed talent and to incentivise them to achieve growth objectives. The Scheme covers eligible employees/directors of the Company as well as eligible employees/directors of its subsidiary companies. The Scheme provides for settlement in Equity and number of equity shares presently reserved under the Scheme are 3,091,284 equity shares of Face value of ₹ 2 representing 4% of the paid-up equity share capital as at March 31, 2021. Details of the options granted during the year under the Scheme(s) are as given below:

Grant date	No. of options granted*	Exercise price (range) per option (₹)
August 10, 2021	2,599,621	745-1,200
October 4, 2021	206,463	1,200

\* Includes an aggregate number of 123,650 options granted to the eligible employees of the subsidiary companies.

Each vested option entitles the option grantee to apply for and be allotted one (1) equity share of ₹ 2 each in the Company and the exercise period in respect of all the options is a period of ten (10) years from the date of grant.

The Scheme is compliant with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Companies Act, 2013 and other applicable rules and regulations. The options granted, exercise price, vesting period and other terms and conditions applicable to the grants made are in compliance with the Scheme and applicable regulations.

b) The movement of share options during the year and weighted average exercise prices thereof is as under:

Particulars	No. of options	Range of exercise price per option (₹)	Weighted average exercise price per option (₹)
Outstanding at the beginning of the year	Not applicable		
Granted during the year	2,810,721	745 to 1,200	892
Forfeited/cancelled during the year	Nil		
Lapsed during the year	4,637		
Expired during the year	Nil		
Exercised during the year	Nil		
Outstanding at the end of the year	2,806,084	745 to 1,200	892
Exercisable at the end of the year	Nil		

c) The exercise price and weighted average remaining contractual life in respect of the options outstanding at the end of the year are as under:

Number of Options outstanding	Exercise price per share (₹)	Weighted average remaining contractual life (in years)
1,896,502*	745	9.36
909,582**	1,200	9.44

\*includes 1,137,901 performance based options

\*\* includes 434,860 performance based options.

d) The Company has measured the fair values of the services received/to be received as consideration for options granted indirectly, by reference to the fair value of such options. The weighted average fair values of the options granted during the year and relevant disclosures in relation to are as under:

Particulars	Grant-1	Grant-2
Grant Date	August 10, 2021	October 4, 2021
Performance based options granted (Nos.)	1,451,666	121,095
Weighted average fair value at the measurement date (₹)	692	693
Time based options granted (Nos.)	1,147,955	85,368
Weighted average fair value at the measurement date (₹)	1,090	1,006

Option Pricing Model used for measurement of fair value wherein a combination of Monte-Carlo Simulation and Black-Scholes Merton model for performance-based options is used and Black-Scholes Merton model for time-based options is used.

Particulars	Time based options	Performance based options
Expected Volatility	33% to 36%*	36%
Weighted average share price		
Grant 1	₹ 1,809.00	₹ 1,809.00
Grant 2	₹ 1,886.20	₹ 1,886.20
Exercise Price per share	₹ 745 and ₹ 1,200	₹ 745 and ₹ 1,200
Option life#	5.5 years to 7.5 years*	2 years
Expected dividends	1.5%	1.5%
Risk free interest rate		
Grant 1	5.5% to 6.5%**	7.80%
Grant 2	5.8% to 6.3%**	7.66%

\* The range has been expressed as expected volatility for time-based options is varying for each tranche over the vesting period

\*\* The range has been expressed as risk free interest rate is varying for the period involved in each tranche over the vesting period.

# Option life for the performance-based options has been computed based on assumed vesting at the end of FY 27.

- e) The effect of share-based payment transactions on the Company's profit for the period, on its financial position and earnings per share is presented below. No option was vested by the end of the period.

(₹ in lakhs)

Particulars	2021-22
Profit after tax as reported	36,100.21
Employee compensation cost recognized during the period	6,092.91
Total carrying amount in Employee Stock Option Outstanding Reserve	6,092.91
Earnings per share	
Basic (₹) :	52.61
Diluted (₹):	52.56

49. The Company has adopted Ind AS 116, effective annual reporting period beginning April 01, 2019 and applied this Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application, that is, April 01, 2019.

On initial application, the Company measure lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, and measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of initial application.

**A) Following are the changes in the carrying amount of Right-of-Use Assets:**

(₹ in lakhs)

Particulars	2021 -22	2020 -21	2021 -22	2020 -21
	Leasehold Land		Other Buildings	
Gross Block as at beginning of the year	1,358.95	1,077.88	1,718.67	1,322.27
Additions	–	292.75	2,835.78	1,670.82
Deletion	(708.50)	(11.68)	(1,355.91)	(1,274.42)
Balance as at the end of the year (A)	650.45	1,358.95	3,198.54	1,718.67
Cumulative Depreciation as at the beginning of the year	129.93	123.45	493.53	772.10
Depreciation for the year	7.65	12.26	713.08	741.71
Depreciation on deletion	(38.27)	(5.78)	(582.43)	(1,020.28)
Cumulative Depreciation as at the end of the year (B)	99.31	129.93	624.18	493.53
Balance as at the end of the year A-B	551.14	1,229.02	2,574.36	1,225.14

**B) The following is the movement in Lease Liabilities during the year:**

(₹ in lakhs)

Particulars	2021-22	2020-21
Other Buildings		
Balance as at beginning of the year	1,218.52	554.76
Additions during the year	2,752.03	1,631.59
Finance Cost incurred during the year	150.19	57.46
Deletion on Cancellation of lease	(768.80)	(261.33)
Payment of lease liabilities	(756.09)	(763.95)
Balance as at end of the year	2,595.85	1,218.53

The table below provides details regarding the contractual maturities of lease liabilities as at Year-end on an undiscounted basis:

(₹ in lakhs)

Particulars	2021-22	2020-21
Due within one year	822.43	755.19
Due within one year to five years	2,102.21	544.96
<b>Total undiscounted Lease Liabilities</b>	<b>2,924.64</b>	<b>1,300.15</b>
<b>Lease Liabilities included in the Statement of Financial Position</b>		
Non-current Liabilities	1,875.75	514.14
Current Liabilities	720.10	704.38
<b>Total</b>	<b>2,595.85</b>	<b>1,218.52</b>

The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**C) The following amounts are recognised in the Statement of Profit and Loss:**

(₹ in lakhs)

Particulars	2021-22	2020-21
Interest Expenses on Financial Liabilities	150.19	57.46
Depreciation	720.73	753.97
Expenses relating to Short Term Lease	38.67	40.07

**D) The following amounts are recognized in the Statements of Cash Flows:**

(₹ in lakhs)

Particulars	2021-22	2020-21
Total Cash Outflows for leases	756.09	763.95

## 50. CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 693.62 lakhs (previous year ₹ 509.35 lakhs).

Amount spent during the year ₹ 695.09 lakhs (previous year ₹ 516.75 lakhs) as detailed hereunder:

(₹ in lakhs)

Nature of activity	2021-22	2020-21
Disaster Management	161.92	344.23
Promoting Healthcare including preventive healthcare	347.83	149.40
Promotion of Education	82.47	23.12
Eradication of Hunger and Malnutrition	68.87	–
Administrative Overhead for General Management and Administration of CSR Function	34.00	–
<b>Total</b>	<b>695.09</b>	<b>516.75</b>

The Company has one ongoing project as at March 31, 2022 as defined under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended). The Company fully spent the amount allocated by the board for this project for the FY 2021-22.

## 51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company has exposure to the following risks arising from financial instruments:

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

### Risk Management framework

Company's Board of Directors has overall responsibility for establishment of the Company's risk management framework. The Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee. The Management identifies, evaluates and analyses the risks to which the Company is exposed to and set appropriate mitigation measures and controls to monitor such risk.

The Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Company. The Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit Committee oversees how the Management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which the Company is exposed. The Audit Committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

#### a) Credit Risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

As regards credit risk for investment in mutual funds, the Company limits its exposure to credit risk by investing mainly in debt schemes issued by the mutual funds wherein the fund manager invests asset under The Management in highly rated instruments which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. The Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties from time to time.

Credit risk from trade receivables is managed by the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from stockist, distributors and direct customers and are mostly non-interest bearing. Trade receivables generally ranges from 30-days to 180-days credit term. Credit limits are established for customers based on internal criteria and any deviation in credit limit require approval of Head of the department depending upon the quantum and overall business risk. Majority of the customers have been doing business with the company for more than 3 years and they are being monitored by individual business managers who deals with those customers. The Management monitors trade receivables on regular basis and take suitable action where needed to control the receivables crossing set criteria / limits. Also, in case of international business, particularly new customers, the Management reviews the business risk by evaluating economic situation of the country and the customers and generally starts the relation either on advance payment or on the basis of confirmed irrevocable letter of credit.

The Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the Company's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence the Management considers risk with respect to trade receivable as low. Of the trade receivables balance at the end of the year, ₹ 5,851.88 lakhs (March 31, 2021: ₹ 6,335.07 lakhs) is due from 2 related parties and ₹ 6,845.93 lakhs (March 31, 2021: ₹ 6,284.42 lakhs) is due from a single counter party which is in excess of 10% of total trade receivables.

For trade receivables, as a practical expedient, the Company determines credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

(₹ in lakhs)

Nature of activity	As at March 31, 2022	As at March 31, 2021
Expected credit loss as at the beginning of the year	314.00	314.00
Changes during the current year	–	–
Expected credit loss as at the end of the year	314.00	314.00

#### b) Liquidity Risk:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalents available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels. The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

#### Exposure to Liquidity Risk

The following are the remaining contractual maturities of undiscounted financial liabilities at the reporting date.

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Less than 1 Year	More than 1 Year	Total	Less than 1 Year	More than 1 Year	Total
<b>Non-Derivatives</b>						
Borrowings	2,631.50	–	2,631.50	2,643.28	–	2,643.28
Trade Payables	19,623.85	–	19,623.85	16,401.96	–	16,401.96
Other financial Liabilities	6,291.38	1,875.75	8,167.13	7,267.81	514.14	7,781.95

#### c) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises three types of risks;

- Interest Rate Risk
- Currency Risk and
- Equity Price Risk.

Financial instruments affected by market risk include borrowings, trade payables, investments, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



**i) Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not used any interest rate derivatives.

The Company's interest-bearing financial instruments mainly includes:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Export Packing Credit in Rupees	2,000.00	2,000.00
Export Packing Credit in Foreign Currency	631.50	643.28
<b>Total</b>	<b>2,631.50</b>	<b>2,643.28</b>

The Company has insignificant interest-bearing financial instruments as referred above and hence the exposure to risk of changes in market interest rates is very low.

**ii) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Primarily, the exposure in foreign currencies are denominated in USD, EURO, RUBLE and AED. At any point of time, the Company covers foreign currency risk by taking appropriate percentage of its net foreign currency exposure by entering into forward exchange contracts on past performance basis mostly with a maturity of less than one year from the reporting date. In respect of monetary assets and liabilities denominated other than in USD, EURO, RUBLE and AED, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

All such hedged transactions are carried out within the guidelines set by the risk management committee. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

(₹ in lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	1,987.39	1,747.72	24,319.28	19,908.84
EURO	983.28	1,088.28	6,904.72	4,557.28
RUB	276.89	399.68	3,657.37	5,016.20
AED	606.45	422.35	1,772.42	1,518.24
AUD	198.55	32.14	2,531.71	28.09
GBP	–	–	86.46	104.49
UAH	–	–	5.47	1.15

**Impact of hedging activities**

The Company uses foreign exchange forward contracts to hedge against the foreign currency risk of highly probable sales. Such derivative financial instruments are governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

## a) Disclosure of effects of hedge accounting in the Company's Balance Sheet

(₹ in lakhs)

Type of hedge	Carrying amount			Maturity Date	Hedge ratio	Weighted average strike price/ rate
	Nominal Amount (₹ in lakhs)	Assets Amount (₹ in lakhs)	Liabilities Amount (₹ in lakhs)			
March 31, 2022 Cash Flow Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	23,642.76	132.89	–	April, 2022-March, 2023	1:1	1 USD=77.99 1 EUR=87.82
March 31, 2022 Fair Value Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	35,940.49	293.23	–	April, 2022-March, 2023	1:1	1 USD=76.62 1 EUR=85.73 1 RUB=0.89 1 AUD=56.30

(₹ in lakhs)						
Type of hedge	Carrying amount			Maturity Date	Hedge ratio	Weighted average strike price/ rate
	Nominal Amount (₹ in lakhs)	Assets Amount (₹ in lakhs)	Liabilities Amount (₹ in lakhs)			
March 31, 2021 Cash Flow Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	–	–	–	–	–	–
March 31, 2021 Fair Value Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	24,426.40	466.62	–	April, 2021-March, 2022	1:1	1 USD=75.24 1 EUR=89.44 1 RUB=0.99

## b) Disclosure of effects of hedge accounting in the Company's Profit or Loss and other Comprehensive Income

(₹ in lakhs)

Type of hedge	Change in the value of the hedging instruments recognized in other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss (recognized as component of revenue)	Amount recognized in profit or loss
<b>March 31, 2022 Foreign Exchange Risk</b>				
i) Cash flow hedge	132.89	–	–	–
ii) Fair value hedge	–	–	–	293.23
<b>March 31, 2021 Foreign Exchange Risk</b>				
i) Cash flow hedge	–	–	–	–
ii) Fair value hedge	–	–	–	466.62

Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instruments. It is calculated by comparing changes in fair value of the hedged item, with the changes in fair value of the hedging instruments.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

## c) Movement in cash flow hedging reserve and costs of hedging reserve

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	–	N.A.
Add: Changes in fair value	132.89	N.A.
Less: Amount reclassified to profit or loss	–	N.A.
Less: Deferred tax relating to above	33.44	N.A.
Closing balance	99.45	N.A.

## Details of Hedged exposure in Foreign Currency denominated monetary items

The Company enters into foreign exchange forward contracts to hedge against its foreign currency exposure relating to the underlying transactions based on past performance. The Company does not enter into any derivative instruments for trading or speculative purpose.

The foreign exchange forward contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency (in Mn.)	₹ in lakhs*	Foreign Currency (in Mn.)	₹ in lakhs*
Forward contract to sell USD	34.35	26,033.01	23.75	17,363.63
Forward contract to sell Euro	4.98	4,189.06	4.25	3,645.86
Forward contract to sell Ruble	380.53	3,462.82	278.65	2,695.41
Forward contract to sell AUD	3.5	1,985.81	–	–
Forward contract to buy USD	0.2	151.58	–	–

\* Translated at year end exchange rates.

## Details of Unhedged exposure in foreign currency denominated monetary items:

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency (in Mn.)	₹ in lakhs	Foreign Currency (in Mn.)	₹ in lakhs
<b>RECEIVABLE:</b>				
USD	–	–	3.48	2,545.21
EURO	3.21	2,715.66	1.06	911.43
RUBLE	21.33	194.55	239.92	2,320.79
AED	8.60	1,772.42	7.63	1,518.24
AUD	0.96	545.89	0.05	28.09
GBP	0.09	86.46	0.10	104.49
UAH	0.22	5.47	0.04	1.15
<b>PAYABLE:</b>				
USD	2.42	1,835.81	2.39	1,747.72
EURO	1.16	983.28	1.27	1,088.28
RUBLE	30.43	276.89	41.32	399.68
AED	2.94	606.45	2.12	422.35
AUD	0.35	198.55	0.06	32.14

The Company is mainly exposed to changes in USD, EURO, RUBLE, AED and AUD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD, EURO, RUBLE, AED and AUD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1% represents the Management's assessment of reasonably possible change in foreign exchange rate.

A positive number below indicates an increase in profit and other equity and a negative number would indicate a corresponding decrease.

(₹ in lakhs)

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
1% Depreciation in INR	USD	(18.36)	7.97
1% Appreciation in INR	USD	18.36	(7.97)
1% Depreciation in INR	EURO	17.32	(1.77)
1% Appreciation in INR	EURO	(17.32)	1.77
1% Depreciation in INR	RUB	(0.82)	19.21
1% Appreciation in INR	RUB	0.82	(19.21)
1% Depreciation in INR	AED	11.66	10.90
1% Appreciation in INR	AED	(11.66)	(10.90)
1% Depreciation in INR	AUD	3.47	(0.04)
1% Appreciation in INR	AUD	(3.47)	0.04

### iii) Equity Price Risk:

The Company does not have any exposure to equity price risk, as there is no major investment in equity except in its own subsidiaries and accordingly, exposure to risk of changes in price is very low.

## 52. CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or buy back of shares. The current capital structure of the company is equity based with low financing through borrowings. The company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

## 53. FAIR VALUE MEASUREMENT

## A. The Carrying value and Fair value of financial assets and liabilities by categories are as follows:

(₹ in lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets at amortized cost (non-current)</b>				
Loans and security deposits	547.87	518.75	547.87	518.75
Other financial assets	8.53	18.53	8.53	18.53
<b>Financial Assets at amortized cost (current)</b>				
Trade receivables	51,804.80	37,410.81	51,804.80	37,410.81
Cash and bank balances	3,967.15	2,642.91	3,967.15	2,642.91
Loans and deposits	252.82	164.77	252.82	164.77
Other financial assets	3,712.92	2,458.39	3,712.92	2,458.39
<b>Financial liabilities at amortized cost (non-current)</b>				
Lease Liabilities	1,875.75	514.14	1,875.75	514.14
<b>Financial liabilities at amortized cost (current)</b>				
Borrowings	2,631.50	2,643.28	2,631.50	2,643.28
Trade payables	19,623.85	16,401.96	19,623.85	16,401.96
Lease Liabilities	720.10	704.38	720.10	704.38
Others	5,571.28	6,563.43	5,571.28	6,563.43
<b>Financial Assets at Fair value through profit and loss (non-current)</b>				
Investments in units of mutual funds and in equity instruments of entities other than subsidiaries	1,272.21	1,290.87	1,272.21	1,290.87
<b>Financial Assets at Fair value through profit and loss (current)</b>				
Investments in units of mutual funds	–	66,497.48	–	66,497.48
Derivative designated as hedge (refer note 16)	293.23	466.62	293.23	466.62
<b>Financial Assets at Fair value through other comprehensive income (current)</b>				
Derivative designated as hedge (refer note 16)	132.89	–	132.89	–

**B. Level-wise disclosures of financial assets and liabilities by categories are as follows:**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	Level	Valuation techniques and key inputs
<b>Financial Assets at amortised cost (non-current)</b>				
Security Deposits	473.46	463.85	3	Discounted cash flow method using interest rate for similar financial instrument
<b>Financial Assets at Fair value through profit and loss (non-current)</b>				
Investment in Equity shares	1,272.21	1,290.87	3	Value based on the NAV as per latest audited financial statement available which in view of the Management fairly represents fair value.
<b>Financial Assets at amortised cost (current)</b>				
Other security deposits	178.29	129.18		Discounted cash flows method using interest rate for similar financial instrument.
<b>Financial Assets at Fair value through profit and loss (current)</b>				
Investment in Mutual Fund	–	66,497.48	1	Quoted NAV in active markets
Derivative designated as hedge (refer note 16)	293.23	466.62	2	Forward contracts are valued using available information from the banks.
<b>Financial Assets at Fair value through other comprehensive income (current)</b>				
Derivative designated as hedge (refer note 16)	132.89	–	2	Forward contracts are valued using available information from the banks.

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

**C) Reconciliation of the opening and closing balances for Level 3 fair value:**

(₹ in lakhs)

Particulars	2021 -2022	2020 -2021
<b>Investment in Equity shares</b>		
Opening Balance	1,290.87	1,288.47
Fair value changes recognised in profit or loss	(18.66)	2.40
Closing Balance	1,272.21	1,290.87

One percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.



**54. RATIOS**

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

(₹ in lakhs)

Sr. No.	Particulars	Numerator	Denominator	As at March 31,		Variance (in %)
				2022	2021	
1	Current Ratio	Current Assets	Current Liabilities	3.32	4.74	(29.96%)*
2	Debt-Equity Ratio	Borrowings	Total Shareholder's Equity	0.025	0.021	16.24%
3	Debt Service Coverage Ratio	Earnings Available for Debt Services	Debt Service	10.65	10.20	4.41%
4	Return on Equity Ratio	Net Profit after Tax	Total Shareholder's Equity	17.16%	24.75%	(7.59%)
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	2.37	2.45	(3.41%)
6	Trade Payables Turnover Ratio	Net Credit Purchases	Average Accounts Payables	4.66	4.36	6.88%
7	Trade Receivables Turnover Ratio	Net Annual Credit Sales	Average Accounts Receivables	4.91	5.27	(6.83%)
8	Net Capital Turnover Ratio	Net Annual Credit Sales	Working Capital	2.72	1.64	65.85%#
9	Net Profit Ratio	Net Profit after Tax	Net Annual Credit Sales	16.49%	23.63%	(7.14%)
10	Return on Capital Employed	Earnings Before Interest and Tax	Capital Employed	19.98%	25.83%	(5.85%)
11	Return on Investments	Income generated from investments	Time weighted average investments	5.68%	10.15%	(4.47%)

\*Redemption of current investment for acquisition of trademarks leads to variation in ratio.

# Redemption of current investment for acquisition of trademarks leads to decrease in working capital and the same resulted to variation in ratio.

**55. RECLASSIFICATION NOTE**

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

**56. UNFORESEEABLE LOSSES**

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long term contracts (including derivative contracts) for which there were any material foreseeable losses.

**57. IMPACT OF CODE ON SOCIAL SECURITY, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**58. EVENTS AFTER THE REPORTING PERIOD****a) Dividend**

The Board of Directors has recommended a final dividend of ₹ 8.00 per fully paid-up equity shares (face value of ₹ 2/- each) amounting to ₹ 6182.56 lakhs for the financial year 2021-22, which is based on relevant share capital as on March 31, 2022. The actual dividend amount will be dependent on the relevant share capital outstanding as on record date / book closure. The recommended dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

**b) Acquisition of trademark assignment of Azmarda from Novartis AG:**

On April 01, 2022, the Board of Directors of the Company approved the trademark assignment of Azmarda brand, for use and commercialisation within India, from Novartis AG, Switzerland for a consideration of USD 32.5 million (INR ~ 246,00 lakhs). The transaction was completed on April 11, 2022.

**59. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 ("COVID-19")**

Based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Company continues to believe that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, tangible and intangible assets, investments, trade receivables and other financial assets. However, concerns of Covid-19 pandemic still continue as availability of vaccine on mass scale may take time and hence, the Company continues to follow necessary safety guidelines. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Management will continue to closely monitor the changes to economic conditions in future and its impact on the Company.

- 60.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**For and on behalf of the Board of Directors**

**Nikhil Chopra**

Chief Executive Officer & Whole-Time Director  
DIN - 07220097

**Prashant Kumar**

Director  
DIN - 08342577

**Lakshay Kataria**

Chief Financial Officer

**Sandeep Phadnis**

Company Secretary

Place : Mumbai

Date : May 26, 2022

# **CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF J.B. CHEMICALS & PHARMACEUTICALS LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying consolidated financial statements of J.B. Chemicals & Pharmaceuticals Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the 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 matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Revenue recognition – Sale of products [Note 31 to the consolidated financial statements]</p> <p>The Parent being a listed entity, revenue is one of the critical component of the financial statements considered by the stakeholders. There may be pressures to meet the expectations that may result in recording revenues for sales for which the revenue recognition criteria may not have been met by the year end. We have therefore specifically focused on the said risk and have considered this to be a key audit matter in so far as it relates to the Parent.</p>	<p>Assessed the appropriateness of the Parent's revenue recognition policy by mapping them with the applicable accounting standards.</p> <p>Performed a walkthrough of the revenue business cycle to obtain an understanding of the relevant risks and controls around the timing of revenue recognition. Tested the design, implementation and operating effectiveness of the relevant controls.</p> <p>From the revenue recorded towards the year end, we tested transactions on a sample basis by, agreeing the recorded balances with the invoices, purchase orders, delivery documents / other documents evidencing transfer of control.</p> <p>On a test check, we reviewed the contracts / purchase orders, as applicable, to assess the terms of sale and ensured that they were recorded in the accounting period in which the control in the goods was transferred to the customer and other revenue recognition criteria as specified under Ind AS 115 'Revenue from contracts with customers' were met.</p> <p>We sought confirmations from customers on a test check basis and performed other alternate procedures, where applicable, to support the assertion that revenue has been recognised in the correct period.</p> <p>We made enquiries of the management and obtained written representations as to whether there exist any side agreements or unusual arrangements which may impact revenue recognition.</p> <p>We also test checked subsequent sales returns to determine whether the initial recognition of revenue was appropriate.</p>

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Corporate Governance report and the business responsibility report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and 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. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent'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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective

Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Parent 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 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 consolidated 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 of the Parent 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 consolidated 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.

## OTHER MATTERS

- (a) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of Rs. 28,221.28 Lakhs as at 31st March, 2022, total revenues of Rs. 36,254.19 Lakhs and net cash inflows amounting to Rs.2,034.67 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors 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 these subsidiaries, and our report in terms of subsection (3) 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 above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows 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 preparation of the consolidated financial statements
  - d) In our opinion, the aforesaid consolidated 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 of the Parent as on 31st March, 2022 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of 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 Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.
- iv) (a) The Management of the Parent, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, as disclosed in the notes 59 to consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the Parent whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the notes 59 to the consolidated financial statement, no funds have been received by the Parent from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us 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) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

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

As stated in note 56(a) to the consolidated financial statements, the Board of Directors of the Parent 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.

- (vi) With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit reports under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Parent, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/  
W-100018)

**Rajesh K. Hiranandani**

Partner

(Membership No.36920)

UDIN: 22036920AJQKSU9784

Place: Mumbai

Date: May 26, 2022

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**(REFERRED TO IN PARAGRAPH 1(F) UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ SECTION OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF J.B. CHEMICALS & PHARMACEUTICALS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022)**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of J.B. Chemicals & Pharmaceuticals Limited (hereinafter referred to as “the Parent”), as of that date.

## MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent 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 the Parent’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.

## AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Parent’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India 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 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 Parent’s internal financial controls system over financial reporting.

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion to the best of our information and according to the explanations given to us, Parent, 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 internal control over financial reporting criteria established by the Parent 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.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/  
W-100018)

**Rajesh K. Hiranandani**

Partner

(Membership No.36920)

UDIN: 22036920AJQKSU9784

Place: Mumbai

Date: May 26, 2022

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF J.B. CHEMICALS & PHARMACEUTICALS LIMITED OF EVEN DATE)

- xxi. According to the information and explanations given to us, and based on the CARO report issued by and the information provided by the auditors of the companies included in the consolidated financial statements of the Company we report that CARO is applicable only to the parent and to no other company included in the consolidated financial statements. We have not reported any qualifications or adverse remarks in the CARO report of the parent.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Rajesh K. Hiranandani**

Partner

(Membership No.36920)

UDIN: 22036920AJQKSU9784

Place: Mumbai

Date: May 26, 2022

# CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
(I) <b>Non-current assets</b>			
(a) Property, plant and equipment	5	51,947.17	51,941.06
(b) Right-of-use assets	5a	3,343.85	2,467.76
(c) Capital work-in-progress	6a	1,390.57	2,556.68
(d) Goodwill	39	5,745.92	5,745.92
(e) Intangible assets	6	66,662.50	3,210.52
(f) Intangible assets under development	6b	476.94	-
(g) Financial assets			
(i) Investments	7	1,272.21	1,290.87
(ii) Loans	8	74.41	54.90
(iii) Other financial assets	9	481.99	482.38
(h) Deferred tax assets (net)	23A	643.10	694.30
(i) Other non-current assets	10	1,216.06	106.89
<b>Total non-current assets</b>		<b>133,254.72</b>	<b>68,551.28</b>
(II) <b>Current assets</b>			
(a) Inventories	11	40,996.11	34,744.68
(b) Financial assets			
(i) Investments	12	-	66,497.48
(ii) Trade receivables	13	55,568.68	38,901.91
(iii) Cash and cash equivalents	14	5,654.41	2,868.55
(iv) Bank balances other than cash and cash equivalents	14	198.38	216.62
(v) Loans	15	130.36	48.18
(vi) Other financial assets	16	4,332.30	3,069.80
(c) Current tax assets (net)	17	2,169.34	1,703.78
(d) Other current assets	18	18,435.92	7,209.24
<b>Total current assets</b>		<b>127,485.50</b>	<b>155,260.24</b>
<b>Total assets</b>		<b>260,740.22</b>	<b>223,811.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	19	1,545.64	1,545.64
(b) Other equity	20	211,866.66	179,426.84
Equity attributable to the owners of the parent		213,412.30	180,972.48
Non-controlling interest		448.99	370.51
<b>Total equity</b>		<b>213,861.29</b>	<b>181,342.99</b>
<b>Liabilities</b>			
(I) <b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	21	2,061.76	514.14
(b) Provisions	22	1,373.06	1,257.14
(c) Deferred tax liabilities (net)	23B	4,755.91	5,676.66
(d) Other non-current liabilities	24	316.64	493.22
<b>Total non-current liabilities</b>		<b>8,507.37</b>	<b>7,941.16</b>
(II) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	2,631.50	3,264.46
(ii) Lease liabilities	25A	762.62	720.19
(iii) Trade payables	26		
A) Total outstanding dues of micro enterprises and small enterprises		2,063.86	1,309.55
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		20,384.11	17,382.79
(iv) Other financial liabilities	27	5,884.05	6,841.31
(b) Other current liabilities	28	1,484.17	1,420.92
(c) Provisions	29	4,551.80	2,797.96
(d) Current tax liabilities (net)	30	609.45	790.19
<b>Total current liabilities</b>		<b>38,371.56</b>	<b>34,527.37</b>
<b>Total liabilities</b>		<b>46,878.93</b>	<b>42,468.53</b>
<b>Total equity &amp; liabilities</b>		<b>260,740.22</b>	<b>223,811.52</b>

The accompanying notes form an integral part of these Consolidated Financial Statements

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As per our report of even date

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Rajesh K. Hiranandani  
Partner

Place : Mumbai

Date : May 26, 2022

For and on behalf of the Board of Directors

Nikhil Chopra

Chief Executive Officer &amp; Whole-Time Director

DIN - 07220097

Lakshay Kataria

Chief Financial Officer

Place : Mumbai

Date : May 26, 2022

Prashant Kumar

Director

DIN - 08342577

Sandeep Phadnis

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
I Revenue From Operations	31	242,424.38	204,252.15
II Other Income	32	3,922.63	11,238.32
III <b>Total Income (I+II)</b>		246,347.01	215,490.47
<b>EXPENSES</b>			
Cost of materials consumed	33A	60,221.64	54,238.96
Purchases of stock-in-trade		25,816.46	20,036.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33B	(1,744.69)	(4,125.71)
Employee benefits expense	34	43,924.22	34,060.09
Finance costs	35	512.05	724.12
Depreciation and amortization expense	5 & 6	7,265.99	6,866.55
Other expenses	36	59,861.14	44,001.27
<b>Total expenses</b>		195,856.81	155,801.93
V <b>Profit before tax (III-IV)</b>		50,490.20	59,688.54
VI <b>Tax expense:</b>	30		
Current tax		12,815.34	14,220.33
Deferred tax (credit)/charge		(929.02)	615.92
Reversal of excess current tax relating to earlier years		(0.01)	(0.01)
<b>Total tax expense</b>		11,886.31	14,836.24
VII <b>Net Profit after tax (V-VI)</b>		38,603.89	44,852.30
VIII <b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement of defined benefit plan		9.54	(1,669.97)
Income tax relating to these items		(2.40)	420.30
<b>Items that will be reclassified to profit or loss</b>			
Gains on cash flow hedges		132.89	-
Income tax relating to these items		(33.44)	-
Exchange differences on translation of financial statements of foreign subsidiaries		294.01	1,283.13
<b>Total other comprehensive income (net of tax)</b>		400.60	33.46
IX <b>Total comprehensive income (VII+VIII)</b>		39,004.49	44,885.76
<b>Net profit after tax for the year attributable to:</b>			
- owners of the company		38,535.74	44,796.36
- non-controlling interest		68.15	55.94
<b>Other comprehensive income for the year attributable to:</b>			
- owners of the company		390.27	(31.01)
- non-controlling interest		10.33	64.47
<b>Total comprehensive income after tax attributable to:</b>			
- owners of the company		38,926.01	44,765.35
- non-controlling interest		78.48	120.41
X <b>Earnings per equity share of face value of ₹ 2 each</b>	45		
Basic (in ₹)		49.86	57.96
Diluted (in ₹)		49.82	57.96
The accompanying notes form an integral part of these Consolidated Financial Statements		1-59	

## As per our report of even date

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Rajesh K. Hiranandani  
Partner  
Place : Mumbai  
Date : May 26, 2022

## For and on behalf of the Board of Directors

Nikhil Chopra  
Chief Executive Officer & Whole-Time Director  
DIN - 07220097

Lakshay Kataria  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2022

Prashant Kumar  
Director  
DIN - 08342577

Sandeep Phadnis  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before Tax</b>	<b>50,490.20</b>	<b>59,688.54</b>
Adjustments For		
Depreciation and amortisation expenses	7,265.99	6,866.55
Unrealised foreign exchange loss/(gain) (net)	352.18	284.84
Interest expenses	408.50	694.29
Profit/loss on disposal/discard of property, plant and equipment (net)	(240.49)	(1,875.01)
Profit on sale of Investments measured at FVTPL	(3,522.97)	(1,000.81)
Profit on sale of product registration along with its marketing authorisation and trademark	-	(3,368.66)
Net Gain on investments measured at FVTPL	18.67	(4,054.22)
Interest income	(93.43)	(177.40)
Dividend income	(0.50)	(0.50)
Government Grants	(171.98)	(165.66)
Re-measurements of defined benefits plan	9.54	(1,669.97)
Sundry balances written back	(39.81)	(223.09)
Share based payment expenses	6,265.35	
Discontinuance of Lease Assets	(14.23)	(7.19)
Allowances for credit loss(net)	-	79.64
	<b>10,236.82</b>	<b>(4,617.19)</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>60,727.02</b>	<b>55,071.35</b>
<b>Adjustments For working capital</b>		
Increase in Trade and other receivables	(29,283.95)	(7,059.87)
Increase in Inventories	(6,251.43)	(7,008.57)
Increase in Trade payables and other liabilities	5,283.45	4,647.54
	<b>(30,251.93)</b>	<b>(9,420.90)</b>
<b>Cash Generated from Operations</b>	<b>30,475.09</b>	<b>45,650.45</b>
Income taxes paid (including tax deducted at source)	(13,461.64)	(14,171.96)
<b>Net Cash from Operating Activities</b>	<b>17,013.45</b>	<b>31,478.49</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment (refer note 2 below)	(6,287.00)	(4,777.30)
Purchases of intangible assets including intangible assets under development	(64,391.92)	
Proceeds from sale of Property, plant and equipment	777.54	2,682.18
Proceeds from sale of product registration along with its marketing authorisation and trademark	-	2,156.75
Payment for acquisition of a business undertaking on slump sale basis	-	(850.00)
Purchase of current investments	(50,847.46)	(54,097.97)
Proceeds from sale of current investments	120,867.91	31,691.35
Change in other bank balances	18.24	(22.60)
Interest Received	94.18	149.51
Dividend Received	0.50	0.50
<b>Net Cash (used in) / from Investing Activities</b>	<b>231.99</b>	<b>(23,067.58)</b>



(₹ in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(repayment) from current borrowings (net)	(32.73)	32.23
Interest paid	(245.73)	(634.88)
Dividend paid	(12,756.28)	(7,324.02)
Repayment of lease liabilities	(803.77)	(815.60)
<b>Net cash flow used in financing activities</b>	<b>(13,838.51)</b>	<b>(8,742.27)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>3,406.93</b>	<b>(331.36)</b>
<b>Cash and cash equivalents at the beginning of the year*</b>	<b>2,247.38</b>	<b>2,575.19</b>
<b>Exchange difference on restatement of foreign currency cash and cash equivalents</b>	<b>0.10</b>	<b>3.55</b>
<b>Cash and Cash Equivalents as at the end of the year*</b>	<b>5,654.41</b>	<b>2,247.38</b>

\*Cash and Cash Equivalents comprise the following

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks	3,990.34	2,273.99
Cheques on hand	5.11	243.16
Cash on hand	9.12	12.84
Remittance in transit	1,467.84	
Fixed Deposits with maturity of less than 3 months	182.00	338.56
	<b>5,654.41</b>	<b>2,868.55</b>
Less : Bank Overdraft	-	621.18
<b>Cash and Cash Equivalents</b>	<b>5,654.41</b>	<b>2,247.37</b>

**Note:**

- The Consolidated Cash Flow Statement is prepared using the "Indirect method" set out in Ind AS 7 - "Statement of Cash Flows"
- Purchase of property, plant and equipment represents additions to property, plant and equipment, adjusted for movement of capital work in progress, capital advances and capital creditors during the year.

The accompanying notes form an integral part of these Consolidated Financial Statements (Note 1-59).

**As per our report of even date**

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner  
Place : Mumbai  
Date : May 26, 2022

**For and on behalf of the Board of Directors**

**Nikhil Chopra**  
Chief Executive Officer & Whole-Time Director  
DIN - 07220097

**Lakshay Kataria**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2022

**Prashant Kumar**  
Director  
DIN - 08342577

**Sandeep Phadnis**  
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL (refer note 19)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,545.64	1,545.64
Changes in equity share capital during the year		
<b>Balance at the end of the year</b>	<b>1,545.64</b>	<b>1,545.64</b>

## B. OTHER EQUITY (refer note 20)

(₹ in lakhs)

Particulars	Attributable to equity holders of the Parent											Non-controlling interest	Total
	Reserves and Surplus									Item of OCI			
	Capital Reserves (transferred from amalgamating company)		Other Reserves							Foreign Currency Translation reserve	Cash flow hedge reserve		
	Investment allowance Reserve (utilised)	Capital Reserve	Capital Reserve	Contingency Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Employee Stock Options Reserve				
Balance as on April 1, 2020	34.86	63.53	4.21	2,020.00	5,076.82	150.76	13,042.57	122,274.46	–	(663.92)	–	250.10	142,253.39
Profit for the year	–	–	–	–	–	–	–	44,796.36	–	–	–	55.94	44,852.30
Other comprehensive income for the year	–	–	–	–	–	–	–	(1,249.67)	–	1,218.66	–	64.47	33.46
<b>Total comprehensive income for the year</b>	–	–	–	–	–	–	–	43,546.69	–	1,218.66	–	120.41	44,885.76
Payment of Dividend	–	–	–	–	–	–	–	(7,341.80)	–	–	–		(7,341.80)
Balance as on March 31, 2021	34.86	63.53	4.21	2,020.00	5,076.82	150.76	13,042.57	158,479.35	–	554.74	–	370.51	179,797.35
Profit for the year	–	–	–	–	–	–	–	38,535.74	–	–	–	68.15	38,603.89
Other comprehensive income for the year	–	–	–	–	–	–	–	7.14	–	283.68	99.45	10.33	400.60

Particulars	Attributable to equity holders of the Parent											Non-controlling interest	Total
	Reserves and Surplus									Item of OCI			
	Capital Reserves (transferred from amalgamating company)		Other Reserves							Foreign Currency Translation reserve	Cash flow hedge reserve		
Investment allowance Reserve (utilised)	Capital Reserve	Capital Reserve	Contingency Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Employee Stock Options Reserve					
Total comprehensive income for the year	-	-	-	-	-	-	-	38,542.88	-	283.68	99.45	78.48	39,004.49
Payment of Dividend	-	-	-	-	-	-	-	(12,751.54)	-	-	-	-	(12,751.54)
Share based payment expense	-	-	-	-	-	-	-	-	6,265.35	-	-	-	6,265.35
Balance as on March 31, 2022	34.86	63.53	4.21	2,020.00	5,076.82	150.76	13,042.57	184,270.69	6,265.35	838.42	99.45	448.99	212,315.65

The accompanying notes form an integral part of these Consolidated financial statements (Note 1-59).

#### As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rajesh K. Hiranandani**  
Partner  
Place : Mumbai  
Date : May 26, 2022

#### For and on behalf of the Board of Directors

**Nikhil Chopra**  
Chief Executive Officer & Whole-Time Director  
DIN - 07220097

**Lakshay Kataria**  
Chief Financial Officer  
Place : Mumbai  
Date : May 26, 2022

**Prashant Kumar**  
Director  
DIN - 08342577

**Sandeep Phadnis**  
Company Secretary

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

## 1. GROUP INFORMATION

J. B. Chemicals & Pharmaceuticals Limited ("the Company") is a public limited company incorporated in India (Corporate identity number: L24390MH1976PLC019380) having its registered office at Neelam Centre, 'B' Wing, 4th Floor, Hind Cycle Road, Worli, Mumbai-400030. The Company is engaged in the business of manufacturing and marketing of diverse range of pharmaceutical formulations, herbal remedies and Active Pharmaceutical Ingredients (APIs). These consolidated financial statements for the year ended March 31, 2022 were approved for the issue by the Board of Directors vide their resolution dated May 26, 2022. Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The Consolidated financial statements comprise financial statements of J. B. Chemicals & Pharmaceuticals Limited ("the company") and its subsidiaries (the Company and its subsidiaries referred to as 'the Group').

## 2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 2.1 Basis of Preparation:

#### 2.1 a) Statement of Compliance with Indian Accounting Standards (Ind-AS):

The financial statements of the Group as at and for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and the other relevant provisions of the Act and accounting principles generally accepted in India. The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

These financial statements have been prepared by the Group as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, March 31, 2022.

#### 2.1 b) Basis of Measurement:

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

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Derivative financial instruments and contingent consideration is measured at fair value;

- Assets held for sale – measured at fair value less cost to sell;
- Defined benefits plans – plan assets measured at fair value;
- Employee Stock Option Plans measured at fair value;
- Lease liability and Right of use of assets – measured at fair value; and
- Share-based payments – measured at fair value.

### 2.1 c) Consistency of Accounting Policy:

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto use.

### 2.1 d) New and amended standards adopted by the Group:

The Group has applied the following amendments for the first time for their annual reporting period commencing April 1, 2020:

- Amendment to Ind AS 103, Business Combinations, Definition of business
- Amendment to Ind AS 116, Leases, lease modification accounting for COVID-19, rent concession
- Amendment to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Change in definition of materiality
- Amendment to Ind AS 109, Financial Instruments, Temporary exceptions from applying hedge accounting
- Amendment to Ind AS 107, Financial Instruments: Disclosures, Disclosure for uncertainty arising from interest rate benchmark reform
- Ind AS 10, Events after reporting period, Definition for non-adjusting events and its effective date of application
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**2.1 e) Functional and Presentation Currency and Rounding Off of the Amount:**

The Functional and presentation currency of the Group is Indian rupees. Accordingly, all amounts disclosed in the consolidated financial statements and notes have been shown in Indian rupees and all values are shown in lakhs and rounded to two decimals except when otherwise indicated.

**2.2 Current versus Non-Current Classification:**

The Group has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of the Consolidated Financial Statements.

**2.2 a) Assets:**

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**2.2 b) Liabilities:**

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

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

All other liabilities are classified as non-current.

**2.2 c) Principles of Consolidation:****(i) Business Combinations and Control:**

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when the control is transferred to the Group. The Holding Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**(ii) Consolidation Procedure:**

The consolidated financial statements comprise of the financial statement of the Holding Company and its subsidiaries referred herein below. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Holding Company's independent financial statements.

The difference between the Group costs of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognised in the consolidated financial statements as Goodwill or Capital Reserve as the case may be. The Goodwill recognised in the consolidated financial statements is tested for impairment, if any.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign currency translation reserve (attributed to non-controlling interests as appropriate).

The financial statements of the Holding Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Holding Company i.e., year ended March 31, 2022.

**(iii) Non-Controlling Interest:**

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- b) The non-controlling interests' share of movements in equity since the date holding subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

The subsidiary companies considered in the consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest	Accounting year ending on
OOO Unique Pharmaceutical Laboratories. *	Russia	100%	March 31st
Unique Pharmaceutical Laboratoires FZE *	Dubai	100%	March 31st
Biotech Laboratories (PTY) Ltd. (Through Unique Pharmaceutical Laboratories FZE)*	South Africa	95.24%	March 31st

\* Audited by other Auditors.

### 2.3 Revenue Recognition:

The Group derives revenue primarily from manufacturing and marketing of diverse range of pharmaceutical products.

The Group follows specific recognition criteria as described below before the revenue is recognised.

#### (i) Sale of Goods:

Revenue from contracts with customers is recognised when the control of the goods is transferred to a customer and the entity satisfies a performance obligation by delivering a promised goods or services to customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services and contract has commercial substance and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer.

The majority of customer contracts that the Group enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Group recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer. The Group records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment but excluding taxes or duties collected on behalf of the government and net of returns (including provision thereof made during the year on the basis of historical experience, future expectation of sales return/claims) and allowances, trade discounts and volume rebates. The revenue for such variable consideration is included in the Group's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Group considers its historical record of performance on similar contracts.

#### (ii) Product Development Service:

Revenue from export of product development service is recognised

upon by reference to the stage of completion of service and the amount of revenue can be measured reliably.

#### (iii) Other Operating Revenue:

Other Operating revenue comprises of following items:

##### a) Manufacturing Charges/Service Fee:

Revenue from services rendered is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period, over which the related services are expected to be performed.

Revenue from manufacturing charges is recognised on completion of contractual obligation of manufacturing and delivery of product manufactured.

##### b) Export Incentives:

Export entitlement from Government authority is recognised in the Consolidated Statement of Profit and Loss as other operating revenue when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

##### c) Sale of Scrap

Revenue from sale of scrap is recognised on delivery of scrap items.

#### (iv) Other Income

Other income mainly comprises of interest income, dividend from investments, profits from redemption of investments and fair value changes on the investments, which are held at the balance sheet date.

##### a) Interest income:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.



**b) Dividends:**

Dividend income from investment is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Profits / Losses from redemption of investment is recognised upon exercise of power by the Group to redeem the investment held in any particular security / instrument (non-current as well as current investment).

**2.4 Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated into functional currency at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss, arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Consolidated Statement of Profit and Loss are also recognised in OCI or Consolidated Statement of Profit and Loss, respectively). Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

**2.5 Government Grants:**

Monetary government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The grant related to an asset in the form of EPCG License is recognised in the Balance Sheet as deferred income and is transferred to profit or loss on a systematic basis over the periods during which the obligation attached to the Licence is to be fulfilled.

Grant in the form of cash benefits is recognised in the Balance Sheet as deferred income and it is transferred to profit or loss over the useful life of the concerned asset.

Export entitlement from government authorities is recognised in the Consolidated Statement of Profit and Loss as other operating

revenue when the right to receive is established as per the terms of the scheme in respect of the exports made by the Company with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**2.6 Employee benefits:****(i) Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service, are classified as short-term employee benefits. Benefits such as salaries, wages, etc., and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(ii) Post employment benefits:****a) Defined Contribution Plan:**

Defined contribution plans such as Provident Fund and Superannuation. In accordance with the The Employees' Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Group are entitled to receive benefits under the provident fund plan in which both the employee and employer contribute monthly, and the Group distributes the amounts to employees at the time of separation from the Group or retirement, whichever is earlier. Payments to defined contributions retirement benefits plans are recognised as an expense when employees have rendered the service entitling them to the contributions. The Group does not have any obligation other than the contribution made.

**b) Defined Benefits Plan:**

For defined retirement benefits plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements recognised in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to consolidated Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Consolidated Profit and Loss Statement in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefits liabilities or assets. Defined benefits costs are categorized as follows:

- Service Cost (including current service cost, past service cost, as well as gains or losses on curtailments and settlements);

- Net interest expense or income; and
- Re-measurement (comprising actuarial gains and losses).

The Group presents the first two components defined benefits cost in the Consolidated Statement of Profit and loss in the line items "Employee Benefits Expenses" and "Finance Cost," respectively. Curtailment gain and losses are accounted for as past service cost.

The retirement benefits obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefits plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan.

### (iii) Other Long-Term Employee Benefits Plan:

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date, is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability, in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date, is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss, and are not deferred.

#### Subsidiary Group: Unique Pharmaceutical Laboratoires FZE

##### Staff End-of-Service Benefits:

Provision is made for end-of service benefits payable to the non-UAE employees at the reporting date in accordance with the local labour laws.

## 2.7 Share Based Payment:

### Equity-Settled Share-Based Payment Transactions

The Group has set up Employee Stock Option Scheme in the nature of equity-settled share based remuneration for its eligible employees and eligible employee(s) of its wholly owned subsidiaries.

All services received in exchange for the grant of the options are measured at their fair value on the grant date and is recognised as an employee expense, in the profit or loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "Employee stock options outstanding reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that actually vest. Such employee expense arising on account of grant of options to eligible employees of wholly-owned subsidiaries is recorded as receivable from such subsidiary.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth). All share-based remuneration is ultimately recognised as an expense in profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision, is recognised in the current period.

The number of vested options ultimately exercised by option grantee does not impact the expense recorded in any period. Upon exercise of stock options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the equity shares issued with any excess being recorded as share premium.

## 2.8 Tax Expenses:

Income tax expense comprises of current tax expense and deferred tax expense/benefits. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

### (i) Current Tax:

Current tax payable is calculated based on taxable profit for the year. Current tax is recognised based on the amount expected to be paid to or recovered from the tax authorities based on applicable tax laws that have been enacted or substantively enacted by the Balance Sheet date. The Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### (ii) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary timing difference. Deferred tax assets are recognised for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Current and deferred tax for the year are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### (iii) Uncertain Tax Positions:

Accruals for uncertain tax positions require the Management to make judgement of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon the Management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, the Management reviews each material tax benefits and reflects the effect of the uncertainty in determining the related taxable amounts.

## 2.9 Property, Plant and Equipment:

### (i) Recognition and measurement:

Freehold land is stated at historical cost and is not depreciated. Premium paid for the leasehold land is amortised over the lease period. All other items of property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

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 entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognised as expense in the Consolidated Statement of Profit and Loss as and when incurred.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

### (ii) Depreciation:

Depreciation on the property, plant and equipment (other than

freehold land) is provided based on useful life of the assets as prescribed in Schedule II of the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/ deletion, in the profit or loss.

Cost of the assets less its residual value is depreciated over its useful life. Depreciation is calculated on a straight line basis over the useful life of the assets prescribed life in Schedule II of the Companies Act, 2013 are as follows. For certain class of assets based on the technical evaluation and assessment, the Company believes that the useful lives adopted by its best represent the period over which an asset is expected to be useful for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

Category	Useful life
Leasehold Land	Lease term
Buildings	30 to 60 years
Plant and Machinery	10 to 20 years
Furniture and Fixtures	10 years
Vehicles	8 to 10 years
Office equipment	3 to 6 years
Air conditioners	15 years

The Management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, the Management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively, where needed.

### (iii) De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

## 2.10 Intangible Assets:

### (i) Recognition and Measurement:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

### (ii) Expenditure on Regulatory Approval:

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 entity and the cost can be measured reliably.

### (iii) Amortisation:

Particulars	Useful life
Computer software	3 to 6 years
Brands ,Trademarks and Product related intangible	5 to 25 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### (iv) Derecognition:

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss, when the asset is derecognised.

## 2.11 Business Combinations and Goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at acquisition date fair value.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. Goodwill is initially measured at the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is not amortised. Goodwill is accordingly recognised at original value less any accumulated impairment.

When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else, the gain is

directly recognised in equity as capital reserve.

Consideration transferred does not include amounts related to the settlement of pre-existing relationships and employee service-related payments. Any Goodwill that arises on account of such business combination is tested annually for impairment.

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

## 2.12 Borrowing costs:

Borrowing Costs directly attributed to the acquisition, construction or production of qualifying assets are capitalised as a part of the cost of asset up to the date the asset is substantially ready for its intended use. Other Borrowing Costs are charged to the Consolidated Statement of Profit and Loss in the year in which they are incurred.

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

## 2.13 Impairment of Non- Financial Assets:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets (other than Goodwill as stated above) or group of assets, called cash-generating units (CGUs) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGUs to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate, that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



**2.14 Inventories:**

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the basis of Moving Average method. Cost includes expenditures incurred in acquiring the inventories and other related costs incurred in bringing them to their existing location. In the case of manufactured finished goods, cost includes appropriate share of overheads based on normal operating capacity.

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Raw materials, stores and spare parts, and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted-average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress is computed on weighted-average basis. In the absence of cost, waste/scrap is valued at estimated net realisable value. Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for. Proceeds in respect of sale of raw materials/stores, are credited to the respective heads.

**2.15 Provisions, Contingent Liabilities and Contingent Assets:****(i) Provisions:**

Provisions are recognised when the Group has present obligation (legal or constructive) as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to a provision is presented in the consolidated statement of profit and loss net of any reimbursement/contribution towards provision made.

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

If the effect of the time value of money is material, estimate for the provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

**(ii) Contingent Assets:**

- Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
- Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(iii) Contingent Liabilities:****Contingent Liabilities is Disclosed in the Case:**

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- A present obligation that arises from past events but is not recognised as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;
- The amount of the obligation cannot be measured with sufficient reliability.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

**2.16 Lease:**

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

**(i) Company as a lessee:**

The Company's leased assets consist of leases for buildings. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease

liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

**(ii) Company as a Lessor:**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments, arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**2.17 Financial Instruments:**

The Group recognises financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

**I. Financial Assets:**

**a) Classification:**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

**b) Initial Recognition and Measurement:**

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

**c) Subsequent Measurement:**

For subsequent measurement, the Group classifies financial asset in following broad categories:

**(i) Financial Assets at Amortised Cost (net of any write down for impairment, if any):**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. Cash and bank balances, trade receivables, loans and other financial asset of the Group are covered under this category.

Under the EIR method, the future cash receipts are exactly discounted to the initial recognition value using EIR. The cumulative amortization using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortised cost at each reporting date. The corresponding effect of the amortisation under EIR method is recognised as interest income over the relevant period of the financial asset. The same is included under "other income" in the consolidated Statement of Profit and Loss. The amortised cost of the financial asset is also adjusted for loss allowance, if any.

**(ii) Debt Instruments at FVTOCI:**

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognised in the other comprehensive income. The Group does not have any financial asset under this category.

**(iii) Debt Instruments and Derivatives at FVTPL:**

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognised in the Consolidated Statement of Profit and Loss



**(iv) Other Equity Investments:**

All other equity investments are measured at fair value, with fair value changes recognised in the Consolidated Statement of Profit and Loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss. Transaction cost of financial assets at FVTPL are expensed in profit or loss.

**(v) Derecognition:**

A financial asset is primarily derecognised when rights to receive cash flows from the asset have expired or the Group has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that has been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**(vi) Impairment of Financial Assets:**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Group 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 effective interest rate.

For trade receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss under the head 'Other expenses'.

**II. Financial Liabilities:****a) Classification:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

**b) Initial Recognition and Measurement:**

The Group recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**c) Subsequent Measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Consolidated Profit or Loss when the liabilities are derecognised as well as through 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 amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

**d) Derecognition of Financial Liabilities:**

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 Consolidated Statement of Profit and Loss.

### III. Derivative Financial Instrument:

The Group uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of is recognised in the Consolidated Statement of Profit and Loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group enters into derivative financial instruments, viz., foreign exchange forward contracts, interest rate swaps and cross-currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

### IV. Hedge Accounting:

The Group designates certain hedging instruments in respect of foreign currency risk, interest rate risk and commodity price risk as cash flow hedges. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in Other Comprehensive Income, and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when it no longer qualifies for hedge

accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in other equity at that time remains in other equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other equity is recognised immediately in the Consolidated Statement of Profit and Loss.

### 2.18 Fair Value:

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy that categorises into three levels, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

Level 3 – inputs that are unobservable for the asset or liability

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.19 Research and Development Expenditure:

Expenditure on research activities is recognised in the Consolidated Statement of Profit and Loss as incurred. Development expenditure is recognised in the Consolidated Statement of Profit and Loss unless the following criteria are satisfied:

- (i) development costs can be measured reliably;
- (ii) the product or process is technically and commercially feasible;
- (iii) future economic benefits are probable; and
- (iv) the Group intends to and has sufficient resources to complete development and to use the asset.

**2.20 Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.21 Cash and Cash Equivalents:**

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period 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.

**2.22 Cash Flow Statements:**

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

**3. RECENT PRONOUNCEMENTS**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework:**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds Before Intended Use:**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract:**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021):**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021):**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

**4. KEY ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Group's consolidated financial statements requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group evaluates these estimates and assumption based on the most recently available information.

The preparation of financial statements, in conformity with the Ind AS requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying

amounts of assets and liabilities within the next financial year, are described below:

**a) Income Taxes and Deferred Tax Assets:**

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Management assumes that taxable profit will be available while recognising the deferred tax assets.

**b) 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. The useful lives and residual values of the Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. 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 technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**c) Intangible Assets:**

Internal technical or user team assesses the remaining useful lives of Intangible assets. The Management believes that assigned useful lives are reasonable. Further, the useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for those assets.

**d) Impairment of Non-Financial Assets:**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Units (CGUs) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate, that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are

taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Impairment of Financial Assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**f) Recognition and measurement of defined benefits obligation:**

The obligation arising from the defined benefits plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefits obligations.

**g) Recognition and Measurement of Other Provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the Balance Sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

**h) Contingencies:**

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the Consolidated Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

The Management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

**i) Allowances for Uncollected Trade Receivable and Advances:**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated amounts which are irrecoverable. Individual trade receivables are written off when the Management deems them not collectible. Impairment is made on the expected credit losses, which are the present value of the



cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**j) Allowances for Inventories:**

Management reviews the inventory age listing on a periodic basis. The purpose is to compare the carrying value of the aged inventory items with the respective net realisable value and also to identify obsolete and slow-moving items, so as to make adequate allowances for the same. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the Consolidated Financial Statements.

**k) Research and Development Costs:**

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. The Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

**l) Leases:**

Ind AS 116 "Leases" requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**m) Sales Returns:**

The Group 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 Group's estimate of expected sales returns. The Group deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates. With respect to established products, the Group considers its historical experience of

sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets.

**n) Expected Credit Loss:**

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowances on the following:

- Trade receivables and lease receivables;
- Financial assets measured at amortised cost (other than trade receivables and lease receivables);
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115. For this purpose, the Group follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Group to track changes in credit risk.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In the case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

**o) Impact of Covid/Geopolitical Developments:**

The Group considered the uncertainties relating to the COVID-19 pandemic and the geopolitical situation in Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Group considered internal and external sources of information up to the date of approval of these financial results. Based on its judgements, estimates and assumptions, including sensitivity analysis, the Group expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

The Group will continue to closely monitor any material changes to future economic conditions.

## 5. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01, 2021	Additions	Disposals	Foreign currency translation reserve	As at March 31, 2022	As at April 01, 2021	Depreciation charge for the year	On disposals	Foreign currency translation reserve	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold land	57.16	-	-	-	57.16	-	-	-	-	-	57.16	57.16
Factory buildings	21,277.47	337.60	2.29	-	21,612.78	6,708.08	657.56	2.29	-	7,363.35	14,249.43	14,569.39
Other buildings (Note 1)	5,682.05	1,032.61	-	-	6,714.66	643.20	101.76	-	-	744.96	5,969.70	5,038.85
Plant and equipment	60,210.89	3,387.87	1,275.05	-	62,323.71	36,138.59	3,726.63	1,258.81	-	38,606.41	23,717.30	24,072.30
Furniture and fixtures	3,975.14	104.17	25.40	2.79	4,056.70	2,099.58	289.49	28.94	4.67	2,364.80	1,691.90	1,875.56
Vehicles	953.78	282.85	188.96	(27.44)	1,020.23	576.15	119.31	178.47	(14.43)	502.55	517.68	377.63
Office equipment	4,918.98	629.10	135.33	(4.65)	5,408.10	3,482.54	604.46	129.70	(3.56)	3,953.74	1,454.36	1,436.44
Air conditioners	7,945.80	219.81	22.96	-	8,142.65	3,432.07	443.90	22.96	-	3,853.01	4,289.64	4,513.73
<b>Total</b>	<b>1,05,021.27</b>	<b>5,994.01</b>	<b>1,649.99</b>	<b>(29.30)</b>	<b>1,09,335.99</b>	<b>53,080.21</b>	<b>5,943.11</b>	<b>1,621.17</b>	<b>(13.32)</b>	<b>57,388.82</b>	<b>51,947.17</b>	<b>51,941.06</b>

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01, 2020	Additions	Disposals	Foreign currency translation reserve	As at March 31, 2021	As at April 01, 2020	Depreciation charge for the year	On disposals	Foreign currency translation reserve	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold land	57.16	-	-	-	57.16	-	-	-	-	-	57.16	57.16
Factory buildings	21,404.54	54.72	181.79	-	21,277.47	6,194.20	652.89	139.01	-	6,708.08	14,569.39	15,210.34
Other buildings (Note 1)	5,746.09	-	64.04	-	5,682.05	578.00	93.16	27.96	-	643.20	5,038.85	5,168.09
Plant and equipment	60,411.58	2,624.44	2,825.13	-	60,210.89	34,942.84	3,914.81	2,719.06	-	36,138.59	24,072.30	25,468.74
Furniture and fixtures	3,921.36	96.28	60.83	18.33	3,975.14	1,858.65	285.18	58.65	14.40	2,099.58	1,875.56	2,062.71
Vehicles	1,930.51	38.87	1,023.24	7.64	953.78	838.61	184.71	452.06	4.89	576.15	377.63	1,091.90
Office equipment	4,471.48	618.46	172.08	1.12	4,918.98	3,186.24	462.88	164.88	(1.70)	3,482.54	1,436.44	1,285.24
Air conditioners	7,921.94	56.63	32.77	-	7,945.80	3,025.93	434.73	28.59	-	3,432.07	4,513.73	4,896.01
<b>Total</b>	<b>1,05,864.66</b>	<b>3,489.40</b>	<b>4,359.88</b>	<b>27.09</b>	<b>1,05,021.27</b>	<b>50,624.47</b>	<b>6,028.36</b>	<b>3,590.21</b>	<b>17.59</b>	<b>53,080.21</b>	<b>51,941.06</b>	<b>55,240.19</b>



## 5a. Right-of-Use Asset

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01, 2021	Additions	Disposals	Foreign currency translation reserve	As at March 31, 2022	As at April 01, 2021	Depreciation charge for the year	On disposals	Foreign currency translation reserve	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Right-of-use assets- Leasehold land (note 2)	1,358.95	-	708.50	-	650.45	129.93	7.65	38.27	-	99.31	551.14	1,229.02
Right-of-use assets- Other buildings (note 2)	1,840.93	3,082.30	1,355.90	29.28	3,596.61	602.19	761.98	593.21	32.94	803.90	2,792.71	1,238.74
<b>Total</b>	<b>3,199.88</b>	<b>3,082.30</b>	<b>2,064.40</b>	<b>29.28</b>	<b>4,247.06</b>	<b>732.12</b>	<b>769.63</b>	<b>631.48</b>	<b>32.94</b>	<b>903.21</b>	<b>3,343.85</b>	<b>2,467.76</b>

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01, 2020	Additions	Disposals	Foreign currency translation reserve	As at March 31, 2021	As at April 01, 2020	Depreciation charge for the year	On disposals	Foreign currency translation reserve	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Right-of-use assets- Leasehold land (note 2)	1,077.88	292.75	11.68	-	1,358.95	123.45	12.26	5.78	-	129.93	1,229.02	954.43
Right-of-use assets- Other buildings (note 2)	1,427.00	1,670.82	1,274.42	17.53	1,840.93	818.65	792.12	1,020.28	11.70	602.19	1,238.74	608.35
<b>Total</b>	<b>2,504.88</b>	<b>1,963.57</b>	<b>1,286.10</b>	<b>17.53</b>	<b>3,199.88</b>	<b>942.10</b>	<b>804.38</b>	<b>1,026.06</b>	<b>11.70</b>	<b>732.12</b>	<b>2,467.76</b>	<b>1,562.78</b>

Note 1. Value of buildings includes a sum of ₹ 3,600/- being the cost of shares in the societies

Note 2. Refer note 47A.

Note 3. No depreciation has been claimed on the assets to the extent of GST claimed.

## 6. INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 01, 2021	Additions	Disposals	Foreign currency translation reserve	As at March 31, 2022	As at April 01, 2021	Amortisation for the year	Deductions	Foreign currency translation reserve	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(Acquired)												
Trade Marks*	845.03	63,782.45	-	-	64,627.48	3.66	508.69	-	-	512.35	64,115.13	841.37
Computer Software	1,134.44	47.33	-	0.62	1,182.39	1,074.23	41.91	-	(2.12)	1,114.02	68.37	60.21
Product Dossiers	2,308.94	91.93	-	80.44	2,481.31	-	2.65	-	(0.34)	2.31	2,479.00	2,308.94
<b>Total</b>	<b>4,288.41</b>	<b>63,921.71</b>	<b>-</b>	<b>81.06</b>	<b>68,291.18</b>	<b>1,077.89</b>	<b>553.25</b>	<b>-</b>	<b>(2.46)</b>	<b>1,628.68</b>	<b>66,662.50</b>	<b>3,210.52</b>

\* Related to acquisition of trademarks from Sanzyme Private Limited(refer note 40)

(₹ in lakhs)

Particulars	Gross Block					Accumulated Amortization					Net Block	
	As at April 01, 2020	Additions	Disposals	Foreign currency translation reserve	As at March 31, 2021	As at April 01, 2020	Amortization for the year	Deductions	Foreign currency translation reserve	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
(Acquired)												
Trade Marks	827.67	17.36	-	-	845.03	3.66	-	-	-	3.66	841.37	824.01
Computer Software	1,112.82	27.94	4.20	(2.12)	1,134.44	1,047.00	33.81	4.20	(2.38)	1,074.23	60.21	65.82
Product Dossiers	2,119.41	19.09	31.59	202.03	2,308.94	-	-	-	-	-	2,308.94	2,119.41
<b>Total</b>	<b>4,059.90</b>	<b>64.39</b>	<b>35.79</b>	<b>199.91</b>	<b>4,288.41</b>	<b>1,050.66</b>	<b>33.81</b>	<b>4.20</b>	<b>(2.38)</b>	<b>1,077.89</b>	<b>3,210.52</b>	<b>3,009.24</b>

Note: Some of the trademarks are yet to be transferred in the Company's name.

### 6a. Capital Work-in-Progress (CWIP)

As on March 31, 2022

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,345.73	24.53	20.31	-	1,390.57

As on March 31, 2021

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,316.07	234.16	1,006.45	-	2,556.68

**6b. Intangible Assets under Development****As at March 31, 2022**

(₹ in lakhs)

Particulars	Amount in intangible assets under development for a period of	
	Less than 1 year	Total
Projects in progress	476.94	476.94
<b>Total</b>	<b>476.94</b>	<b>476.94</b>

**Acquisition of significant intangibles:**

Significant acquisitions during the year

Particulars	Date of completion	₹ in lakhs	Type of deal
Trademarks from Sanzyme Private Limited	February 1, 2022	63,782.45	Acquisition of trademarks.

The Company has recorded the above acquired assets as intangible assets under Ind AS 38 "Intangible Assets" on the assessment that fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, which is controlled by the Company and future economic benefits are probable.

**7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Investments in equity instruments (unquoted) (Fully paid)</b>		
<b>(carried at fair value through profit or loss (FVTPL)) (fully paid)</b>		
3,866 (Previous year 3,866) Equity Shares of ₹ 10 each of BEIL Infrastructure Ltd.	26.45	20.85
612,032 (Previous year 612,032) Equity Shares of ₹ 10 each of Narmada Clean Tech.	113.64	113.64
20,000 (Previous year 20,000) Equity Shares of ₹ 10 each of Enviro Technology Ltd.	38.19	34.43
60,000 (Previous year 60,000) Equity Shares of ₹ 10 each of Panoli Enviro Technology Ltd.	33.74	23.75
50,000 (Previous year 50,000) Equity Shares of ₹ 10 each of Ankleshwar Research & Analytical Infrastructure Limited.	3.85	4.08
2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10 each of Asian Heart Institute & Research Centre Pvt. Ltd.	1,056.34	1,094.12
<b>Total Non Current Investment</b>	<b>1,272.21</b>	<b>1,290.87</b>
Aggregate amount of unquoted investments	1,272.21	1,290.87
<b>Category-wise Non current investment</b>		
Financial assets measured at fair value through profit and loss	1,272.21	1,290.87
<b>Total Non Current Investment</b>	<b>1,272.21</b>	<b>1,290.87</b>

## 8. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
<b>(Carried at amortised cost)</b>		
Loans to employees	74.41	54.90
<b>Total</b>	<b>74.41</b>	<b>54.90</b>

## 9. NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good, except otherwise stated</b>	-	
<b>(Carried at amortised cost)</b>		
Fixed deposit having maturity more than 12 months #	8.53	18.53
Security deposits for leased premises	309.72	338.85
Other security deposits	163.74	125.00
	481.99	482.38
Other security deposits- credit impaired	75.65	75.65
Less: Loss allowance	(75.65)	(75.65)
	-	-
<b>Total</b>	<b>481.99</b>	<b>482.38</b>

#These fixed deposits are marked as lien with various Government authorities/institutions.

## 10. OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
Capital advances	1,120.67	43.43
Prepaid expenses	95.39	63.46
<b>Total</b>	<b>1,216.06</b>	<b>106.89</b>

**11. CURRENT FINANCIAL ASSETS - INVENTORIES**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Lower of cost and net realisable value)</b>		
Raw materials (stock in transit ₹ 0.20 lakh, previous year ₹ 158.94 lakhs)	15,236.77	12,893.54
Packing materials (stock in transit ₹ 0.27 lakh, previous year ₹ Nil)	4,998.65	2,871.52
Work-in-progress	1,887.26	2,413.77
Finished goods (stock in transit ₹ 357.81 lakhs, previous year ₹ 952.68 lakhs)	13,523.43	14,786.81
Stock-in-Trade	5,272.28	1,737.70
Stores and Spares	77.72	41.34
<b>Total</b>	<b>40,996.11</b>	<b>34,744.68</b>

The write-down of inventories to net realisable value during the year amounted to ₹ 18.93 lakhs (Previous year ₹ 48.32 lakhs). The write downs are included in changes in inventories of finished goods

The cost of inventories recognised as an expense during the year is disclosed in Notes 33A, 33B, 36 and as purchases of stock-in-trade in the statement of profit and loss.

**12. CURRENT FINANCIAL ASSETS - INVESTMENTS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at fair value through profit and loss)</b>		
Investments in mutual funds - (quoted)	-	66,497.48
<b>Total</b>	<b>-</b>	<b>66,497.48</b>
Aggregate cost of quoted investments	-	52,585.52
Aggregate market value of quoted investments	-	66,497.48

**13. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

(Unsecured, Considered Good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost)</b>		
Considered good	55,943.37	39,382.25
Less : Allowance for expected credit loss	374.69	480.34
	55,568.68	38,901.91
Credit impaired	12.52	26.73
Less : Allowance for expected credit loss	12.52	26.73
	-	-
<b>Total</b>	<b>55,568.68</b>	<b>38,901.91</b>

March, 2022

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment					Total
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed trade receivables - considered good	38,350.60	14,025.05	1,151.54	1,956.20	446.55	13.43	55,943.37
ii. Undisputed trade receivables - credit impaired	-	-	-	-	-	12.52	12.52
iii. Disputed trade receivables - considered good	-	-	-	-	-	-	-
iv. Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

March, 2021

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment					Total
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Undisputed trade receivables - considered good	26,152.50	11,381.93	1,142.25	678.45	20.45	6.67	39,382.25
ii. Undisputed trade receivables - credit impaired	-	-	-	-	26.36	0.37	26.73
iii. Disputed trade receivables - considered good	-	-	-	-	-	-	-
iv. Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

#### 14. CURRENT FINANCIAL ASSETS -CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash and cash equivalents</b>		
Balances with banks	3,990.34	2,273.99
Cheques on hand	5.11	243.16
Cash on hand	9.12	12.84
Remittance in transit ^	1,467.84	-
Bank deposits (having original maturity of less than 3 months)	182.00	338.56
	5,654.41	2,868.55
<b>Other bank balances</b>		
Unclaimed dividend A/cs *	198.38	203.11
Fixed deposits with maturity of more than 3 months but less than 12 months @	-	13.51
	198.38	216.62
<b>Total</b>	<b>5,852.79</b>	<b>3,085.17</b>

\*The above balances are restricted for specific use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

@ These fixed deposits are marked as lien with various government authorities/ institutions.

^ Remittance in transit from Biotech Laboratories Pty. Ltd.



**15. CURRENT FINANCIAL ASSETS - LOANS**

(Unsecured, Considered Good)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost)</b>		
Loan to employees	130.36	48.18
<b>Total</b>	<b>130.36</b>	<b>48.18</b>

**16. CURRENT FINANCIAL ASSETS - OTHERS**

(Unsecured, considered good unless otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost, except otherwise stated)</b>		
Accrued interest on deposits	3.59	4.34
Export incentive receivable	3,285.28	2,073.04
Claim receivable	92.57	-
Derivative designate as hedge - carried at fair value through profit or loss (refer note 51)	293.23	466.62
Receivable for sale of land	200.00	200.00
Tender deposits	45.18	31.75
Fixed deposit having remaining maturity less than 12 months	10.62	-
Other security deposits	148.08	113.03
Other receivables	120.86	181.02
Derivative designate as hedge - carried at fair value through OCI (refer note 51)	132.89	
	<b>4,332.30</b>	<b>3,069.80</b>
Tender deposits- credit impaired	6.45	6.70
Less: Allowance for credit loss	6.45	6.70
	-	-
Receivable for sale of land-Credit Impaired	39.47	39.47
Less: Allowance for credit loss	39.47	39.47
	-	-
<b>Total</b>	<b>4,332.30</b>	<b>3,069.80</b>

## 17. INCOME TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes paid	41,838.90	28,413.48
Less: Provision for taxes	39,669.56	26,709.70
<b>Total</b>	<b>2,169.34</b>	<b>1,703.78</b>

## 18. OTHER CURRENT ASSETS

Unsecured Considered Good

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	3,108.96	370.73
Prepaid expenses	1,204.03	1,225.64
Balances/Recoverables with/from Government authorities	13,712.50 *	5,168.94
Other receivables	410.43	443.93
<b>Total</b>	<b>18,435.92</b>	<b>7,209.24</b>

\*includes GST credit with respect to brands acquired during the year.

## 19. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
101,500,000 (previous year 101,500,000) Equity shares of ₹ 2/- each	2,030.00	2,030.00
<b>Issued, subscribed and fully paid-up</b>		
77,282,097 (previous year 77,282,097) Equity shares of ₹ 2/- each	1,545.64	1,545.64
<b>Total</b>	<b>1,545.64</b>	<b>1,545.64</b>

Reconciliation of the shares outstanding and amount of share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	₹ in lakhs	Number	₹ in lakhs
Numbers of shares outstanding at the beginning of the year	77,282,097	1,545.64	77,282,097	1,545.64
Numbers of shares outstanding at the end of the year	77,282,097	1,545.64	77,282,097	1,545.64

**Details of Shareholders holding more than 5% shares.**

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Tau Investment Holdings Pte. Ltd (Holding Company)	41,732,332	54.00	41,732,332	54.00

**% change to computed with respect to numbers at the beginning of the year**

Shares held by promoters -	No. of shares	% of total shares	% change during the year
TAU INVESTMENT HOLDINGS PTE. LTD.	41,732,332	54.00	nil

- Mody Family members holding 1.91% have been re-classified from Promoter/ Promoter group to Public on receipt of Stock exchange approval wef November 2, 2021. Therefore, during the year, aggregate promoter/ promoter group holding in the Company decreased from 55.91% to 54%.

**Terms and 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 share is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions. The Company declares and pays dividend 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 except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of the five years immediately preceding the reporting date**

The Company has not issued any bonus shares, shares for consideration other than cash during the five years immediately preceding the reporting date.

**Buy-back of Equity Shares**

For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, the Company has bought back, in aggregate, 7,537,878 (as at Previous year: 7,537,878) equity shares of ₹ 2 each.

**Equity shares reserved for issue under employee stock options schemes**

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options by the option holders as per the relevant schemes - (refer note 46.)

**20. OTHER EQUITY**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital reserves (transferred from amalgamating company)-</b>		
-Investment allowance reserve (utilised)	34.86	34.86
-Capital reserve	63.53	63.53
Capital reserve	4.21	4.21
Contingency reserve	2,020.00	2,020.00
Securities premium reserve	5,076.82	5,076.82
Capital redemption reserve	150.76	150.76
General reserve	13,042.57	13,042.57
Retained earnings *	184,270.69	158,479.35

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Employee stock options reserve	6,265.35	
Foreign currency translation reserves	838.42	554.74
Cash flow hedge reserve	99.45	-
<b>Total</b>	<b>211,866.66</b>	<b>179,426.84</b>

\* including re-measurement of defined benefits plan.

For movement from the beginning of the reporting period to the end of the reporting period, please refer "Standalone Statement of Changes in Equity".

### Nature and Purpose of Reserves

#### A. Investment Allowance Reserve (utilised) and Capital Reserve (transferred from Amalgamating Company)

This Reserve was created on amalgamation of J. B. Chemicals and Pharmaceuticals P. Ltd. with this Company w.e.f. April 1, 1984 (appointed date).

#### B. Capital Reserve

Arose pursuant to forfeiture and reissue of shares.

#### C. Contingency Reserve

This reserve has been created out of retained earnings, as a matter of prudence, to take care of any unforeseen adverse contingencies.

#### D. Securities Premium Reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

#### E. Capital Redemption Reserve

Transferred from general reserve on account of buy back of shares as per Section 69 of the Companies Act 2013.

#### F. General Reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act 2013. The General reserve is used from time to time to transfer profit from retained earnings for appropriation purpose.

#### G. Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distribution paid to shareholders.

#### H. Employee Stock Options Reserve

Employee stock options reserve is used to record the share-based payments, expense under various ESOS schemes as per SEBI regulations. The reserve is used for the settlement of ESOS (refer note 46).

#### I. Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., ₹) are recognised directly in the other comprehensive income and accumulated in Foreign Currency Translation Reserve.

#### J. Cash Flow Hedge Reserve

For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in cash flow hedging reserve under other equity. Upon de-recognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow (refer notes 49C (ii)a,b and c).

**21. NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 47B)	2,061.76	514.14
<b>Total</b>	<b>2,061.76</b>	<b>514.14</b>

**22. NON-CURRENT LIABILITIES - PROVISIONS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity	51.20	136.22
Compensated absences (refer note 41)	1,321.86	1,120.92
<b>Total</b>	<b>1,373.06</b>	<b>1,257.14</b>

**23A. DEFERRED TAX ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Brought forward Losses	431.39	510.16
Others	211.71	184.14
<b>Total</b>	<b>643.10</b>	<b>694.30</b>

**23B. DEFERRED TAX LIABILITIES (NET)**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liabilities</b>		
Depreciation	5,957.46	3,796.80
Fair valuation of investments measured at FVTPL	-	3,415.79
Cash flow hedge and others	73.37	-
	6,030.83	7,212.59
<b>Deferred tax assets</b>		
Retirement benefits	712.50	629.80
Others	562.42	906.13
	1,274.92	1,535.93
<b>Deferred tax liabilities (net)</b>	<b>4,755.91</b>	<b>5,676.66</b>

**24. NON-CURRENT LIABILITIES - OTHERS**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred government grants	316.64	493.22
<b>Total</b>	<b>316.64</b>	<b>493.22</b>

Government grant has been received for the purpose of purchase of certain items of property, plant and equipment. The condition against which the grant is received is the export obligation to be fulfilled within certain specified period.

## 25. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Loans repayable on Demand - from Banks</b>		
<b>Secured (Carried at amortised cost)#</b>		
Bank overdraft	-	621.18
Export packing credit in Rupees	2,000.00	2,000.00
Export packing credit in foreign currency	631.50	643.28
<b>Total</b>	<b>2,631.50</b>	<b>3,264.46</b>

# Working capital borrowings from the banks at an interest rate of 3.5%, and are secured by first pari passu charge on the stocks and book debts of the Company.

## 25A.CURRENT FINANCIAL LIABILITIES - LEASE

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 47B)	762.62	720.19
<b>Total</b>	<b>762.62</b>	<b>720.19</b>

## 26. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(Carried at amortised cost)</b>		
Total outstanding dues of micro enterprises and small enterprises	2,063.86	1,309.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,384.11	17,382.79
<b>Total</b>	<b>22,447.97</b>	<b>18,692.34</b>

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 0-90 days of recognition based on the credit terms. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

March, 2022

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment			Total
		Less than 1 Year	1-3 Years	More than 3 Years	
i. MSME*	2,063.86	-	-	-	2,063.86
ii. Others	17,259.72	2,647.44	258.01	218.94	20,384.11
iii. Disputed dues - MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-



March, 2021

(₹ in lakhs)

Particulars	Not due	Outstanding for the following periods from the due date of Payment			Total
		Less than 1 Year	1-3 Years	More than 3 Years	
i. MSME*	1,309.55	-	-	-	1,309.55
ii. Others	15,637.40	1,256.36	255.23	233.80	17,382.79
iii. Disputed dues - MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-

\*The details of amount outstanding to micro enterprise and Small enterprise based on available information with the company is as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal	2,003.27	1,248.99
Interest due thereon	60.59	60.56
b) The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006.	-	-
c) The amount of payment made to supplier beyond the appointed day during the each accounting year.	2.18	128.35
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	0.03	1.83
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	60.59	60.56
f) The amount of further interest remaining due and payable even in succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of Micro, Small and Medium Enterprise Development Act, 2006.	60.59	60.56

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors. The delayed payment has been computed having regard to specified credit period for 45 days under Micro, Small and Medium Enterprise Development Act, 2006.

## 27. CURRENT FINANCIAL LIABILITIES-OTHERS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued and due on borrowings	0.56	0.17
Unclaimed dividends*	198.38	203.11
Creditors for capital expenditure	351.73	726.89
Forward contracts payable	-	45.74
Other payables (mainly, payable to employees)	4,572.13	5,600.15
Deposits	761.25	265.25
<b>Total</b>	<b>5,884.05</b>	<b>6,841.31</b>

\*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

## 28. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	431.52	260.84
Deferred government grants	170.64	166.04
Statutory dues	882.01	832.04
Advances against disposal of property, plant and equipment	-	162.00
<b>Total</b>	<b>1,484.17</b>	<b>1,420.92</b>

## 29. CURRENT LIABILITIES -PROVISIONS

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity (Refer note 41)	928.49	971.03
Compensated absences (Refer note 41)	663.22	610.43
Expected sales returns	2,960.09	1,216.50
<b>Total</b>	<b>4,551.80</b>	<b>2,797.96</b>

## 30. CURRENT TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for taxes	7,754.21	8,209.64
<b>Less: Taxes paid</b>	<b>7,144.76</b>	<b>7,419.45</b>
<b>Total</b>	<b>609.45</b>	<b>790.19</b>

### A. The components of income tax expense are as under

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>i. Income tax recognized in the Statement of Profit and Loss</b>		
<b>Current Tax:</b>		
On profits for the year	12,815.34	14,220.33
Adjustment in respect of prior years	(0.01)	(0.01)
<b>Deferred tax :</b>		
(Credit)/charge	(929.02)	615.92
<b>Total Income tax recognized in the Statement of Profit and Loss</b>	<b>11,886.31</b>	<b>14,836.24</b>
<b>ii. Income tax recognized in other comprehensive income</b>		
<b>Deferred tax :</b>		
On re-measurement of the defined benefits plan	(2.40)	420.30
On gain of cash flow hedge reserve	33.44	
<b>Total Income tax recognized in other comprehensive income</b>	<b>(35.84)</b>	<b>420.30</b>

## B. Reconciliation of tax expense and the accounting profit is under

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Accounting Profit before tax</b>	<b>50,490.20</b>	<b>59,688.54</b>
Enacted tax rate in India (%)	25.17	25.17
<b>Expected income tax expense</b>	<b>12,707.37</b>	<b>15,022.41</b>
<b>Tax effect of :</b>		
- Expenses not deductible	435.77	189.58
- Income chargeable at different tax rate and on which indexation benefit is availed	(1,990.55)	(359.70)
- Utilisation of brought forward losses on which no deferred tax asset was recognised	-	(22.20)
- Others	767.73	(37.48)
- Changes in tax rate	(34.00)	43.64
<b>Tax expenses</b>	<b>11,886.32</b>	<b>14,836.25</b>
-Adjustment recognised in current year in relation to the current tax of earlier years	(0.01)	(0.01)
<b>Tax expenses recognised in the Statement of Profit and Loss</b>	<b>11,886.31</b>	<b>14,836.24</b>

## 31. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sales of Products and Services</b>		
Sale of pharmaceuticals products	238,411.35	198,767.06
Product development services	365.89	980.55
Realised exchange differences on sale of products and services	984.32	463.78
	239,761.56	200,211.39
<b>Other Operating Revenues :</b>		
Processing charges	-	19.95
Export incentives	848.34	3,283.14
Sale of scrap	347.29	203.67
Government grant #	171.98	165.66
Insurance claims	144.82	14.95
Miscellaneous income	1,150.40	353.39
	2,662.83	4,040.76
<b>Total</b>	<b>242,424.39</b>	<b>204,252.15</b>

# Government grants pertain to subsidy on property, plant and equipment of manufacturing set up. There are no unfulfilled conditions or contingencies attached to these grants.

## Ind AS 115 Disclosure

### (i) Disaggregation of Revenue

The Company's revenue disaggregated by business unit is as follows:

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>India</b>		
Domestic formulation	117,317.80	89,191.12
<b>International</b>		
Export formulation	89,249.13	81,671.86
Contract manufacturing	25,270.95	22,577.25
Active pharmaceutical ingredient	9,076.51	8,450.87
<b>Others</b>	1,509.99	2,361.05
<b>Total</b>	<b>242,424.38</b>	<b>204,252.15</b>

### (ii) Information about Major Customers

One external customer represents 10% or more of the Company's total revenue for the years ended March 31, 2022 and March 31, 2021, respectively.

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Thinq Pharma-Cro Pvt. Ltd.	21,475.91	23,295.33

## 32. OTHER INCOME

(₹ in lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial instruments measured at amortised cost-		
Fixed deposits	27.78	43.46
Others	65.65	133.94
Dividend from current investments	0.50	0.50
Net gain on financial assets mandatorily measured at FVTPL-		
Net gain on sale of investment	3,522.97	1,000.81
Fair value gain/(loss) on investments measured at FVTPL	(18.67)	4,054.22
Profit on sale of property, plant and equipment (net)	240.49	1,875.01
Profit on sale of product registration along with its marketing authorization and trademark	-	3,368.66
Sundry balances written back	39.81	223.09
Miscellaneous income	44.10	538.63
<b>Total</b>	<b>3,922.63</b>	<b>11,238.32</b>

**33A.COST OF MATERIAL CONSUMED**

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Raw materials and packing materials</b>		
Opening inventories	15,765.06	12,611.00
Purchases	64,692.00	57,393.02
	80,457.06	70,004.02
Less: Closing inventories	20,235.42	15,765.06
<b>Total</b>	<b>60,221.64</b>	<b>54,238.96</b>

**33B. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventories at the beginning</b>		
Finished goods	14,786.81	10,649.35
Stock-in-trade	1,737.70	1,915.32
Work-in-progress	2,413.77	2,247.90
	18,938.28	14,812.57
<b>Less: Inventories at the end</b>		
Finished goods	13,523.42	14,786.81
Stock-in-trade	5,272.28	1,737.70
Work-in-progress	1,887.27	2,413.77
	20,682.97	18,938.28
<b>(Increase)/decrease</b>	<b>(1,744.69)</b>	<b>(4,125.71)</b>

**34. EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other benefits	34,759.95	31,473.86
Contribution to provident fund and other funds	1,910.67	1,789.59
Share-based payments expense (refer note 46) *	6,265.52	-
Gratuity expense (refer note 41)	428.76	326.14
Staff welfare expenses	559.32	470.50
<b>Total</b>	<b>43,924.22</b>	<b>34,060.09</b>

\* Share-based payments expense charges include net recovery of ₹ 172.44 lakhs from subsidiaries. (March 31, 2021- Nil) (refer note 46)

### 35. FINANCE COSTS

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest expense</b>		
Working capital borrowings	102.22	97.73
Lease liabilities	162.38	61.45
Security deposits	21.83	22.63
Others	122.06	492.51
<b>Other borrowing costs-</b>		
Net interest on defined benefits obligation	70.04	19.97
Loan processing charges	10.50	18.81
Guarantee charges	23.02	11.02
<b>Total</b>	<b>512.05</b>	<b>724.12</b>

### 36. OTHER EXPENSES

Particulars	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Processing charges	1,477.21	1,030.30
Consumption of stores and spares	533.59	551.46
Power and fuel	7,147.29	6,260.49
Lease rent (Refer note 47C)	134.03	114.86
Rates and taxes	83.15	101.80
Insurance	846.48	700.71
Freight and transport charges	9,630.63	6,386.22
Repairs and maintenance-		
Buildings	181.91	284.97
Plant and equipment	1,577.41	1,481.12
Others	492.58	355.96
Sales promotion and publicity expenses	12,495.87	8,382.12
Commission on sales	3,684.38	2,940.36
Travelling and conveyance	3,919.71	3,189.47
Labour hire charges	2,563.07	2,412.98
Laboratory expenses	2,910.70	2,353.41
Legal and professional fees	4,834.16	1,308.39
Directors' fees	140.00	133.30
Royalty	33.24	11.93
Payment to statutory auditors (excluding GST)-		
Audit fees	108.06	82.98
Other services	7.80	2.50
Reimbursement of expenses	2.57	1.34
Corporate social responsibility expenditure (CSR) (refer note 48)	695.09	516.75
Donations	2.61	3.29
Net (Gain)/loss on foreign currency transactions and translation	380.07	(423.35)
Bad debts	-	7.68
Allowance for credit losses (net) (refer note 13,16)	(66.04)	79.64
Miscellaneous expenses <sup>^</sup>	6,045.57	5,730.59
<b>Total</b>	<b>59,861.14</b>	<b>44,001.27</b>

<sup>^</sup> Expenses below 1% of revenue from operation are aggregated in accordance with Schedule III of the Companies Act, 2013.



**37 A. COMMITMENTS AND CONTINGENCIES:****COMMITMENTS**

- Capital Commitments:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances)	1,493.75	414.74

- Other Commitments:

The Holding Company has imported capital goods including spares under the Export Promotion Capital Goods Scheme (EPCG) utilising the benefit of zero rate or concessional rate of Customs duty. These benefits are subject to the fulfilment of certain export obligation within the stipulated period of time under the EPCG Scheme. Such export obligation remaining to be fulfilled at the year-end is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Export obligation under EPCG Scheme	405.85	4,870.73

**CONTINGENCIES**

- Claim against the Holding Company not acknowledged as debts include claim relating to pricing, commission, etc.
- It is not practicable for the Group to estimate the timing of cash outflow, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various forum/ authorities.
- The Group does not expect any reimbursements in respect of the above contingent liabilities.
- The Group pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- Pharmaceutical Division of Unique Pharmaceutical Laboratories Ltd. (UPLL), which was acquired by the Holding Company on a going concern basis, had received demand notices from Department of Chemicals & Fertilizers, Govt. of India, New Delhi demanding a sum of ₹ 461.47 lakhs in respect of the Bulk Drug Metronidazole and a further sum of ₹ 591.05 lakhs in respect of the Bulk Drug Oxyphenbutazone. These amounts were claimed on hypothetical basis in 1996, under para 7(2) of DPCO 79 read with para 14 of DPCO 87 and para 12 of DPCO 95, long after repeal of DPCO 79 and DPCO 87 and gains allegedly notionally made by it by procuring the Bulk Drugs at alleged lower cost. The Holding Company has filed Writ Petitions bearing No 446 of 2008 in respect of demand for Oxyphenbutazone and Writ Petition No. 2623 of 2007 in respect of demand for Metronidazole in Bombay High Court. These Writ Petitions have been admitted and the Hon. High Court has restrained the Government from adopting coercive steps to recover the amount till the disposal of the Writ Petition on the Holding Company furnishing security as per the Orders. The Holding Company has already furnished the Bank Guarantee of ₹ 402.35 lakhs as Security. As per the legal advice received by the Holding Company, there is no liability and, accordingly no provision is being made in the Accounts for these claims and demands.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
• Central Excise, Service tax & GST demands / show causes (against which the Company has made pre deposit of ₹ 6.24 lakhs, Previous year ₹ 6.82 lakhs)	493.31	415.39
• Income Tax (against which the Company has made pre deposit of ₹ 7.63 lakhs, Previous year ₹ 7.63 lakhs)	2,204.93	2,477.97
• Sales Tax (against which the Company has made pre deposit of ₹ 0.43 lakh, Previous year ₹ 0.43 lakh)	4.22	4.22

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Group's financial condition, results of operations or cash flows.

Future cash outflows in respect of the above matters are dependent on outcome of certain event and/or decisions of the relevant authorities for the matter under dispute.

### 37. B. OUTSTANDING LETTER OF CREDIT AND GUARANTEES

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Letters of Credit by the banks	854.08	811.41
Guarantees issued by bank on behalf of the Holding Company	1,356.84	1,653.36

38. Travelling expenses of field personnel include incidental expenses on conveyance, courier, stationery and miscellaneous expenses, etc.

### 39. PURSUANT TO THE BUSINESS TRANSFER AGREEMENT BETWEEN THE HOLDING COMPANY AND LEKAR PHARMA LIMITED

Pursuant to the Business Transfer Agreement, entered during the previous year, between the Holding Company and Lekar Pharma Limited ("the Seller"), a related party up to August 31, 2020, the Holding Company has acquired the Pharmaceutical Business Undertaking of the Seller as a going concern by way of a slump sale for a consideration of ₹ 850.00 lakhs. An amount of ₹ 431.92 lakhs, being the excess of consideration paid, as above, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed of ₹ 418.08 lakhs has been recognised as Goodwill.

### 40. ACQUISITION OF TRADEMARK FROM SANZYME PRIVATE LIMITED

On February 1, 2022, the Holding Company completed the acquisition of the trademarks from Sanzyme Private Limited. The transaction is accounted as under:

Intangible assets

(₹ in lakhs)

Particulars	Amount
<b>Specified Intangibles Assets</b>	
Trademarks including Stamp duty	63,782.45

### 41. EMPLOYEE BENEFITS:

#### a. Defined Contribution Plan

Contribution to defined contribution plan, recognised as expense for the year are as under:

(₹ in lakhs)

Particulars	2021-22	2020-21
Employer's Contribution to Provident Fund and Family Pension Fund	1,644.19	1,424.14
Employer's Contribution to Superannuation Fund	38.75	114.93
Employer's Contribution to various Insurance Schemes	91.00	111.65
Employer's Contribution under various Government Schemes	108.92	106.66

#### b. Defined Benefits Plan- Gratuity – Holding Company

Gratuity is payable to all eligible employees of the Holding Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972. The benefits would be paid at the time of separation.

##### i. Changes in Present Value of Defined Benefits Obligation during the year

(₹ in lakhs)

Particulars	2021-22	2020-21
Present value of Defined Benefit Obligation at the beginning of the year	5,198.98	5,222.33
Interest Cost	329.10	356.16
Current Service Cost	427.95	325.33
Benefits paid from the Fund	(635.02)	(2,275.04)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	2.13	48.40
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(377.81)	1,193.86
Actuarial (Gains)/Losses on Obligations - Due to Experience	343.96	327.94
Present value of Defined Benefits Obligation at the end of the year	5,289.29	5,198.98

## ii. Changes in fair value of plan assets during the year

(₹ in lakhs)

Particulars	2021-22	2020-21
Fair Value of Plan Assets at the Beginning of the year	4,092.53	4,929.54
Interest Income	259.06	336.19
Contributions by the Employer	666.40	1,201.61
Benefit paid from the Fund	(635.02)	(2275.04)
Return on Plan Assets, excluding Interest Income	(22.17)	(99.77)
Fair Value of Plan Assets at the end of the year	4,360.80	4,092.53

## iii. Net (asset)/Liabilities Recognised in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the end of the year	5,289.29	5,198.98
Fair Value of Plan Assets at the end of the year	(4,360.80)	(4,092.53)
Net (asset)/liability recognised in the Balance Sheet	928.49	1,106.45
Net liability Non-current	0.00	136.22
Net liability Current (refer note No. 29)	928.49	970.23

## iv. Expenses Recognised in the Statement of Profit and Loss for the Year

(₹ in lakhs)

Particulars	2021-22	2020-21
Current Service Cost	427.95	325.33
Net Interest	70.04	19.97
Expenses recognised	497.99	345.30

## v. Expense Recognised in other Comprehensive Income for the Year

(₹ in lakhs)

Particulars	2021-22	2020-21
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	2.13	48.40
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(377.81)	1,193.86
Actuarial (Gains)/Losses on Obligations - Due to Experience	343.96	327.94
Return on Plan Assets, Excluding Interest Income	22.17	99.77
Net (Income)/Expense for the Period Recognised in OCI	(9.54)	1,669.97

**vi. Actuarial assumptions**

(₹ in lakhs)

Particulars	2021-22	2020-21
Expected Return on Plan Assets	6.90%	6.33%
Rate of Discounting	6.90%	6.33%
Rate of Salary Increase	-9.00% p.a. for the next 3 years-7.00% p.a. thereafter, starting from the 4 <sup>th</sup> year	8.00%
Rate of Employee Turnover		
- For service 2 years and below	35.00%	35.00%
- For service 3 years to 4 years	20.00%	20.00%
- For service 5 years and above	5.00%	5.00%
Mortality rate during employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

**vii. Maturity profile of defined benefits obligation**

(₹ in lakhs)

Particulars	2021-22	2020-21
Within 1 year	788.51	972.02
1-2 Years	379.72	541.37
2-3 Years	504.12	350.81
3-4 Years	387.63	431.31
4-5 Years	520.97	334.35
5-10 Years	2,162.46	1,855.70
11 years and above	5,066.41	4,569.04

**viii. Sensitivity analysis for significant assumptions is as below**

(₹ in lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Projected Benefit Obligation on Current Assumptions	5,289.29	5,198.98
Delta Effect of +1% Change in Rate of Discounting	(340.93)	(325.42)
Delta Effect of -1% Change in Rate of Discounting	391.64	376.38
Delta Effect of +1% Change in Rate of Salary Increase	385.07	366.47
Delta Effect of -1% Change in Rate of Salary Increase	(341.67)	(323.53)
Delta Effect of +1% Change in Rate of Employee Turnover	(14.68)	(47.87)
Delta Effect of -1% Change in Rate of Employee Turnover	15.21	53.41

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefits obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

**ix. Investment details:**

The Holding Company made annual contribution to the LIC of an amount advised by the LIC. The Holding Company was not informed by LIC of the investments made or the break-down of the plan assets by investment type.

The Holding Company expects to make a contribution of ₹ 1,147.67 lakhs (March 31, 2021: ₹ 970.23 lakhs) to the defined benefits plans during the next financial year.

**x. Risk exposure**

Through its defined benefits obligation, the Holding Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk – The defined benefits obligation calculated uses a discount rate based on Government bonds. If bond yields fall, the defined benefits obligation will tend to increase.

Salary inflation risk – Higher than expected increase in salary will increase the defined benefits obligation.

Longevity risk – The present value of the defined benefits plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Investment return risk – Lower the expected investment return, higher will be the defined benefit obligation.

**c. Defined Benefit Plan- Staff end-of-service benefits– Unique Pharmaceutical Laboratories FZE**

The Holding Company made provision for the year of ₹ 0.81 lakh (Previous year ₹ 0.81 lakh) in respect of staff end-of-service benefits and accumulated liability in respect of staff end-of-service benefits is ₹ 0.83 lakh (Previous year ₹ 0.80 lakh) as of March 31, 2022 assuming that all the employees were to leave as of the reporting date. The Management is of the opinion that no significant difference would have arisen had the liability been calculated on actuarial basis, as salary inflation and discount rate are likely to have approximately equal and opposite effect.

**d. Compensated absences:**

The Holding Company's employees are entitled for compensated absences, which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on the report of independent actuary using "Projected Unit Credit Method". Accordingly, the Holding company has made provision for compensated absences for the year of ₹ 382.01 lakhs (Previous Year ₹ 477.17 lakhs) and accumulated liability is ₹ 1,562.25 lakhs as of March 31, 2022 (Previous Year ₹ 1,395.94 lakhs).

In respect of subsidiary companies, employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the respective Company's rule. The liability of compensated absences has been provided on undiscounted basis. Accordingly, these subsidiary companies have made provision for compensated absences for the year ₹ 339.46 lakhs (Previous Year ₹ 187.89 lakhs) and accumulated liability is ₹ 422.81 lakhs (Previous Year ₹ 335.41 lakhs) as of March 31, 2022.

**42. SEGMENT REPORTING****a) Operating Segment:**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the decision makers at respective entity level in assessing the performance and deciding on allocation of resources. The Group, accordingly, has only one reportable business segment, i.e. 'Pharmaceuticals'.

**b) Geographical Segment:**

The geographic information analyses the Group's revenues and non-current assets by the Holding Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customers, and segment assets are based on geographical location of assets.

(₹ in lakhs)

Particulars	2021-22	2020-21
a) Revenue from External Customers		
In India	118,817.78	91,045.06
Outside India	123,606.60	113,207.09
b) Non-current Assets		
In India	125,278.76	60,897.43
Outside India	7,332.86	6,959.55
c) Information about major customers		
Consolidated Revenue – exceeding 10% from each single external customer. Name : THINQ PHARMA-CRO PVT. LTD.	21,475.91	23,295.33

**43. DEFERRED TAX**

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

**As at March 31, 2022**

(₹ in lakhs)

Particulars	As at April 01, 2021	Recognised in profit or loss	Recognised in other comprehensive income	FCTR	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities					
i. Property, plant and equipment	3,796.80	2,160.66	-	-	5,957.46
ii. Investments measured at FVTPL	3,415.79	(3,415.79)	-	-	-
iii. Others	-	98.27	33.44	-	131.71
	<b>7,212.59</b>	<b>(1,156.86)</b>	<b>33.44</b>	<b>-</b>	<b>6,089.17</b>
Tax effect of items constituting deferred tax assets					
i. Employee benefits	629.80	102.83	(2.40)	-	730.23
ii. Brought forward loss	510.16	(52.19)	-	-	457.97
iii. Others	<b>1,090.28</b>	<b>(278.48)</b>	<b>-</b>	<b>(23.64)</b>	<b>788.16</b>
	<b>2,230.24</b>	<b>(227.84)</b>	<b>(2.40)</b>	<b>(23.64)</b>	<b>1,976.36</b>
<b>Net deferred tax liability</b>	<b>4,982.35</b>	<b>(929.02)</b>	<b>35.84</b>	<b>23.64</b>	<b>4,112.81</b>



As at March 31, 2021

(₹ in lakhs)

Particulars	As at April 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	FCTR	As at March 31, 2021
Tax effect of items constituting deferred tax liabilities					
i. Property, plant and equipment	3,875.56	(78.76)	-	-	3,796.80
ii. Investments measured at FVTPL	2,533.39	882.40	-	-	3,415.79
	<b>6,408.95</b>	<b>803.64</b>	-	-	<b>7,212.59</b>
Tax effect of items constituting deferred tax assets					
i. Retirement benefits	304.92	(95.42)	420.30	-	629.80
ii. Brought forward loss	498.77	11.39	-	-	510.16
iii. Others	791.22	293.31	-	5.75	1,090.28
	<b>1,594.91</b>	<b>209.28</b>	<b>420.30</b>	<b>5.75</b>	<b>2,230.24</b>
<b>Net deferred tax liability</b>	<b>4,814.04</b>	<b>594.36</b>	<b>(420.30)</b>	<b>(5.75)</b>	<b>4,982.35</b>

No deferred tax liability is recognised on temporary differences relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

#### 44. RELATED PARTY DISCLOSURE

Information on related party transaction as required by Ind AS-24, Related Party Disclosure, are given below:

##### Names and Relationships of the Related Parties:

##### I Holding Company

Tau Investment Holdings Pte. Ltd. (from November 09, 2020)

##### II Ultimate Holding Company

KKR Asia III Fund Investments Pte. Ltd. (from November 09, 2020)

##### III Entities controlled by Key management personnel (upto August 31, 2020)

a.	Jyotindra Family Trust	e.	Jyotindra Mody Ventures LLP
b.	Dinesh Family Trust	f.	D. B. Mody Entreprises LLP
c.	Shirish Family Trust	g.	Shirish Mody Property LLP
d.	Lekar Pharma Ltd.		

##### IV Key Management Personnel (KMP)

- A. Mr. Nikhil Chopra (from October 05, 2020) (Chief Executive Officer & Whole-time Director)
- B. Mr. Lakshay Kataria (from October 04, 2021) (Chief Financial Officer)
- C. Mr. Vijay Bhatt (upto August 31, 2021) (Chief Financial Officer)
- D. Mr. Sandeep Phadnis (from July 15, 2021) (Company Secretary)
- E. Mr. Mayur Mehta (upto July 14, 2021) (Company Secretary)
- F. Mr. Shirish B. Mody (upto August 31, 2020)
- G. Mr. Bharat P. Mehta (upto August 31, 2020)
- H. Mr. Pranabh D. Mody (upto August 31, 2020)
- I. Mr. Kamlesh L Udani (upto August 31, 2020)
- J. Mr. Jyotindra B. Mody (upto July 21, 2020)

### Non-Executive Directors

- A. Mr. Ranjit Shahani (Non-Executive Director-Independent Chairman)
- B. Ms. Padmini Khare Kaicker (Non-Executive Director-Independent)
- C. Mr. Sumit Bose (Non-Executive Director-Independent)
- D. Mr. Gaurav Trehan (Non-Executive Director)
- E. Mr. Prashant Kumar (Non-Executive Director)
- F. Mr. Sanjay Nayar (upto January 25, 2022) (Non-Executive Director)
- G. Ms. Ananya Tripathi (upto March 11, 2022) (Non-Executive Director)

### V Relative of KMP

- A. Mr. Nirav S. Mody (upto August 31, 2020)
- B. Mr. Jay B. Mehta (upto August 31, 2020)
- C. D. B. Mody HUF (upto August 31, 2020)
- D. S. B. Mody HUF (upto August 31, 2020)

Following transactions were carried out with related parties:

				(₹ in lakhs)
	Name of the Related Party	Nature of Transaction	2021-22	2020-21
(I)	<b>Holding Company</b>			
	Tau Investment Holdings Pte. Ltd.	Dividend Paid	6,885.83	3,624.53
(II)	<b>Entities controlled by Key Management Personnel</b>			
a.	Jyotindra Family Trust	Payment of Rent	N.A.	19.62
b.	Dinesh Family Trust	Payment of Rent	N.A.	4.87
c.	Shirish Family Trust	Payment of Rent	N.A.	4.87
d.	Jyotindra Mody Ventures LLP	Payment of Rent	N.A.	174.07
		Reimbursement of Expenses	N.A.	4.07
e.	D. B. Mody Enterprises LLP	Payment of Rent	N.A.	174.07
f.	Shirish Mody Property LLP	Payment of Rent	N.A.	174.07
g.	Lekar Pharma Ltd.	Sale of Goods	N.A.	46.35
		Purchases of Goods	N.A.	2,819.19
		Receipt of Manufacturing Charges	N.A.	22.35
		Acquisition of business undertaking	N.A.	850.00
(II)	<b>Key Management Personnel:</b>	<b>Remuneration:</b>		
		Short-term employee benefits	967.64	1,011.76
		Post-employment benefits	44.43	108.32
		Other long-term benefits#	57.46	1,876.12
		<b>Outstanding Payable</b>	-	<b>198.13</b>
(III)	Remuneration to Non-Executive and Independent Director	Sitting Fees	79.00	89.80
		Commission	61.00	43.50

(₹ in lakhs)

	Name of the Related Party	Nature of Transaction	2021-22	2020-21
(IV)	Relative of Key Management Personnel	Short-term Employee Benefits	N.A.	167.76
		Post-Employment Benefits	N.A.	19.98
		Other Long Term Benefits	N.A.	136.74
		Payment of Rent	N.A.	29.50

\*Paid through Gratuity Trust

# Gratuity and leave encashment provisions determined on the basis of actuarial valuation on an overall Company basis have not been considered in the above information. Further expenses pertaining to ESOP plan are not included above. 1,697,234 number of share options have been granted during the year to the KMPs.

**Note:** Figures are inclusive of GST wherever applicable.

#### 45. EARNINGS PER SHARE

Particulars	2021-22	2020-21
Net Profit attributable to Equity Shareholders (₹ in lakhs)	38,535.74	44,796.36
Weighted Average No. of Equity Shares (Nos.)		
Basic	77,282,097	77,282,097
Diluted	77,355,224	77,282,097
Nominal value of equity shares (₹)	2.00	2.00
<b>Earnings per share (₹)</b>		
Basic (₹)	49.86	57.96
Diluted (₹)	49.82	57.96

#### 46. EMPLOYEE STOCK OPTION SCHEME ('ESOP')

- a) Pursuant to approval of the shareholders on July 31, 2021, the Holding Company, during the year, has set up the Employee Stock Options Scheme titled "JBCPL Employee Stock Options Scheme, 2021" ("Scheme") with the objects inter-alia to create sense of ownership among the employees, attract and retain needed talent and to incentivise them to achieve growth objectives. The Scheme covers eligible employees/directors of the group. The Scheme provides for settlement in Equity and number of equity shares presently reserved under the Scheme are 3,091,284 equity shares of Face Value of ₹ 2 representing 4% of the paid-up equity share capital as at March 31, 2021. Details of the options granted during the year under the Scheme(s) are as given below:

Grant date	No. of options granted	Exercise price (range) per option
August 10, 2021	2,599,621	745-1,200
October 4, 2021	206,463	1,200

Each vested option entitles the option grantee to apply for and be allotted one (1) equity share of ₹ 2 each in the Holding Company and the exercise period in respect of all the options is a period of ten (10) years from the date of grant.

The Scheme is compliant with the provisions of Securities and Exchange Board of India (Share-Based Employee Benefits) Regulations, 2014, Companies Act, 2013 and other applicable rules and regulations. The options granted, exercise price, vesting period and other terms and conditions applicable to the grants made are in compliance with the Scheme and applicable regulations.

b) The movement of share options during the year and weighted-average exercise prices thereof is as under:

Particulars	No. of options	Range of exercise price per option (₹)	Weighted-average exercise price per option (₹)
Outstanding at the beginning of the year	Not applicable		
Granted during the year	2,810,721	745 to 1,200	892
Forfeited/cancelled during the year	Nil		
Lapsed during the year	4,637		
Expired during the year	Nil		
Exercised during the year	Nil		
Outstanding at the end of the year	2,806,084	745 to 1,200	892
Exercisable at the end of the year	Nil		

c) The exercise price and weighted average remaining contractual life in respect of the options outstanding at the end of the year are as under:

Number of Options outstanding	Exercise price per share (₹)	Weighted-average remaining contractual life (in years)
1,896,502*	745	9.36
909,582**	1,200	9.44

\*includes 1,137,901 performance-based options

\*\* includes 434,860 performance-based options.

d) The Holding Company has measured the fair values of the services received/to be received as consideration for options granted indirectly, by reference to the fair value of such options. The weighted-average fair values of the options granted during the year and relevant disclosures in relation to areas under:

Particulars	Grant-1	Grant-2
Grant Date	August 8, 2021	October 4, 2021
Performance-based options granted (Nos.)	1,451,666	121,095
Weighted-average fair value at the measurement date (₹)	692	693
Time-based options granted (Nos.)	1,147,955	85,368
Weighted-average fair value at the measurement date (₹)	1,090	1,006

Option Pricing Model used for measurement of fair value wherein a combination of Monte-Carlo Simulation and Black-Scholes Merton model for performance based options is used and Black-Scholes Merton model for time-based options is used

Particulars	Time-based options	Performance-based options
Expected Volatility	33% to 36%*	36%
Weighted average share price		
Grant 1	₹1,809.00	₹1,809.00
Grant 2	₹ 1,886.20	₹ 1,886.20
Exercise Price per share	₹ 745 ₹ 1,200	₹ 745 ₹ 1,200
Option life#	5.5 years to 7.5 years*	2 years
Expected dividends	1.5%	1.5%
Risk free interest rate		
Grant 1	5.5% to 6.5%**	7.80%
Grant 2	5.8% to 6.3%**	7.66%

\* The range has been expressed as expected volatility for time-based options is varying for each tranche over the vesting period

\*\* The range has been expressed as risk free interest rate is varying for the period involved in each tranche over the vesting period.

# Option life for the performance based options has been computed based on assumed vesting at the end of FY 27.

- (e) The effect of share-based payment transactions on the Group's profit for the period, on its financial position and earnings per share is presented below. No option was vested by the end of the period.

Particulars	2021-22
Profit after tax as reported	38,603.89
Employee compensation cost recognized during the period	6,265.35
Total carrying amount in Employee Stock Options Outstanding Reserve	6,265.35
Earnings per share (₹)	
Basic (₹)	56.02
Diluted (₹)	55.97

47. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019, and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application, that is, April 1, 2019.

On initial application, the Group measures lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, and measures that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of initial application.

**A) Following are the changes in the carrying amount of Right-of-Use Assets:**

(₹ in lakhs)

Particulars	2021 -22	2020 -21	2021 -22	2020 -21
	Leasehold Land		Other Buildings	
Gross Block as at beginning of the year	1,358.95	1,077.88	1,840.93	1,427.00
Additions	-	292.75	3,082.30	1,670.82
Deletion	708.50	(11.68)	(1,355.90)	(1,274.42)
Foreign Currency Translation Reserve	-	-	29.28	17.53
Balance as at the end of the year (A)	650.45	1,358.95	3,596.61	1,840.93
Cumulative Depreciation as at the beginning of the year	129.93	123.45	602.19	818.65
Depreciation for the year	7.65	12.26	761.98	792.12
Depreciation on deletion	(38.27)	(5.78)	(593.21)	(1,020.28)
Foreign Currency Translation Reserve	-	-	32.94	11.70
Cumulative Depreciation as at the end of the year (B)	99.31	129.93	803.90	602.19
Balance as at the end of the year (A-B)	551.14	1,229.02	2,792.71	1,238.74

**B) The following is the movement in Lease Liabilities:**

(₹ in lakhs)

Particulars	2021-22	2020-21
<b>Other Buildings</b>		
Balance as at beginning of the year	1,234.33	618.22
On Transition to Ind AS 116		-
Additions during the year	3,000.24	1,631.59
Finance Costs incurred during the year	162.38	61.46
Deletion on Cancellation of lease	(768.80)	(261.34)
Payment of lease liabilities	(803.77)	(815.60)
Foreign Currency Translation Reserve	-	-
Balance as at end of the year	2,824.38	1,234.33

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakhs)

Particulars	2021-22	2020-21
Due within one year	879.29	771.13
Due within One year to five years	2,310.10	544.96
<b>Total undiscounted Lease Liabilities</b>	<b>3,189.39</b>	<b>1,316.09</b>
Lease Liabilities included in the Statement of Consolidated Financial Position		
Non-current Liabilities	2,061.76	514.14
Current Liabilities	762.62	720.19
<b>Total</b>	<b>2,824.38</b>	<b>1,234.33</b>

The Group does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**C) The following amounts are recognised in the Consolidated Statement of Profit and Loss for the year ended March 31, 2022:**

(₹ in lakhs)

Particulars	2021-22	2020-21
Interest Expenses on Financial Liabilities	162.38	61.46
Depreciation	761.98	792.12
Expenses relating to Short Term Lease	134.03	114.86

**D) The following amounts are recognised in the Consolidated Statements of Cash Flows:**

(₹ in lakhs)

Particulars	2021-22	2020-21
Total Cash Outflows for leases	803.77	815.60

#### 48. CSR EXPENDITURE:

Gross amount required to be spent during the year ₹ 693.62 lakhs (previous year ₹ 509.35 lakhs).

Amount spent during the year ₹ 695.09 lakhs (previous year ₹ 516.75 lakhs) as detailed hereunder:

(₹ in lakhs)

Nature of activity	2021-22	2020-21
Disaster Management	161.92	344.23
Promoting Healthcare including preventive healthcare	347.83	149.40
Promotion of Education	82.47	23.12
Eradication Of Hunger and Malnutrition	68.87	–
Administrative Overhead for General Management and Administration of CSR Function	34.00	–
<b>Total</b>	<b>695.09</b>	<b>516.75</b>

The Holding Company has one ongoing project as at March 31, 2022, as defined under the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended). The Holding Company fully spent the amount allocated by the Board for this project for the FY 2021-22.

## 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group has exposure to the following risks arising from financial instruments:

- a) Credit Risk
- b) Liquidity Risks
- c) Market Risk

### Risk Management Framework

Group's Senior Management ("Management") has overall responsibility for establishment of the Group's risk management framework. the Management is responsible for developing and monitoring the Group's risk management policies, under the guidance of Audit Committee. The Management identifies, evaluates and analyses the risks to which the Group is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

The Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Group. The Management, through, its interaction, and training to concerned employees, aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit Committee oversees how the Management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which the Group is exposed. The Audit Committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### a) Credit Risk:

Credit risk, is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The Group's exposure and credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks, is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

As regards credit risk for investment in mutual funds, the Group limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds, which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. The Group monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties from time to time.

Credit risk from trade receivables is managed by the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from stockist, distributors and direct customers and are mostly non-interest bearing. Trade receivables generally ranges from 30 - day to 180- day credit term. Credit limits are established for customers based on internal criteria and any deviation in credit limit require approval of the Head of the department and / or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the Group for more than 3 years, and they are being monitored by individual business managers who deals with those customers. The Management monitors trade receivables on regular basis and take suitable action where needed to control the receivables crossing set criterias / limits. Also, in the case of international business, particularly new customers, the Management reviews the business risk by evaluating economic situation of the country and the customers, and generally starts the relation either on advance payment or on the basis of confirmed irrevocable Letter of Credit.

The Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the Group's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low. Of the trade receivables balance at the end of the year, ₹ 6,845.93 lakhs (March 31, 2021: ₹ 6,284.42 lakhs) is due from a single counter party which is in excess of 10% of total trade receivables.



For trade receivables, as a practical expedient, the Group determines credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables, and is adjusted for forward-looking estimates.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Expected credit loss as at the beginning of the year	480.34	424.77
Changes during the current year	(105.65)	55.57
Expected credit loss as at the end of the year	374.69	480.34

#### b) Liquidity Risk:

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

#### Exposure to Liquidity Risk

The following are the remaining contractual maturities of undiscounted financial liabilities at the reporting date.

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Less than 1 Year	More than 1 Year	Total	Less than 1 Year	More than 1 Year	Total
<b>Non-Derivatives</b>						
Borrowings	2,631.50	–	2,631.50	3,264.46	–	3,264.46
Trade Payables	22,447.97	–	22,447.97	18,692.34	–	18,692.34
Other Financial Liabilities	6,646.67	2,061.76	8,708.43	7,561.50	514.14	8,075.64
<b>Derivatives</b>						
Forward Contracts	–	–	–	45.74	–	–

#### c) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises three types of risks;

- Interest Rate Risk
- Currency Risk and
- Equity Price Risk.

Financial instruments affected by market risk includes borrowings, investments, trade receivables, trade payables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return

**i) Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has not used any interest rate derivatives.

The Group's interest-bearing financial instruments mainly includes:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Overdraft	–	621.18
Export Packing Credit in Rupees	2,000.00	2,000.00
Export Packing Credit in Foreign Currency	631.50	643.28
<b>Total</b>	<b>2,631.50</b>	<b>3,264.46</b>

The Group has insignificant interest-bearing financial instruments as referred above and, hence, the exposure to risk of changes in market interest rates is very low.

**ii) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Primarily, the exposure in foreign currencies are denominated in USD, EURO, AED, RUBLE and ZAR. At any point of time, the Group covers foreign currency risk by taking appropriate percentage of its net foreign currency exposure by entering into forward exchange contracts on past performance basis mostly with a maturity of less than one year from the reporting date. In respect of monetary assets and liabilities denominated other than in USD, EURO, AED, RUBLE and ZAR, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances.

All such hedged transactions are carried out within the guidelines set by the risk management committee. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

(₹ in lakhs)

Currency	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	2,021.67	1,853.29	22,116.59	18,588.65
EURO	985.52	1,105.26	6,904.72	4,557.28
AED	606.45	422.35	1,772.42	1,518.24
AUD	198.55	32.14	2,531.71	28.09
GBP	–	175.35	86.46	104.49
RUB	–	–	8.18	1.31
UAH	–	–	5.47	1.15

**Details of Hedged Exposure in Foreign Currency Denominated Monetary Items**

The Group enters into foreign exchange forward contracts to hedge against its foreign currency exposure relating to the underlying transactions based on past performance. The Group does not enter into any derivative instruments for trading or speculative purpose.

The foreign exchange forward contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

(₹ in lakhs)

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency (in Mn.)	₹ in Lakhs*	Foreign Currency (in Mn.)	₹ in Lakhs*
Forward contract to sell USD	34.35	26033.01	23.75	17,363.63
Forward contract to sell Euro	4.98	4,189.06	4.25	3,645.86
Forward contract to sell Ruble	380.53	3,462.82	278.65	2,695.41
Forward contract to sell AUD	3.50	1,985.81	–	–
Forward contract to buy USD	4.54	3,438.21	3.88	2,837.13

\* Translated at the year end exchange rates.

### Impact of hedging activities

The Group uses foreign exchange forward and currency option contracts to hedge against the foreign currency risk of highly probable sales. Such derivative financial instruments are governed by the Holding Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

#### a) Disclosure of effects of hedge accounting in the Company's balance sheet

(₹ in lakhs)

Type of hedge	Carrying amount			Maturity Date	Hedge ratio	Weighted average strike price/ rate
	Nominal Amount (₹ in lakhs)	Assets Amount (₹ in lakhs)	Liabilities Amount (₹ in lakhs)			
March 31, 2022 Cash Flow Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	23,642.76	132.89	–	April, 2022-March, 2023	1:1	1 USD=77.99 1 EUR=87.82
March 31, 2022 Fair Value Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	35,940.49	293.23	–	April, 2022-March, 2023	1:1	1 USD=76.62 1 EUR=85.73 1 RUB=0.89 1 AUD=56.30

(₹ in lakhs)

Type of hedge	Carrying amount			Maturity Date	Hedge ratio	Weighted average strike price/ rate
	Nominal Amount (₹ in lakhs)	Assets Amount (₹ in lakhs)	Liabilities Amount (₹ in lakhs)			
March 31, 2021Cash Flow Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	–	–	–	–	–	–
March 31, 2021 Fair Value Hedge Foreign Exchange Risk						
i) Foreign exchange forward contracts (refer note 16)	24,426.40	466.62	–	April, 2021-March, 2022	1:1	1 USD=75.24 1 EUR=89.44 1 RUB=0.99

## b) Disclosure of effects of hedge accounting in the Company's profit or loss and other comprehensive income

(₹ in lakhs)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss (recognised as component of revenue)	Amount recognised in profit or loss
<b>March 31, 2022 Foreign Exchange Risk</b>				
i) Cash flow hedge	132.89	–	–	–
ii) Fair value hedge	–	–	–	293.23
<b>March 31, 2021 Foreign Exchange Risk</b>				
i) Cash flow hedge	–	–	–	–
ii) Fair value hedge	–	–	–	466.62

Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instruments. It is calculated by comparing changes in fair value of the hedged item, with the changes in fair value of the hedging instruments.

If the hedge ratio for risk management purposes is no longer optimal, but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

## c) Movement in Cash Flow Hedging Reserve and Costs of Hedging Reserve

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance</b>	–	<b>N.A.</b>
Add: Changes in fair value	132.89	N.A.
Less: Amount reclassified to profit or loss	–	N.A.
Less: Deferred tax relating to above	33.44	N.A.
<b>Closing balance</b>	<b>99.45</b>	<b>N.A.</b>

Details of Unhedged Exposure in Foreign Currency Denominated Monetary Items:

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency (in Mn.)	₹ in lakhs	Foreign Currency (in Mn.)	₹ in lakhs
<b>RECEIVABLE:</b>				
USD	–	–	1.68	1,225.02
EURO	3.21	2,715.66	1.06	911.43
AED	8.60	1,772.42	7.63	1,518.24
AUD	0.96	545.90	0.05	28.09
GBP	0.09	86.46	0.10	104.49
UAH	0.22	5.47	0.04	1.15
<b>PAYABLE:</b>				
USD	–	–	2.39	1,747.72
EURO	1.19	985.52	1.29	1,105.26
AED	2.94	606.45	2.12	422.35
AUD	0.35	198.55	0.06	32.14
GBP	–	–	0.17	175.35

The Group is mainly exposed to changes in USD, EURO, AED and AUD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD, EURO, AED and AUD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 1% represents the Management's assessment of reasonably possible change in foreign exchange rate.

A positive number below indicates an increase in profit and other equity and a negative number would indicate a corresponding decrease.

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
1% Depreciation in INR	USD	–	(5.23)
1% Appreciation in INR	USD	–	5.23
1% Depreciation in INR	EURO	17.30	(1.94)
1% Appreciation in INR	EURO	(17.30)	1.94
1% Depreciation in INR	AED	11.66	10.90
1% Appreciation in INR	AED	(11.66)	(10.90)
1% Depreciation in INR	AUD	3.47	(0.04)
1% Appreciation in INR	AUD	(3.47)	0.04

### iii) Equity Price Risk:

The Group does not have any exposure to equity price risk, as there is no major investment in equity, except in its own subsidiaries, and accordingly, exposure to risk of changes in price is very low.

## 50. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard the Group's ability to remain as a going concern and to maintain an optimal capital structure, so as to maximise shareholder's value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or buy back of shares. The current capital structure of the Group is equity based with low financing through borrowings. The Group is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

## 51. FAIR VALUE MEASUREMENT

### A) The Carrying value and Fair value of financial assets and liabilities by categories are as follows:

(₹ in lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets at amortised cost (non-current)</b>				
Loans and other security deposits	547.87	518.75	547.87	518.75
Other financial assets	8.53	18.53	8.53	18.53
<b>Financial Assets at amortised cost (current)</b>				
Trade receivables	55,568.68	38,901.91	55,568.68	38,901.91
Cash and bank balances	5,852.79	3,085.17	5,852.79	3,085.17

(₹ in lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans and other security deposits	323.62	192.96	323.62	192.96
Other financial assets	3,712.92	2,458.40	3,712.92	2,458.40
<b>Financial liabilities at amortised cost ( non-current)</b>				
Lease Liabilities	2,061.76	514.14	2,061.76	514.14
<b>Financial liabilities at amortised cost ( current)</b>				
Borrowings	2,631.50	3,264.46	2,631.50	3,264.46
Trade payables	22,447.97	18,692.34	22,447.97	18,692.34
Lease Liabilities	762.62	720.19	762.62	720.19
Others	5,884.05	6,841.31	5,884.05	6,841.31
<b>Financial Assets at Fair value through profit and loss (non-current)</b>				
Investments in units of mutual funds and in equity instruments of entities other than subsidiaries	1,272.21	1,290.87	1,272.21	1,290.87
<b>Financial Assets at Fair value through profit and loss (current)</b>				
Investment in mutual funds	–	66,497.48	–	66,497.48
Forward contract (refer note 16)	293.23	466.62	293.23	466.62
<b>Financial Assets at Fair value through other comprehensive Income (current)</b>				
Derivative designated as hedge (refer note 16)	132.89	–	132.89	–
<b>Financial Liabilities at Fair value through profit and loss (current)</b>				
Derivative designated as hedge	–	45.74	–	45.74

## B) Level-wise disclosures of financial assets and liabilities by categories are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	Level	Valuation techniques and key inputs
<b>Financial Assets at amortized cost (non-current)</b>				
Security Deposits	473.46	463.85	3	Discounted cash flow method using interest rate for similar financial instrument
<b>Financial Assets at Fair value through profit and loss (non-current)</b>				
Investment in Equity shares	1,272.21	1,290.87	3	Value based on the NAV as per latest audited financial statement available, which in view of the Management fairly represents fair value.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	Level	Valuation techniques and key inputs
<b>Financial Assets at amortized cost (current)</b>				
Other Security Deposits	148.08	113.03	3	Discounted cash flow method using interest rate for similar financial instrument
<b>Financial Assets at Fair value through profit and loss (current)</b>				
<b>Investment in mutual funds</b>	–	66,497.48	1	Quoted NAV in active markets
Derivative designated as hedge (refer note 16)	293.23	466.62	2	Forward contracts are valued using available information from the banks.
Financial Assets at Fair Value through Other Comprehensive Income (current)				
Derivative designated as hedge (refer note 16)	132.89	–	2	Forward contracts are valued using available information from the banks.
Financial Liabilities at Fair value through profit and loss (current)				
Derivative designated as hedge	–	45.74	2	Forward contracts are valued using available information from the banks.

Fair value of cash and cash equivalents, short-term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

During the reporting period ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

#### C) Reconciliation of the opening and closing balances for Level 3 fair value:

(₹ in lakhs)

Particulars	2021-22	2020 -21
<b>Investment in Equity shares</b>		
Opening Balance	1,290.87	1,288.47
Fair value changes of Investment designated as FVTPL	(18.67)	2.40
Closing Balance	1,272.20	1,290.87

One percentage point change in the unobservable inputs used in fair valuation of Level 3 assets or liabilities does not have significant impact in its value.



**52. RATIOS**

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

(₹ in lakhs)

Sr. No.	Particulars	Numerator	Denominator	As at March 31,		Variance (in %)
				2022	2021	
1	Current ratio	Current Assets	Current Liabilities	3.32	4.50	(26.12%)*
2	Debt-Equity ratio	Borrowings	Total Shareholder's Equity	0.026	0.025	2.84%
3	Debt service coverage ratio	Earnings Available for Debt Services	Debt Service	11.17	8.84	26.36%
4	Return on Equity ratio	Net Profit after Tax	Total Shareholder's Equity	18.09%	24.78%	(6.69%)
5	Inventory turnover ratio	Cost of Goods Sold	Average Inventory	2.23	2.26	(1.30%)
6	Trade payables turnover ratio	Net Credit Purchases	Average Accounts Payables	4.49	4.60	2.39%
7	Trade receivables turnover ratio	Net Annual Credit Sales	Average Accounts Receivables	5.13	5.56	(7.73%)
8	Net capital turnover ratio	Net Annual Credit Sales	Working Capital	2.72	1.69	60.95%#
9	Net profit ratio	Net Profit after Tax	Net Annual Credit Sales	15.92%	21.96%	(6.04%)
10	Return on Capital Employed	Earnings Before Interest and Tax	Capital Employed	21.17%	25.98%	(4.81%)
11	Return on Investments	Income generated from investments	Time weighted-average investments	5.68%	10.15%	(4.47)%

\*Redemption of current investment for acquisition of brands leads to variation in ratio.

# Redemption of current investment for acquisition of brands leads to decrease in working capital, and the same resulted to variation in ratio.

**53. RECLASSIFICATION NOTE**

The figures for the corresponding previous year have been regrouped/reclassified, wherever necessary, to make them comparable.

**54. UNFORESEEABLE LOSSES**

The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group did not have any long-term contracts (including derivative contracts), for which there were any material foreseeable losses.

**55. IMPACT OF CODE ON SOCIAL SECURITY, 2020**

The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Group will assess the impact and its evaluation, once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**56. EVENTS AFTER THE REPORTING PERIOD****a) Dividend**

The Board of Directors of the Holding Company has recommended a final dividend of ₹ 8.00 per fully paid up equity shares (face value of ₹ 2/- each) amounting to ₹ 6182.56 lakhs for the financial year 2021-22, which is based on relevant share capital as on March 31, 2022. The actual dividend amount will be dependent on the relevant share capital outstanding as on record date / book closure. The recommended dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Holding Company.

**b) Acquisition of Trademark assignment of Azmarda from Novartis AG:**

On April 01, 2022, the Board of Directors of the Holding Company approved the trademark assignment of Azmarda brand, for use and commercialisation within India, from Novartis AG, Switzerland, for a consideration of USD 32.5 Million (₹ ~ 246.00 lakhs). The transaction was complete on April 11, 2022.

## 57. ADDITIONAL INFORMATION PERTAINING TO HOLDING AND SUBSIDIARY COMPANIES

(₹ in lakhs)

Name of 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 comprehensive income	Amount	As % of total comprehensive income	Amount
<b>HOLDING COMPANY</b>								
J. B. Chemicals & Pharmaceuticals Ltd	98.37	2,10,366.70	93.68	36,100.21	27.31	106.59	93.01	36,206.80
<b>FOREIGN SUBSIDIARIES</b>								
OOO Unique Pharmaceutical Laboratories, Russia*	0.87	1,858.50	0.68	263.79	–	–	0.68	263.79
Unique Pharmaceutical Laboratories FZE, Dubai	4.75	10,151.82	(0.41)	(157.34)	–	–	(0.40)	(157.34)
Biotech Laboratories (Pty) Ltd, South Africa	4.86	10,402.41	3.72	1,431.68	–	–	3.68	1,431.68
Non-controlling Interest	0.21	448.99	0.18	68.15	2.65	10.33	0.20	78.48
Total Eliminations	(9.06)	(19,367.13)	2.15	829.25	70.04	273.35	2.83	1102.60
<b>TOTAL</b>	<b>100.00</b>	<b>213,861.29</b>	<b>100.00</b>	<b>38,535.74</b>	<b>100.00</b>	<b>390.27</b>	<b>100.00</b>	<b>38,926.01</b>

\* The Group considered the uncertainties relating to the geopolitical situation in Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Group considered internal and external sources of information up to the date of approval of these financial results. Based on its judgements, estimates and assumptions, including sensitivity analysis, the Group expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Group will continue to closely monitor any material changes to future economic conditions.

## 58. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 ("COVID-19")

Based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Group continues to believe that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, tangible and intangible assets, investments, trade receivables and other financial assets. However, concerns of Covid-19 pandemic still continue as availability of the vaccines on mass scale may take time and hence, the Group continues to follow necessary safety guidelines. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements, and the Management will continue to closely monitor the changes to economic conditions in future and its impact on the Group.

59. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend, or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For and on behalf of the Board of Directors

**Nikhil Chopra**  
Chief Executive Officer & Whole-Time Director  
DIN: 07220097

**Prashant Kumar**  
Director  
DIN: 08342577

**Lakshay Kataria**  
Chief Financial Officer

**Sandeep Phadnis**  
Company Secretary

Place: Mumbai  
Date: May 26, 2022

# FORM NO. AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statements of subsidiaries/Joint ventures

## PART "A": SUBSIDIARIES

Name of subsidiary	Unique Pharmaceutical Laboratories FZE, Dubai	Biotech laboratories (Pty) Ltd., South Africa	LLC Unique Pharmaceutical Laboratories, Russia
Reporting period for the subsidiary	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022	01/04/2021 to 31/03/2022
Reporting currency	AED	ZAR	RUBLE
Exchange rate to INR as on 31/03/2022	20.62	5.22	0.91
Share capital	9,414.76	0.29	3,881.92
Reserves & surplus	737.06	10,402.09	(2023.42)
Total assets	10,501.51	15,579.56	6641
Total Liabilities	10,501.51	15,579.56	6641
Investments	9,650.41	–	–
Turnover	–	28,940.75	7,187.77
Profit before taxation	(157.33)	1,959.0	329.33
Provision for taxation	–	(527.35)	65.54
Profit after taxation	(157.33)	1,431.67	263.79
Proposed Dividend	–	–	–
% of shareholding	100	95.24	100

## PART "B": JOINT VENTURE

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

Name of Joint Venture	Not Applicable
Latest audited balance sheet date	Not Applicable
Shares of the Joint Venture held by the company on the year end No.	Nil
Amount of Investment in Joint Venture	Nil
Extend of Holding %	Nil
Description of how there is significant influence	Not Applicable
Reason why the joint venture is not consolidated	Not Applicable
Net-worth attributable to shareholding as per latest audited Balance Sheet	
Profit for the year	
i. Considered in consolidation	Not Applicable
ii. Not considered in consolidation	Not Applicable

For and on behalf of the Board of Directors

**Nikhil Chopra**  
Chief Executive Officer & Whole-Time Director  
DIN: 07220097

**Prashant Kumar**  
Director  
DIN: 08342577

**Lakshay Kataria**  
Chief Financial Officer

**Sandeep Phadnis**  
Company Secretary

Place: Mumbai  
Date: May 26, 2022

# TEN-YEAR FINANCIAL SUMMARY

(₹ in lakhs)

Particulars	12-13	13-14	14-15	15-16	#16-17	#17-18	#18-19	#19-20	#20-21	#21-22
<b>Balance Sheet</b>										
Share Capital	1,694.15	1,694.63	1,696.16	1,696.40	1,696.40	1,671.40	1,604.73	1,545.64	1,545.64	1,545.64
Reserves and Surplus	99,206.03	1,03,086.53	99,934.99	1,12,478.57	1,37,089.73	1,43,667.41	1,46,851.50	1,42,983.44	1,79,100.45	2,08,821.06
Loan Funds	4,960.36	9,278.06	10,521.80	17,480.19	4,886.03	2,847.62	2,579.77	3,203.61	2,643.28	2,631.50
Deferred Tax Liability (Net)	2197.49	1,988.93	2,162.22	2,282.97	2,895.35	4,970.15	7,115.12	5,884.58	6,376.60	5,191.50
Other non-current liabilities	-	-	-	-	395.48	360.01	220.29	706.21	1,007.36	2,192.39
<b>Total</b>	<b>1,08,058.03</b>	<b>1,16,048.15</b>	<b>1,14,315.17</b>	<b>1,33,938.13</b>	<b>1,46,962.99</b>	<b>1,53,516.59</b>	<b>1,58,371.41</b>	<b>1,54,323.48</b>	<b>1,90,673.33</b>	<b>2,20,382.09</b>
<b>Application of Funds</b>										
Net Fixed Assets (Incl. Capital WIP)	29917.34	32,852.81	35,604.09	50,040.35	61,245.27	58,731.00	56,720.09	59,937.40	59,017.06	1,22,234.08
Investments	43365.78	53,611.41	59,749.74	51,304.77	54,377.04	56,669.07	58,949.23	53,623.39	81,085.03	14,568.89
<b>Current Assets, Loans and Advances:</b>										
Inventories	8988.92	11,122.70	12,847.40	13,329.31	15,995.57	17,581.44	20,810.42	23,203.82	27,891.28	34,978.44
Sundry Debtors	19464.31	24,805.15	24,849.05	26,802.32	26,509.52	30,054.05	30,092.38	34,423.91	37,410.81	51,804.80
Cash & Bank Balances	14910.99	1,080.30	905.52	1,080.03	740.49	1,495.33	2,076.80	1,156.29	2,642.91	3,967.14
Loans and Advances	10635.07	10,720.84	10,920.23	12,255.45	9,569.38	12,134.71	10,562.62	8,756.59	11,995.83	26,253.17
<b>Total Currents Assets</b>	<b>53999.29</b>	<b>47,728.99</b>	<b>49,522.20</b>	<b>53,467.11</b>	<b>52,814.96</b>	<b>61,265.53</b>	<b>63,542.22</b>	<b>67,540.61</b>	<b>79,940.83</b>	<b>1,17,003.55</b>
<b>Less: Current Liabilities and Provisions:</b>										
Current Liabilities	14458.26	13,467.30	14,481.85	18,720.86	19,798.88	21,290.42	20,133.15	25,566.36	25,650.70	27,973.61
Provisions	4766.12	4,677.76	16,079.01	2,153.24	1,675.40	1,858.59	706.98	1,211.56	3,718.89	5,450.83
<b>Net Current Assets</b>	<b>34,774.91</b>	<b>29,583.93</b>	<b>18,961.34</b>	<b>32,593.01</b>	<b>31,340.68</b>	<b>38,116.52</b>	<b>42,702.09</b>	<b>40,762.69</b>	<b>50,571.24</b>	<b>83,579.11</b>
<b>Total</b>	<b>1,08,058.03</b>	<b>1,16,048.15</b>	<b>1,14,315.17</b>	<b>1,33,938.13</b>	<b>1,46,962.99</b>	<b>1,53,516.59</b>	<b>1,58,371.41</b>	<b>1,54,323.48</b>	<b>1,90,673.33</b>	<b>2,20,382.08</b>
<b>Profit and Loss Statement</b>										
Sales	79,446.05	93,443.47	1,03,813.61	1,11,993.24	1,16,744.55	1,22,780.56	1,46,444.85	1,60,619.62	1,84,907.75	2,16,239.43
Other income	4,792.27	5,963.69	3,369.39	8,115.92	7,713.90	6,218.39	7,696.35	8,389.09	15,480.74	6,609.58
<b>Total Income</b>	<b>84,238.32</b>	<b>99,407.16</b>	<b>1,07,183.00</b>	<b>1,20,109.16</b>	<b>1,24,458.45</b>	<b>1,28,998.95</b>	<b>1,54,141.20</b>	<b>1,69,008.71</b>	<b>2,00,388.49</b>	<b>2,22,849.01</b>
<b>Total Expenses</b>	<b>73,463.85</b>	<b>83,558.38</b>	<b>91,272.58</b>	<b>97,399.56</b>	<b>1,02,780.09</b>	<b>1,11,094.65</b>	<b>1,27,213.67</b>	<b>1,34,052.54</b>	<b>1,41,017.69</b>	<b>1,75,719.74</b>
<b>Profit before extraordinary item and taxation</b>	<b>10,774.47</b>	<b>15,848.78</b>	<b>15,910.42</b>	<b>22,709.60</b>	<b>21,678.36</b>	<b>17,904.30</b>	<b>26,927.53</b>	<b>34,956.17</b>	<b>59,370.80</b>	<b>47,129.27</b>
<b>Profit after taxation</b>	<b>8,493.85</b>	<b>6,842.55</b>	<b>11,358.25</b>	<b>17,638.85</b>	<b>17,296.46</b>	<b>12,800.14</b>	<b>18,205.92</b>	<b>26,814.40</b>	<b>44,708.48</b>	<b>36,100.21</b>
<b>Earnings Data:</b>										
Earning per share (₹)	10.03	8.08	13.40	20.80	20.39	15.24	22.15	33.70	57.85	46.71
Book Value per share (₹)	119.12	123.66	119.84	134.61	163.62	173.91	185.02	187.01	233.75	272.21
<b>Dividend:</b>										
In ₹ per share	3.00	3.00	14.00	5.00	1.00	2.00	5.00	11.00	16.50	16.50
Percentage (%)	150	150	**700	250	50	100	250	550	825	825

\*\* Includes special dividend of ₹ 10 (500%) per share

# prepared in accordance with new accounting standards prescribed under Companies (Indian Accounting Standards) Rules, 2015 applicable to the Company w.e.f. April 1, 2016.

Share capital and reserves for 2017-18, 2018-19 and 2019-20 are after buy-back outgo of ₹ 50 crores, ₹130 crores and ₹ 130 crores respectively.



# While our '**look**' has changed, our values remain.

We will continue to meet today's healthcare challenges with the highest quality products and services that are accessible and affordable.

We will fulfil our commitment to patients, healthcare providers, and all stakeholders.

We will give back to society through our initiatives in education, health and community wellness.

## **GOOD PEOPLE** *for* **GOOD HEALTH**

That's what our new identity says. That is what we are and always will be.



**GOOD PEOPLE**  
*for* **GOOD HEALTH**

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