

16th

ANNUAL REPORT

2021-22



YEARS OF
EXCELLENCE





FORWARD-LOOKING STATEMENTS

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.

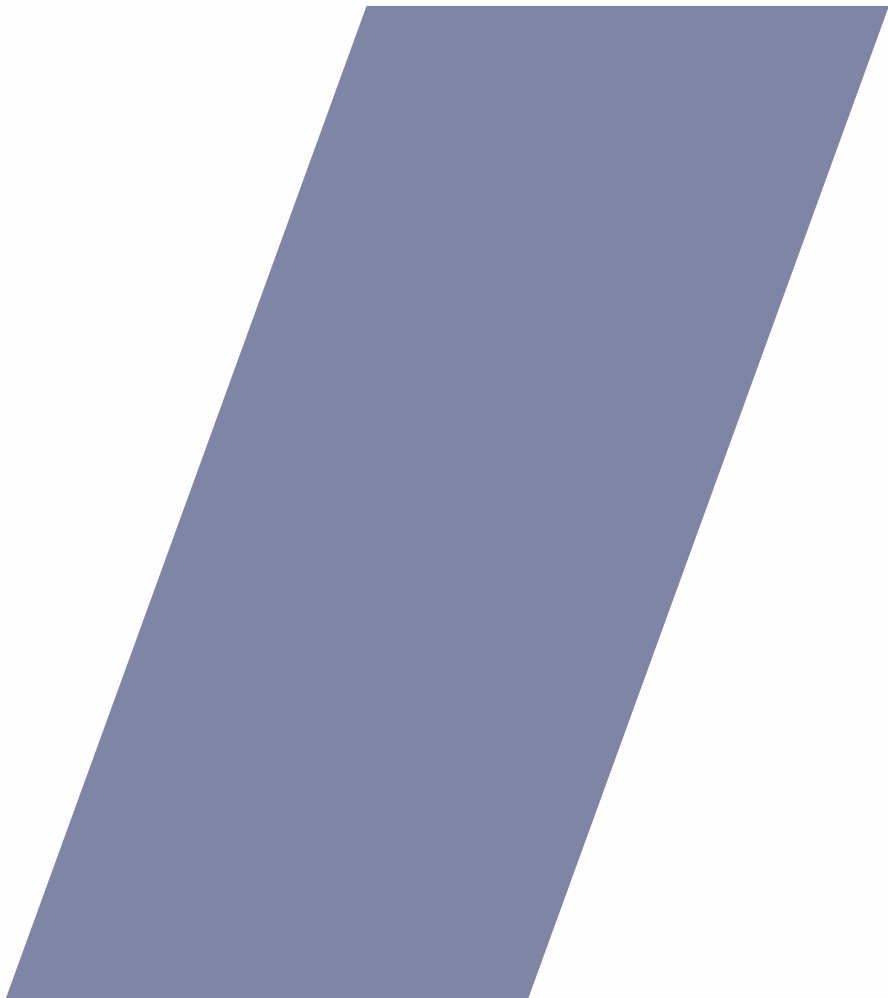


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FY 22

Op. Revenue (INR)

13,470 mn

11.2 % yoy growth

EBITDA (INR)

4,850 mn

12.6 % yoy growth

PAT (INR)

4,058 mn

14.3 % yoy growth

EPS (INR)

29.89

14.3 % yoy growth

RoIC*

33.9 %

37 bps yoy growth

RoE*

33.4 %

264 bps yoy growth

**RoIC and RoE are excluding treasury investments, cash & cash equivalents*

Patient Care Initiatives

For Better Clinical Outcomes

Patient centricity has been the focal point of our clinician engagement and the driving force for all our efforts. These initiatives allow us to engage with our physicians in an open and sustained manner while bringing them data driven solutions that help them to engage with patients and improve health outcomes.

The need for enhanced knowledge and understanding among patients of their own health, well-being, and healthcare choices, eventually leading to improved care and decreased levels of illness, cannot be stressed enough. The pandemic has only brought this need to the forefront. Recognising our role as a responsible partner in the healthcare delivery ecosystem, we stepped up our efforts to

empower patients and are now facilitating 1,500+ ABPMs per month and 600+ CGMs per month. These initiatives, which spearhead our clinician engagement across various therapies like diabetes care, cardiac care, neurology and women's health, bring state-of the art diagnosis and monitoring facilities to the patient's doorstep.

Data driven insights derived over the years from these cutting-edge healthcare solutions have reinforced Eris's position as a science led company and have helped us build lasting relationships with Key Opinion Leaders and Specialist doctors in our coverage.





Number of Patients Screened **1,09,049**



Number of Patients Screened **55,229**



Number of Patients Screened **28,764**



Number of Patients Screened **88,902**



Number of Patients Screened **17,883**



Number of Patients Screened **1,87,104**



Number of Patients Screened **2,49,379**

India Diabetes Study (IDS)

**First-of-its kind
nation-wide study
supported by
Eris Lifesciences**

Understanding Cardiovascular Risk
in Newly Diagnosed
Type 2 Diabetes Patients in India



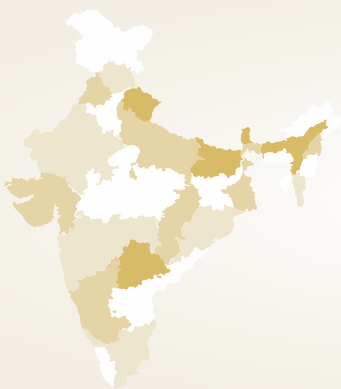
5080
Patients



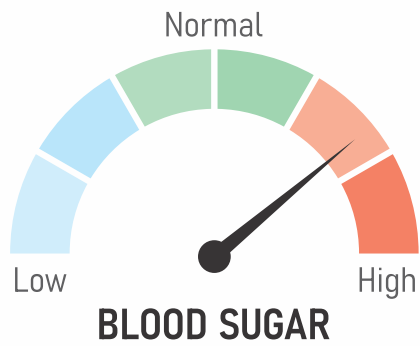
1932
Physicians



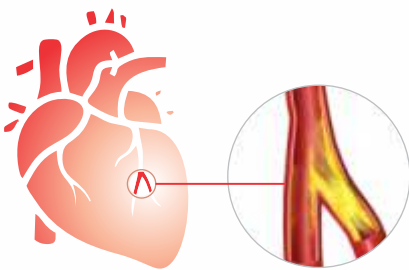
928
Medical centres



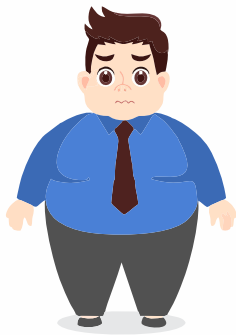
121 Cities across **27** Indian states



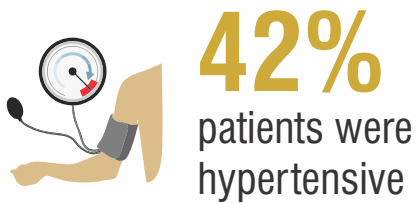
49%
patients had
HbA1c >8





82.5%
patients had at least
one lipid profile abnormality



66%
patients classified
as OVERWEIGHT



 **45%**
Men had
hypertension

 **37.5%**
Women had
hypertension

The study was published in the **Public Library Of Science (PLOS)** journal

CMD's LETTER to Shareholders



One more year has gone by and we have turned 15 years old. We have made rapid strides since our humble beginnings to metamorphosize into India's 22nd largest domestic formulations company. With the Power of Empathy and the Truth of Science as our shining beacons, we continue to scale greater heights in our quest to enable patients towards better health and lifestyles.

The biggest area of focus for FY 22 has been to expand the business and create a growth platform for the next 10 years. The era of patent expirations and exciting new product launches in Oral Anti-Diabetes begins in FY 23 and we expect to gain prominent market positions in the new product launches. We entered the INR 3,500 crore market for Insulin and Analogues in Jan 2022 through an equity partnership with MJ Biopharm in Jan 2022. This initiative further underscores our commitment as a serious stakeholder in managing the diabetes burden of the nation. We launched Xsulin, our brand of human insulin in Feb 2022. We expect to follow this up with Glargine, a key insulin analog in CY 2023 and Liraglutide, a GLP1 Agonist in CY 2024. Our Oral Anti-Diabetes and Insulin franchises were further strengthened in FY 22 by our technology solutions consisting of Blood Glucometers, Continuous Glucose Monitors and HbA1C Monitors.

We entered the INR 11,000+ crore Dermatology segment in May 2022 through the acquisition of a 100% equity stake in Oaknet Healthcare. Eris' Specialty Franchise gets a significant impetus with this acquisition. Oaknet enjoys near 100% coverage of ~11,000 Dermatologists across India with a 60% penetration. With a specialty component of 43% and a strong platform in Medical Dermatology, Oaknet provides us with a robust growth platform in Dermatology as well as Cosmetology. In line with our Strides and Zomelis acquisitions, we are confident that the Oaknet transaction will create long-term value for our shareholders.

We expanded our presence in Women's Healthcare by entering the ~INR 650 crore Dydrogesterone market growing at over 50% p.a. through the launch of our brand Drolute in Q4 of FY 22. This underscores our commitment to invest and grow in Women's Health as a key new therapy for Eris.

With all these expansionary initiatives, Eris is now present in 87% of the INR 55,000 crore Indian Chronic Care Market, with a leading

presence in the major Chronic Therapies – Cardiology, Oral Diabetes Care, Insulin, Neuro/CNS and Dermatology.

We now have 12 divisions (including Insulin) organized into 5 Clusters, of which 7 divisions are dedicated to our flagship cardio-metabolic business. We have 2 Neuropsychiatry divisions, 1 Women' Health division and 2 divisions focused on VMN and other segments. We continue to see strong traction in the expansion of our coverage of Specialists and Consulting Physicians.

As discussed last year, we have an exciting period of organic growth coming up in the next 3-4 years, driven by multiple factors. The series of exciting new launches on account of patent expirations in our core therapies is expected to continue well into FY 25. We will see interesting new product launches in Oral Anti-Diabetes, Cardiology, Insulin Analogues & GLP1 Agonists, as well as in Dermatology and Cosmetology through our Oaknet platform. We continue to make great strides in our Patient Care Initiatives driven by our technology offerings and the culture of empathy that permeates our organization.

On behalf of the Board of Directors, I thank all our stakeholders for 15 years of trust and support. As we begin the next 5-year leg of our journey towards our 20th year, I look forward to your continued support in our endeavours.

With warm regards,

Amit Bakshi

Chairman and Managing Director

FROM THE COO's DESK



Greetings. I have been serving as the Chief Operating Officer of your company for a little over a year now. I had written to you last year that my role is to prepare Eris for the next leg of growth by strengthening our organizational and business operations. We have kick-started several initiatives in this regard in FY 22, the execution of which will continue well into FY 23.

Eris now counts itself among the very few Indian pharma companies to have achieved a PAT of INR 400+ crore in just 15 years from inception. In FY 22 the business clocked a consolidated revenue of INR 1,347 crore with a PAT of INR 406 crore. The company has delivered an EPS CAGR of 18% over the last 2 years and maintained a dividend payout of ~20% over this period. The company has maintained an ROIC of $\geq 30\%$ for the last 13 years in a row. Our business model continues to be cash-accretive with an OCF-to-EBIDTA ratio of 78%. Our standalone field-force productivity has grown to INR 5 lakh, up from INR 4.50 lakh in FY 21 and INR 3.90 lakh in FY 20. This is despite the business operations being hit by successive waves of Covid since March 2020. Team Eris came together yet again with remarkable spirit and determination to deliver yet another successful year.

We continue to differentiate ourselves in the marketplace through our dual levers of (i) India-centric Scientific Studies, and (ii) Patient Care Initiatives. On the back of the Covid pandemic, we completed our India Diabetes Study, which was the first-of-its-kind study in India to assess cardiovascular risk in newly diagnosed Type-2 Diabetes patients. This involved the participation of 5000+ patients, 1900+ physicians and 900+ medical centres across 27 Indian states. The results were published in the Public Library Of Science (PLOS) Journal. Our Patient Care Initiatives achieved new milestones with 1,00,000+ ABPM, 55,000+ Holter and 22,000+ CGM initiatives in the bag since inception. We are presently at monthly run-rates of 2000+ ABPM-On-Call and 1100+ CGM-On-Call initiatives.

We harnessed our inorganic growth levers by way of an equity alliance with MJ Biopharm for the Insulin/ Analogues business and the acquisition of Oaknet Healthcare to propel our entry into Dermatology. With a revenue base of INR 195 crore in FY 22, Oaknet brings marquee brands like Cosvate and Cosmelite into the Eris portfolio. Post the completion of this acquisition, we are now ranked #21 in the Indian Pharma Market with our Top-6 therapies (Diabetes, Cardiology, VMN, Dermatology, CNS and Women's Health) accounting for 90% of our revenue. Chronic and Sub-Chronic therapies continue to account for ~90% of our revenue, and our NLEM exposure (~7%) remains among the lowest in the IPM.

FY 22 saw a significant acceleration in our pace of technology adoption. We completed the implementation of DarwinBox, a best-in-class HR Management System. We completed the groundwork and vendor selection for the implementation of SAP S/4HANA, due for implementation in FY 23. We have migrated the entire

organization to the O365 platform to enhance day-to-day tech. stability and security. We have also implemented the Barracuda suite of cyber-security solutions to minimize our vulnerabilities to online hacks and ransomware attacks which are increasingly becoming the order of the day.

We have always believed in maximizing in-house manufacturing, so as to provide our patients with access to the best quality, supply security and price. In FY 22, our Guwahati facility accounted for ~80% of products sold by value. Considering that our Rx tablet block had reached a capacity utilization of ~80% in FY 22, it was the right time to start planning our long-term manufacturing strategy. After careful consideration of all options, we picked Ahmedabad as the location for our second facility. In addition to oral solids, the facility will also have the capability to manufacture sterile injectables and oral liquids. Our Phase-I capex is estimated at ~INR 170 crore, of which ~INR 65 crore has been spent in FY 22. The facility is being built to comply with WHO GMP standards. This facility is on track to be commissioned by the end of calendar year 2022.

We are seeing a significant expansion in our operating footprint with the growth of the legacy Eris business, the expansion of our Circa range of medical technology solutions, the addition of Eris MJ Biopharm and Eris Oaknet Healthcare, as well as the impending commissioning of our second manufacturing facility. Hence, we have invested in strengthening of our Supply Chain leadership and processes as well. The implementation of SAP S/4HANA will provide a significant impetus in strengthening our Production Planning and Distribution operations to be able to deliver OTIF across the board while achieving an optimal balance between cost, inventory and utilisation of internal manufacturing capacity.

In FY 22, we strengthened our senior management cadre in Sales & Marketing, Technology, Business Development, Supply Chain and Medical Services. We designed and rolled-out a competitive ESOP scheme covering the Top-50 senior management team members.

Our growth in FY 23 as well as over the next 3 years will be led by the scale-up of our power brands portfolio, leveraging patent expiration opportunities and the expansion of our Insulin and Oaknet businesses. FY 23 will be a significant year in terms of investments being made – including for the Insulin business, the integration of Oaknet, field-force expansion in our cardiometabolic divisions, landmark new product launches, the commissioning of our second manufacturing facility and SAP S/4HANA implementation.

I look forward to the guidance of our Board and the support of my colleagues as we gear up to navigate this exciting phase of growth ahead of us.

With best regards,

Krishnakumar V

Executive Director & Chief Operating Officer

FROM THE CFO's DESK



Greetings. It is my privilege to share the results of FY 22 with you. We closed FY 22 with a consolidated revenue of INR 13,470 mn, a consolidated EBITDA of INR 4,850 mn and a consolidated PAT of INR 4,058 mn. The business has been generating strong cashflows from its fourth year of inception; in FY 22 the consolidated operating cashflow was INR 3,783 mn, which represents 78% of EBITDA and remains among the highest in the industry.

We registered good growth in our core therapies in FY 22 with our cardiometabolic franchise having grown at ~16%, which is more than twice the market growth of 7.6%. Our VMN franchise grew at 8.6% compared to the market growth of 12.2% as the Covid pandemic started abating post July 2021. We have been making significant progress in our Women's Health and CNS franchises, which are our fastest growing segments today. Our Women's Health franchise grew at ~25% in FY22 compared to a market growth of 15%. And our CNS franchise grew at 33% in FY 22 compared to the market growth of 8.7%.

Our standalone business recorded a gross margin of 83.60%, which represents an improvement of 148 bps on the back of a better product mix in comparison with FY 21. The impact of rising input prices on our cost of goods sold was mitigated to a significant extent by these factors.

Our consolidated employee expenses witnessed a marginal reduction to 18.7% of Revenue compared to 18.9% last year. Our consolidated other expenses remained more or less at last year's levels (26.1% of Revenue in FY 22 vs. 25.9% in FY 21) despite a full-fledged return to work-from-office and resumption of routine field activities following the abatement of the Covid pandemic.

Our consolidated EBITDA margin improved by 47 bps to 36% in FY 22 and our consolidated PAT margin improved by 82 bps to 30.1% in FY 22. Our effective tax rate stood at 8.2% of PBT vs 10.0% in FY 21.

Taking investor feedback on board, we revised our depreciation and amortization policies at the start of FY 22. Specifically, we reassessed the useful life of brands after taking into consideration prevalent industry practices; based on the said reassessment, we revised the useful life of Brands in Intangibles down to 20 years from 50 years with effect from April 01, 2021. We also reassessed the method of providing depreciation on tangible assets after taking into consideration prior experience and expected usage. Based on the said reassessment, we have revised the method of depreciation to Straight Line Method from Written Down Value Method in case of Property, Plant and Equipment and Right of Use assets with effect from April 01, 2021.

We have accounted for these changes in estimate of useful life and depreciation method prospectively and consequently, the

depreciation and amortisation expense for FY 22 is higher by INR 1.88 mn.

We are entering an exciting growth phase driven by patent expirations and significant new launches. We kick-started this phase with the launch of 2 major products Xsulin and Drolute in Q4 of FY 22. Investment in these launches has driven an increase in our standalone debtor days from 37 days in FY 21 to 41 days at the end of FY 22. Our core working capital (debtors, creditors and inventories) in the standalone business has increased from 30 days in FY 21 to 38 days in FY 22. We have guided towards 15+ new launches in FY 23 including 5-6 significant launches. We expect working capital requirements to remain at elevated levels over the next few quarters as we keep investing in our new product launch pipeline.

We continue to earn high return on the capital and shareholders' equity invested in the business. Consolidated ROIC (Return on Invested Capital) increased to 33.9% in FY 22 compared to 33.5% in FY 21. We have consistently delivered an ROIC higher than 30% for 13 years in row. Consolidated ROE (Return On Equity) ex. Cash improved to 33.4% in FY 22 compared to 30.7% in FY 21.

In line with our capital allocation policy, we declared and paid a dividend of INR 6.01 per share, which is 20% of our Net Profits for the year. We will endeavour to maintain a minimum payout of 20% in the future as well.

We acquired a 100% stake in Oaknet Healthcare Ltd. for an Equity Valuation of INR 6,500 million. The deal was financed through a judicious mix of internal accruals (INR 3,000 mn) and debt (INR 3,500 mn). The business is housed in Eris Oaknet Healthcare Ltd., a 100% subsidiary of Eris.

We have created significant value from our acquisitions of the Strides domestic business and Zomelis brand through multiple levers including brand growth, launch of line extensions, expansion of field-force productivity and significant COGS reduction. As we integrate Oaknet's operations, we expect significant value creation levers to come into play through new product launches in medical dermatology as well as cosmetology, expansion of field force productivity and overall improvement in operating efficiencies.

It has been my pleasure to have been part of this journey so far. I look forward to an exciting future that promises to be a rewarding one for all our stakeholders.

With warm regards,

Sachin Shah
Chief Financial Officer

Eris At a Glance

Who we are

Eris Lifesciences Ltd is the only publicly listed Indian Pharmaceutical company with a pure-play domestic branded formulations business model. Ranked 22 in the IPM, Eris has established an esteemed market presence in its core cardio-metabolic franchise in just 15 years since inception.

We began our journey 15 years ago in 2007 with the vision to make a meaningful impact in the management of chronic lifestyle related diseases. The thesis of our existence has remained unchanged since then – to channel the advantages of the latest scientific developments to aid our physicians and patients with better disease management options.

We are India's only domestic listed pharma company with a business model focused entirely on the Indian branded formulation market. Our high degree of conviction in the importance of chronic lifestyle related therapy management has led to our business being highly focused – 93% of our business comes from chronic and sub-chronic therapies. Our business is pivoted around specialist and super specialist doctors as well as high end

consulting physicians and as a result of our science led market engagement programs, we enjoy high prescription ranks with these physicians. These market engagement programs take the form of 3 activities - Dissemination of latest scientific knowledge through CMEs and Webinars, our unique Patient Care Initiatives (PCI) and Generation of actionable scientific evidence through India-centric studies.

PCIs are the focal point of our efforts towards creating a science led, transparent and symbiotic relationship with our customers. Through our PCI platform, we bring cutting edge disease diagnosis and monitoring technologies to patients. The data driven insights from these interventions are immensely useful to our physicians in managing the health outcomes of their patients. Over the years, these initiatives have helped myriads of patients take charge of their health outcomes and we remain passionate to take it to even larger scales going forward. The insights we derived over the years from these initiatives eventually paved the way for us to deliberate on taking the lead in creating India centric studies – to overcome the limitation in data centric understanding of the Indian populations' pharmacological distinctiveness. In FY 21 we published our first such study – The India Heart Study, the only study of its kind on hypertension based on the Indian population. On the back of IHS's sounding success, this year we concluded the India Diabetes Study, the results of which were published in April 2022.

Diabetes care is our flagship therapy contributing to 32% of our FY 22 revenue and we enjoy esteemed ranks in the Oral Diabetes franchise. We rank No 5 in our covered Oral Diabetes market in terms of revenue and No 3 in terms of prescription share. To further enhance our presence in diabetes and to leverage on our high ranks, this year we extended our presence to include Human Insulin. Over the span of the next 3-4 years, we plan to extend our diabetes presence further with the launch of analogue

insulins and GLP 1 agonists. Cardiac care is our second largest therapy followed by VMN, CNS, Gastro and Women's health.

We have a fully integrated business model with our manufacturing facility in Guwahati contributing to 79% of the products sold during FY 22. Our forthcoming new manufacturing facility in Gujarat, which is expected to be operational by end of CY 22, will further augment our manufacturing capabilities. Our distribution network is present pan India with over 2,000 stockists and 5,00,000+ chemists. Over 4,200 Erisians work in our offices in Ahmedabad and Mumbai, at our manufacturing facility and on the field across the nation.

We clocked in consolidated operating revenue of INR 13,470 mn in FY 22, registering a growth of 5x in the 10 years since FY 12. Our net profits have grown 11x in the last 10 years to INR 4,058 mn in FY 22. We have maintained strict discipline in our capital allocation strategy which has led to our ROICs being in excess of 30% for the last 13 years. 15 years into our existence, the fundamental pillars of our business remain intact – chronic and specialty focused domestic business with a low NLEM exposure, leading brands in core therapies, high margins and return metrics, industry leading cash generation and a strong net debt free balance sheet. We look forward to harness the power of these pillars as we lean into the next leg of our growth journey.



10 Year Financial Highlights

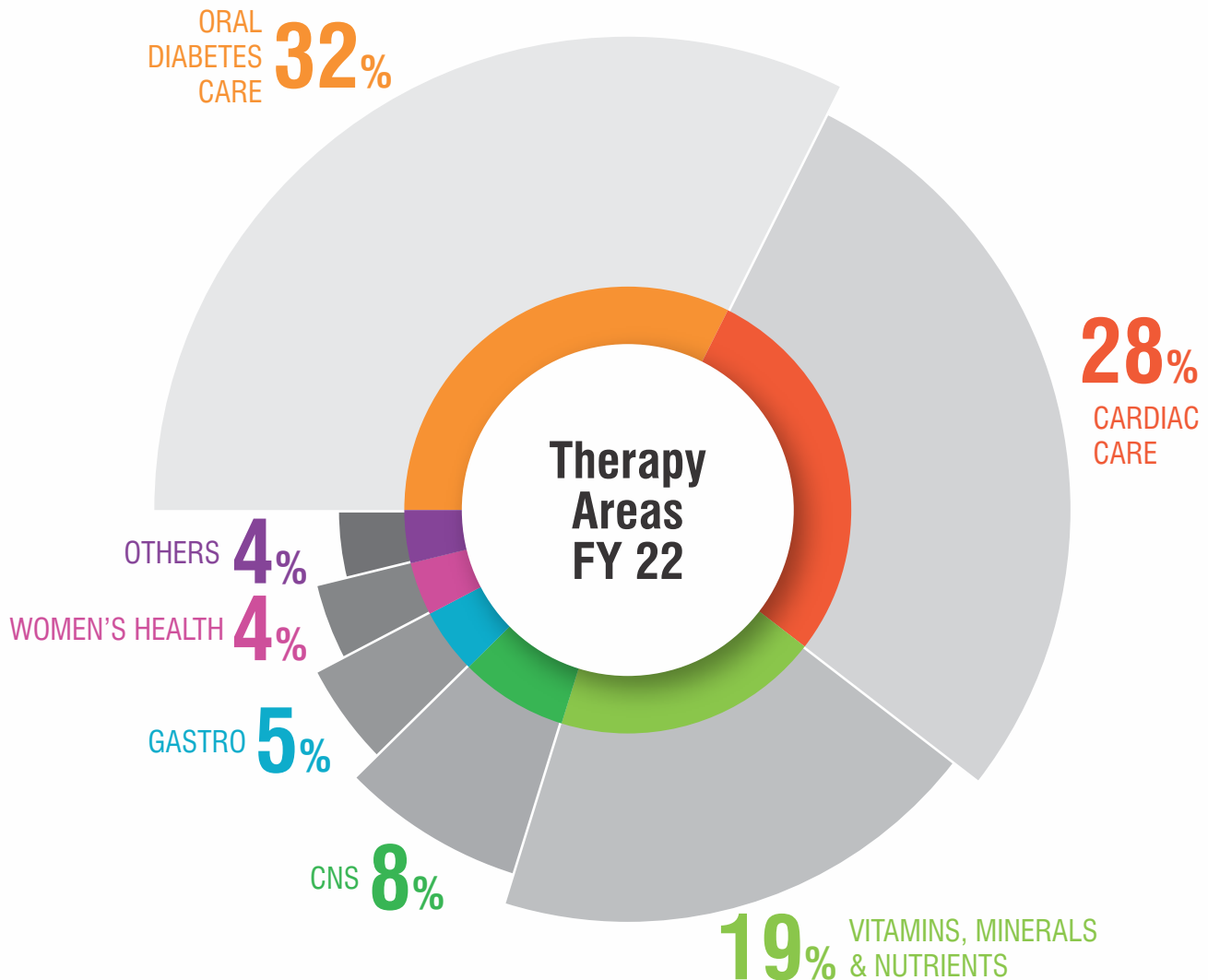
CONSOLIDATED	Ind AS						Ind GAAP			
INR mn	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Operating Results										
Operating Revenue	13,470	12,119	10,741	9,822	8,556	7,495	5,970	5,456	5,088	3,931
Operating EBIDTA	4,850	4,306	3,684	3,449	3,220	2,691	1,715	1,215	989	859
Operating EBIDTA Margin	36%	36%	34%	35%	38%	36%	29%	22%	19%	22%
Net Profit	4,058	3,551	2,965	2,911	2,950	2,466	1,349	893	705	584
Net Profit Margin	30%	29%	28%	30%	34%	33%	23%	16%	14%	15%
Cash Flow Generation										
Operating Cash Flow (OCF)	3,783	3,754	2,712	2,230	2,346	2,002	1,315	901	896	380
OCF as a % of EBITDA	78%	87%	74%	65%	73%	74%	77%	74%	91%	44%
Assets Employed										
Tangible Assets	1,679	779	873	553	526	557	707	675	711	235
Intangible Assets	7,531	7,776	7,919	7,072	7,185	1,760	7	42	39	34
Core Working Capital	1,611	1,323	1,263	825	413	662	484	446	298	378
Treasury Investments	6,346	4,159	1,453	3,634	3,760	3,057	1,997	1,722	913	514
Total	17,166	14,036	11,508	12,084	11,884	6,035	3,195	2,885	1,960	1,161
Financed By										
Equity	19,083	15,764	12,963	11,505	8,613	5,671	2,992	2,657	1,765	1,061
Debt	804	45	61	1,764	3,768	6	5	10	5	26
Return on Invested Capital (RoIC)										
Return on Invested Capital (RoIC)	34%	34%	30%	33%	51%	127%	150%	112%	124%	174%
Return on Equity (RoE)										
Return on Equity (RoE)	33%	31%	30%	44%	74%	126%	132%	95%	94%	129%

RoIC = Operating EBIT/Average Invested Capital (Ex-cash) | **RoE** = Net Profit attributable to owners/Average Net worth (Ex-cash) | **Net worth (Ex-cash)** = Net worth – (Treasury Investments + Cash and cash equivalents + other bank balances) | **Invested Capital (Ex-cash)** = Net worth (ex-cash) + long-term Borrowings + Current maturities of long-term borrowings

Tangible assets include Right of use assets | **Intangible assets** include Intangible assets under development and goodwill

Our Business

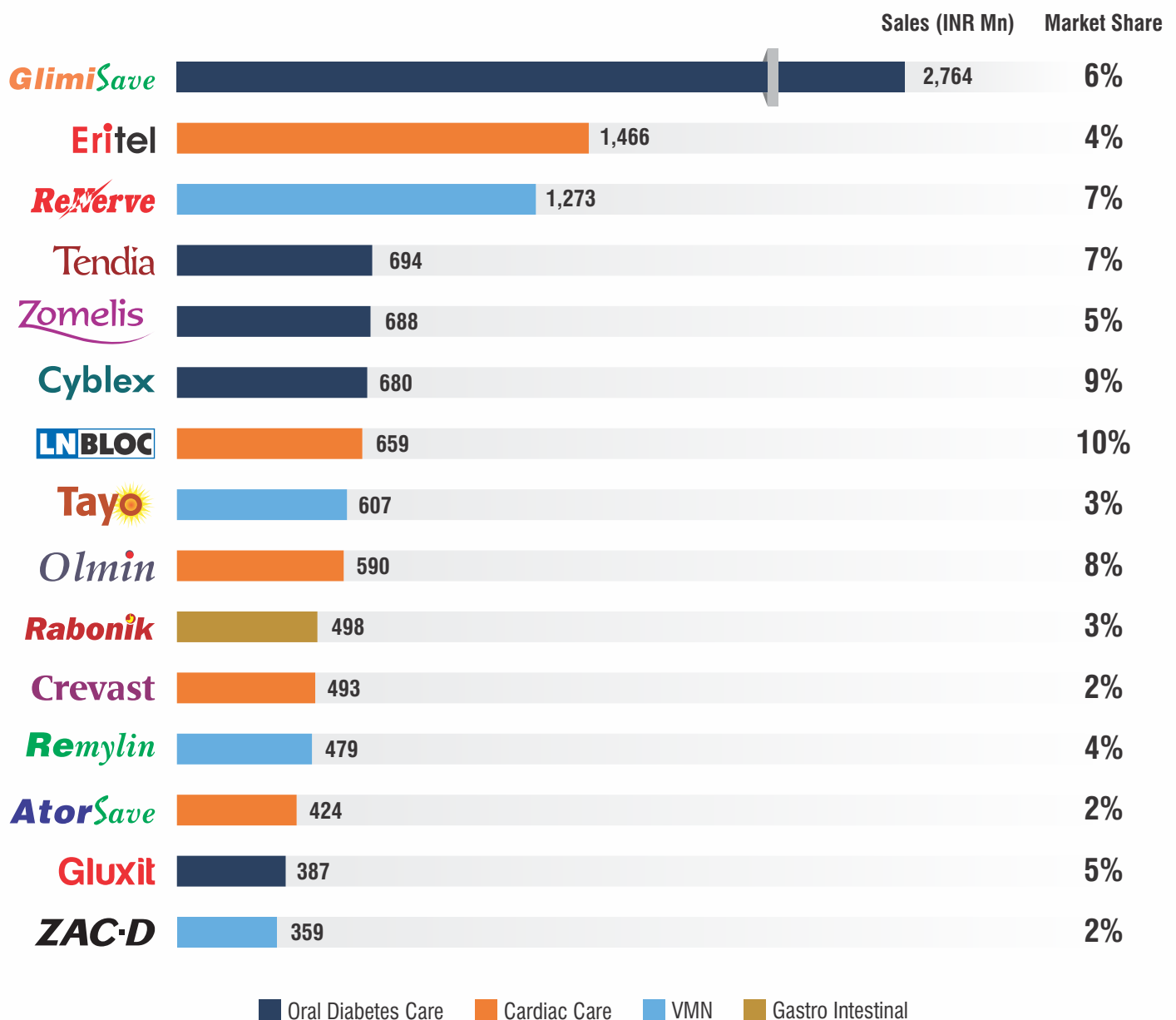
Eris derives all of its standalone revenue from the domestic branded formulations market. Chronic and sub-chronic therapies account for 93% of our business (vs 53% for IPM).



Source: AWACS MAT Mar 22

Our Top Mother Brands

We have a focused portfolio with our Top 15 mother brands accounting for nearly 75% of our revenue

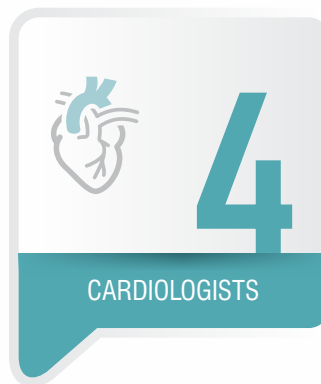


Source: AWACS MAT Mar 22

Our Prescription Rankings

Continued High Prescription Ranks Among Super-Specialists

Our relentless efforts in deepening our coverage of specialists and consulting physicians has resulted in high ranks among doctor specialties.



Source: SMSRC MAT Feb'22 / Prescription Rank in Represented Market / [#] Diabetologists include Endocrinologists

Our Strategic Business Units

Cluster

1



Diabetes

Cluster

2



Diabetes

Cluster

3



CVD

Cluster

4



CNS

Cluster

5



Women's Health & Wellness



Insulin

**The Insulin division is placed in the subsidiary*

Our Therapy Areas

DIABETES CARE



Oral Diabetes Care

Oral diabetes care is our flagship therapy contributing to 32% of FY 22 revenue. In our covered market of ~INR 10,000 crore, we rank #5 ^ in terms of revenue and #3 as per Rx ranks.

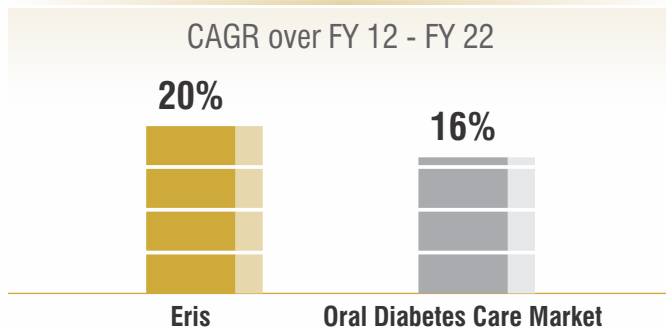
(Source: SMSRC MAT Feb'22) ^ Rank in the represented market

Over the years we have created a strong full-service presence across all the OHA* segments – Sulphonylureas, DPP4 Inhibitors and SGLT 2 Inhibitors. Our successful legacy diabetes brands enjoy high ranks in highly

competitive segments - Glimisave is Rank #6, Cyblex is Rank #5 and Tendia Rank #4. The established presence in diabetes thus paved the way for our 2 key new launches in Oral Diabetes in the last 2 years – Zomelis and Gluxit in the newer generation OHA* segments of DPP4 and SGLT2 inhibitors.

In FY 22, while the IPM's Oral Diabetes Care segment grew at 6.3%, Eris outgrew it with a strong yoy growth rate of 13.9%.

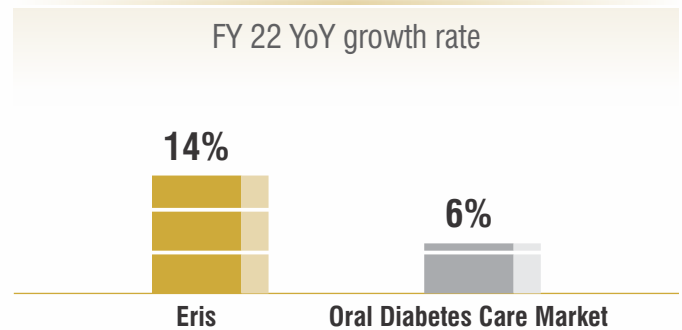
1.3x times faster growth than market



Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

FY 22 Revenue = INR 5,354 mn



Source: AWACS MAT Mar'22

Insulin

FY 22 marks Eris's entry in the INR 3,500 crore Insulin market with the launch of human insulin through our subsidiary Eris MJ Biopharm Ltd, which houses our joint venture partnership with MJ Biopharm, our strategic partner in the insulin business. In Q4 FY 22, we launched the first product in this bucket, Xsulin our launch in the

regular and premix human insulin segment, in the forms of vials and cartridges. We expect meaningful growth in this segment for Eris in the years ahead as Xsulin scales up and new products like Glargine, Lispro, Aspart and Liraglutide are added to the portfolio.

GlimiSave

Tendia

Zomelis

Cyblex

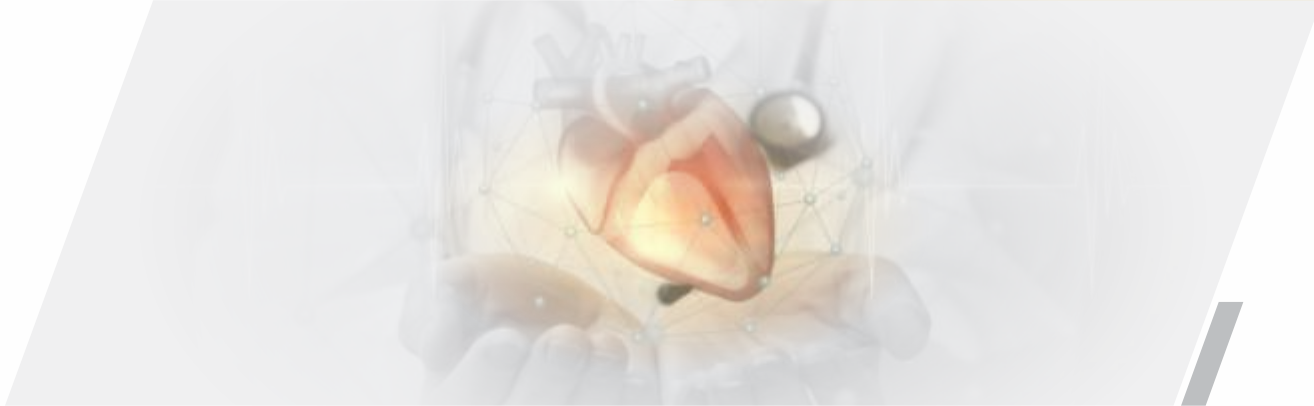
Gluxit

xsulin

*Orally Administered Anti-Hyperglycemic Agents

Our Therapy Areas

CARDIAC CARE

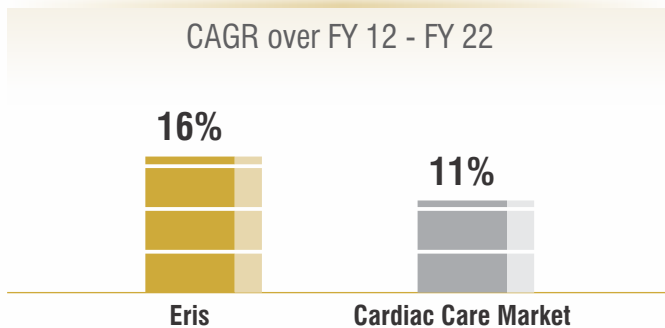


Cardiac Care is our second largest therapy area, contributing 28% of our business. Over FY 12 to FY 22, our Cardiac Care franchise has grown 1.4x faster than the market at a CAGR of 16%.

Eris is ranked #4 in terms of prescription rank among Cardiologists and #9 ^ in terms of revenue in the Cardiac Care space. We have five of our Top-15 mother brands - Eritel, Olmin, LNBloc, Crevast and Atorsave – in the Cardiac segment.

(Source: SMSRC MAT Feb'22) ^ Rank in the represented market

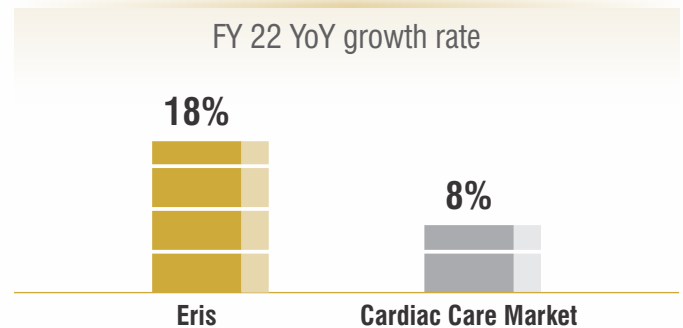
1.4x times faster growth than market



Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

FY 22 Revenue = INR 4,598 mn



Source: AWACS MAT Mar'22

Eritel

LNBLOC

Olmin

Crevast

Rivalto

Our Therapy Areas

VITAMINS, MINERALS AND NUTRIENTS



Vitamins, Minerals and Nutrients (VMN) is our 3rd largest therapy area contributing to INR 3,215 mn or 19% of our business. Over FY 12 to FY 22, our VMN franchise has grown in-line with the market at a CAGR of 10.5%.

In FY 22, while the VMN market grew at 12.2%, Eris' VMN franchise grew at 8.6%.

**NEW
LAUNCHES
IN
FY 22**

Renerve Total

Remylin Dx

Zac Day

Ginkocer Forte

Tayo Raga

Performed in-line with the market

CAGR over FY 12 - FY 22

10.5%

10%

Eris

VMN Market

Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

FY 22 Revenue = INR 3,215 mn

FY 22 YoY growth rate

9%

12%

Eris

VMN Market

Source: AWACS MAT Mar'22

ReNerve

Tayo

Remylin

ZAC-D

GINKOCER

Our Therapy Areas

WOMEN'S HEALTH



Our women's health segment contributed INR 605 mn or 4% of our business. Over the last decade, Eris has outperformed the women's health market by 2.2x by growing at a CAGR of 17%.

In FY 22, women's health market grew by 13.4% yoy. Eris outperformed the market by growing at 16.4%.

**NEW
LAUNCH
IN
FY 22**

Drolute

2.2x times faster growth than market

CAGR over FY 12 - FY 22

17%

8%

Eris

Women's Health Market

Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

FY 22 Revenue = INR 605 mn

FY 22 YoY growth rate

16%

13%

Eris

Women's Health Market

Source: AWACS MAT Mar'22

Raricap

Metital

RARISSET

Drólute™

Our Therapy Areas

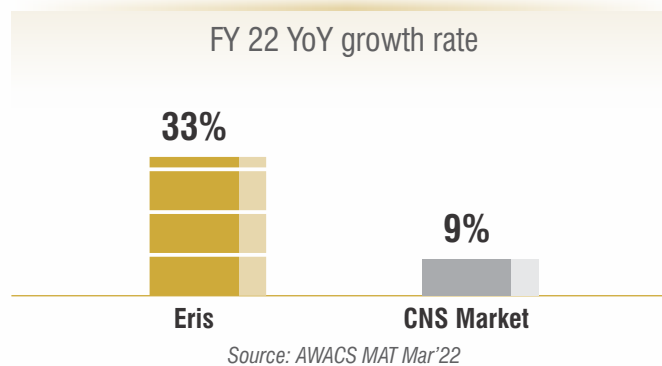
CENTRAL NERVOUS SYSTEM (CNS)



Our fourth largest therapy area, CNS contributed INR 1,297 mn or 8% of our business.

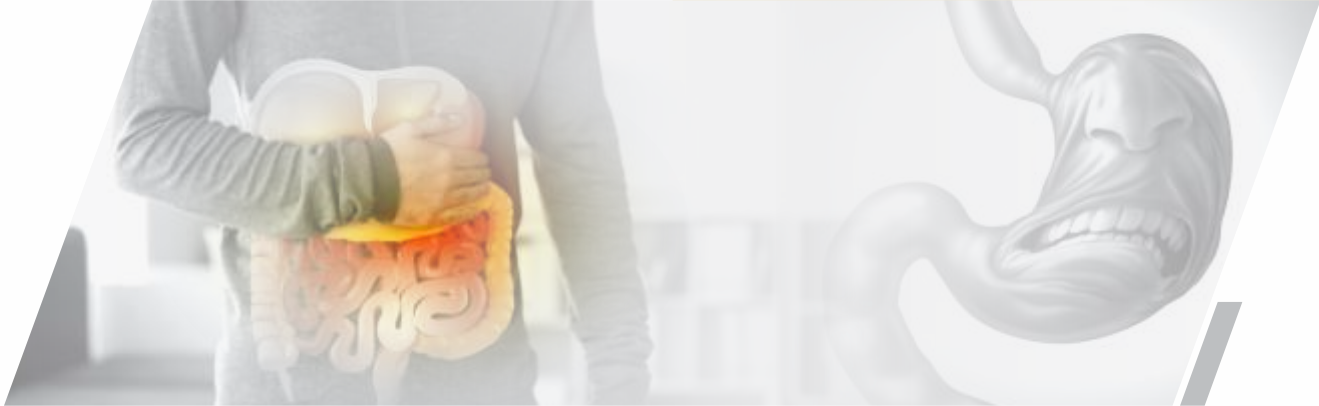
In FY 22, while CNS market grew by 8.7% yoy, Eris's CNS segment growth at 33.2% was nearly 4 times the market rate.

FY 22 Revenue = INR 1,297 mn



Our Therapy Areas

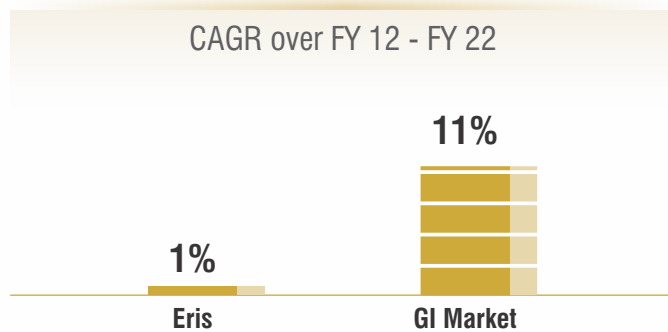
GASTRO INTESTINAL (GI)



The largest therapy area in our acute franchise, GI contributed to INR 756 mn or 5% of our business.

Over FY 12 to FY 22, our GI franchise has grown at a CAGR of 1%. In FY 22, while the GI market grew at 17.3%, Eris under-performed the market by growing at 2.9%.

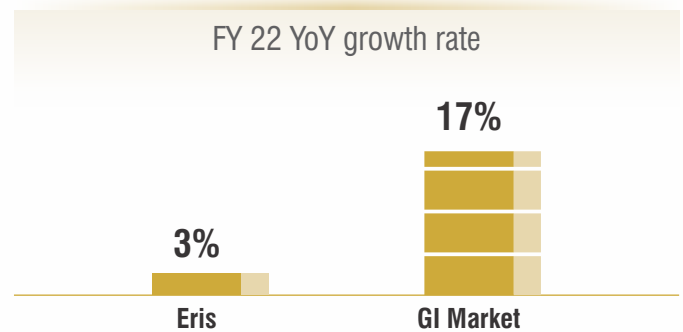
Under-performed the market



Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

FY 22 Revenue = INR 756 mn



Source: AWACS MAT Mar'22

Rabonik

Velgut

Stugil

Our IT Platform

Digital Metamorphosis

Eris has been at the forefront of adopting technology and recognises that information technology has become more pervasive than ever before – underpinning and supporting almost every aspect of an organisation. Embarking on this journey, Eris is well poised for a digital metamorphosis embarked with technology - the underlying backbone through which we are entering the next leg of growth.

As we step forward on the growth journey, we are re-architecting and re-platforming the existing applications and looking forward to moving from a monolithic to a micro services and platform based architecture.

Our new office premises have been built on network zoning and network segmentation with central monitoring systems in place. We are also looking forward at adopting a lean data centre where-in we will follow a cloud-first approach.

Initiatives during the year

To overhaul the existing enterprise resource solution, Eris will be adopting SAP S/4HANA – a world class ERP suite which will enable the company to manage business change at speed, manage internal and external resources, and empower a pan-organisation scalable digital core for all business processes.

During the year, Eris completed a smooth end-to-end roll-out of an automated human resource management system - Darwin Box. The comprehensive platform has resulted in several benefits like improving employee engagement and performance management, effortless employee on-boarding and powerful analytics aiding senior management in decision making.

Cyber Security

Critical in today's information centric environment is the subject of information security, whether for reasons of safety, security, legal, ethics or compliance. The management of such information is of paramount importance and Eris recognizes it as an essential element of good organisational practice in today's rapidly evolving world. In order to protect this information, Eris has laid the foundation for a robust Information Security Management System which will enable the company to manage the security of assets which are critical to the organization.

Scaling up the team

Eris is conscious of implementation of latest technologies in key working areas. Technology is ever-changing and employees of the company are made aware of the latest working techniques and technologies through workshops, trainings, certifications and discussion sessions for optimum utilization of available resources and to improve operational efficiency.

The year in review witnessed several such levers to innovate, enhance and strengthen business operations, using information technology and digital platforms.

Our People

Committed to People Empowerment

As we celebrate 15 years, it is befitting that we appreciate the efforts of our employees over the years for helping build Eris into what it is today. At Eris, human resource is viewed as a key driver of business growth and has been the prime enabler of our rapid expansion and progress. Our robust people processes that have been the bedrock of our success over the years continue to evolve and stay contemporary. By investing in our people, we build

careers and a formidable knowledge pool that helps drive innovation and efficiency.

We are committed to fostering an environment that facilitates employee well-being, safeguards employee rights, promotes growth and continue to invest considerable time and effort in ensuring our people practices are best in the industry.

We have a strong team of 4200+ Erisians working in our offices, manufacturing plant and the field.

4,286

Employees

2,555

Medical
Representatives*

1,144

Field
Managers

273

Manufacturing

79

Sales and
Marketing

26

Intellectual Property
& Research

209

Others

**In the Branded Formulation and Trade Generics business*

People Engagement Survey

We emphasise on creating unique employee experiences and strive to create a workplace that results in engagement and job gratification of highest orders.

During the year, we launched a People Engagement Survey that enabled Erisians to share their feedback directly with Senior Management.

The inputs from the survey aided Management to drive policy and process improvements and ultimately create a more rewarding workplace for everyone. To continue engaging with the employees at regular intervals, the survey will be conducted twice a year.

Talent Management

As we evolve, so does our Talent Management processes. This year, we have successfully deployed Darwin-box – a cloud-based human resource management system and on-boarded employees across the organization. This HR system is the fulcrum of our talent management focus – from talent acquisition, performance and compensation management to managing other routine HR functions.

As part of rewarding the finest talent, Eris has introduced and implemented the new Employee Stock Option Plan during the year to cover additional employees that would not only enable the company to attract and motivate them by rewarding long term association but also retain best talent and enable them to develop a sense of ownership within the organization, with a common objective of maximizing shareholder value.

Performance Management

At Eris, effective talent and skill management is quintessential to our growth. Our performance management is a key talent management process that drives a high performance culture and helps create excellence by enabling achievement of organisational goals. Senior Management regularly assesses departmental and organisational performance metrics, identifies gaps, and addresses them promptly. Our annual performance appraisal process is intensively carried out factoring in the inputs of all the relevant stakeholders.

At Eris, our employees play a crucial role in driving sustainability across the company. We deeply seek to create a thriving work environment and endowing our people with right training. It is our endeavour to help our employees leverage their capabilities through development programs. Our human resource team, periodically conducts training programmes where employees are encouraged to bolster their capabilities.



Launched over two years ago, this digital platform has been successful in bridging the entire field force of Eris on the platform. It enables to keep them conversant of all organizational developments and ensures important announcements are not missed.

e-Aagman

Simplification of our people processes remains a focus for us. We have leveraged technology significantly to optimize the induction process as well. Our web based learning platform, e-Aagman is designed to serve as a program for orientation of new joiners and enable interactive learning. During the year, over 700 employees participated in the program.

Engagement Initiatives

We undertake a wide-ranging suite of employee engagement initiatives including but not limited to organizing sports event, celebrating the founding day of Eris and ensure to celebrate moments of happiness like festive occasions, new-borns in the family.



Our Distribution Network

Leveraging Nation-wide Sales and Distribution Presence

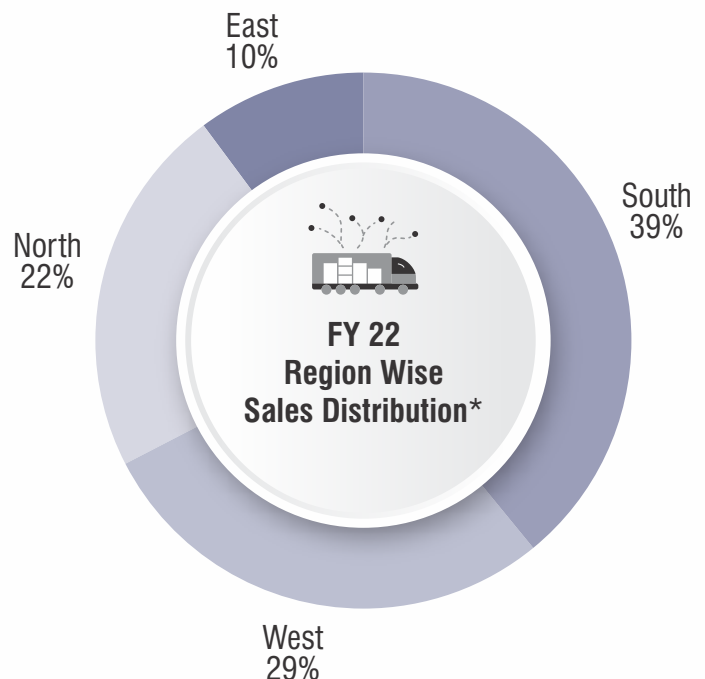
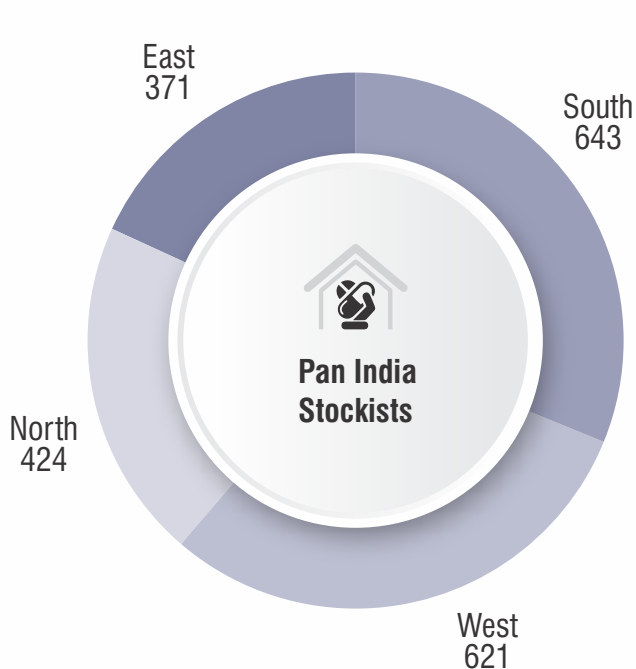
During the year, our strategy to effectively manage our stockist network focused on deepening our presence in existing markets and ensured that crucial medicines were available throughout the country at all times while maintaining highest quality standards and cost efficiency, eliminating any odds of stock-outs.

To enhance our supply chain capabilities, we have hired a Head of Supply Chain whose role entails managing supply planning by inventory optimization, demand

planning forecasts and driving the annual distribution strategy while ensuring service levels of the highest order.

Our operations are ably supported by a pan-India distribution network of 22 Sales depots, 2,059 Stockists and more than 5,00,000 retail chemists.

Our team has been instrumental in achieving supply chain optimization. The key drivers of our excellence in supply chain are our high degree of flexibility, speed of execution and reliability.



**Source: Primary Sales*

22

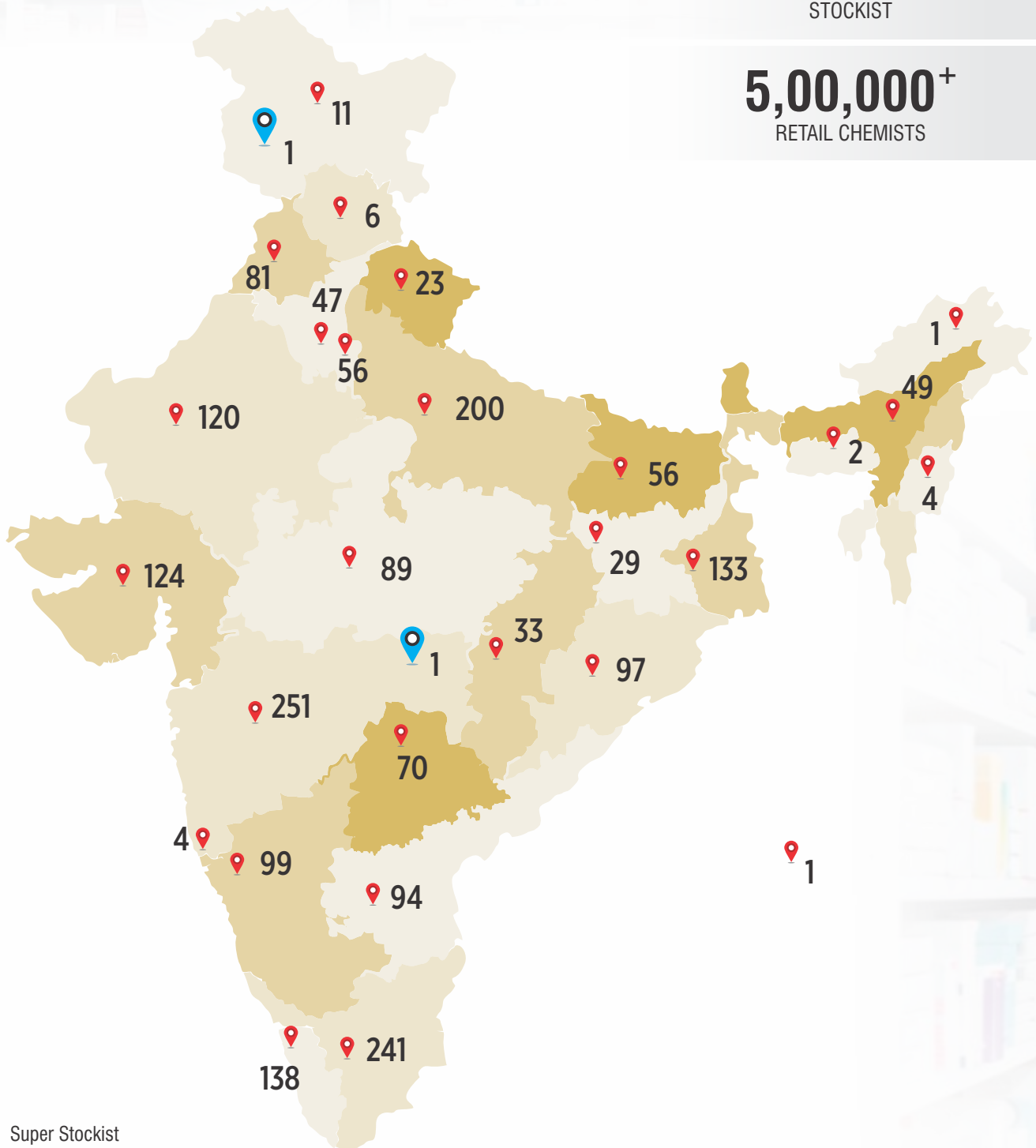
SALES DEPOT

2,059

STOCKIST

5,00,000⁺

RETAIL CHEMISTS



Super Stockist

Stockist

Our Manufacturing Infrastructure

Our cutting-edge manufacturing facility at Guwahati, Assam accounted for 79% of all products sold (by value), up from 74% last year as we continue to manufacture

organically developed products as well as most of our acquired products.

79% of revenues from products manufactured at Guwahati in FY 22

280+ products manufactured

State-of-the-art manufacturing facility in Guwahati, Assam

1 Lakh sq ft built-up area

Our manufacturing facility is eligible to avail of certain tax incentives including income tax exemption and GST subsidies until FY 2025

WHO GMP guidelines compliant



Capacity Utilization for Prescription Products

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	1440	1130	79%
Capsules	150	92	62%
Sachets	2.4	1.2	50%
Soft Gel Tablets	216	48	22%

Capacity Utilization for Supplements and Nutraceuticals

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	25	10	40%
Capsules	25	18	71%
Sachets	1.2	0.5	39%

*Installed capacity based on two shifts per day



Expanding Manufacturing Prowess

As we prepare for the road ahead, we recognise that the ability to put a larger number of successful products in the marketplace needs to be complemented with corresponding growth in manufacturing capacities. To this end, we are judiciously investing in our manufacturing capital by setting-up a new green field facility in the state of Gujarat that can address potential demand, support our pipeline of new product introductions, aid in retaining our competitive advantage of in-house manufacturing for preserving optimal control over quality, supply and cost as well as fill gaps in our current manufacturing infrastructure.

**The new plant
is expected to be
operational by the
end of CY 22**

The commercialisation of the new facility in a phased manner will enhance our product mix and plug portfolio gaps while strengthening revenues.

Environment, Safety and Social Responsibility

Eris strives to adopt best environmental practices and protocols within the paradigm of our operations and create value for all stakeholders whilst growing responsibly and sustainably. During the year, a host of initiatives were undertaken at the manufacturing plant to improve energy efficiencies resulting in savings of ~40,000 units of energy per month. Some of the energy saving initiatives taken during the year are outlined below,

- Optimizing compressed air generation by installing an air reservoir to store and maintain air pressure
- Insulation of hot water tanks to minimize energy loss
- Optimisation of energy efficiency through preventive maintenance activities of systems like HVAC, plant and utility equipment at regular intervals

Our manufacturing plant has set-up an effluent treatment plant with Zero Liquid Discharge (ZLD) treatment process, designed for the removal of liquid waste from the system. The emphasis of the process is to manage wastewater economically and produce clean water. Treated water from this facility is recycled and used for gardening, cooling tower and other utilities. As an outcome, plant processed an average of ~25,000 litres of effluents per day in the last financial year.

As part of optimum utilization of rain water, we have deployed rain water harvesting system which resulted in harvesting ~75,000 litres of rain water per month.

We continue to build and improve our occupational health and safety management system. Hazards and risk



associated with site activities are identified at the manufacturing location and risk control and mitigation measures are implemented periodically. Specific safety SOPs and protocols are put in-place so that steps on pre-emptive action for safety can be taken on a timely basis. We have not faced any accidents at our manufacturing facility in Guwahati since inception. Some of the key health and safety measures adopted at the plant are:

- Conducting frequent risk assessments and regular checks to ensure safety of employees
- Imparting periodic training on fire and first-aid by a team of in-house experts
- Celebrate safety week which covers all aspects of safety measures
- Conducting medical check-up for all employees

We endeavour to maintain healthy relationship and engagement with local communities and work with them as partners. In that spirit, we have initiated and adopted social and community welfare undertakings which include a wide spectrum of development activities. The community activities implemented in the vicinity of the manufacturing plant are done in response to the immediate needs of the communities.



Awards & Accolades



"The Innovator"
Digital Transformation Award



Best CFO Award in Medium Enterprises
(Manufacturing Industry Category)



National Best Employer Brand 2018
Eris wins out of 100 brands



Emerging Companies
Excellence Award 2013



Ernst & Young Awards
Mr. Amit Bakshi,
Entrepreneur of the Year 2013



Competitive Strategy
Leadership Award 2013

Strategic Growth Drivers



Expansion of power brands' franchise

- Our business model of building **strong and sustainable brands** has enabled us to significantly **outperform the market**
- There has been a clear shift in prescriber preference towards established brands over the last two years; this continues to work well for us with **8 of our Top-15 mother brands** being **ranked among the Top-5** in their respective categories
- We have curated a “**Full Service**” approach to **Diabetes Management** with a comprehensive range of Oral Anti-diabetics, Insulins, Blood Glucometers, HbA1c Monitors and Continuous Glucose Monitors in our product basket



New product pipeline

- We have an exciting **pipeline of patent expiration** opportunities coming up in the **cardio-metabolic segment** over the next 3-4 years which we are well-positioned to leverage
- We will leverage the market opportunity in human insulin, insulin analogues and GLP1 agonists through our joint venture with MJ Biopharm; in **Q4 FY 22** we launched **Human Insulin** with a dedicated division consisting of **140 MRs**
- New product launches in **Medical Dermatology** and **Cosmetology** through the Oaknet platform
- We have planned **15+** new product launches for FY 23 including **5-6** significant launches; we are expanding our field team by ~ **170** across our cardio-metabolic divisions in this regard



Expansion of physician coverage

- We continue to make good progress in expanding our coverage of **Specialists and Consulting Physicians** in line with our expectations
- We are expanding our field-force by ~170 (120 Reps and 50 Managers)



Therapeutic diversification

- We continue to invest in **diversification opportunities** in high-growth areas like **CNS (Neuropsychiatry), Women's Health and Dermatology**; our CNS and Women's Health franchises are growing significantly ahead of the market



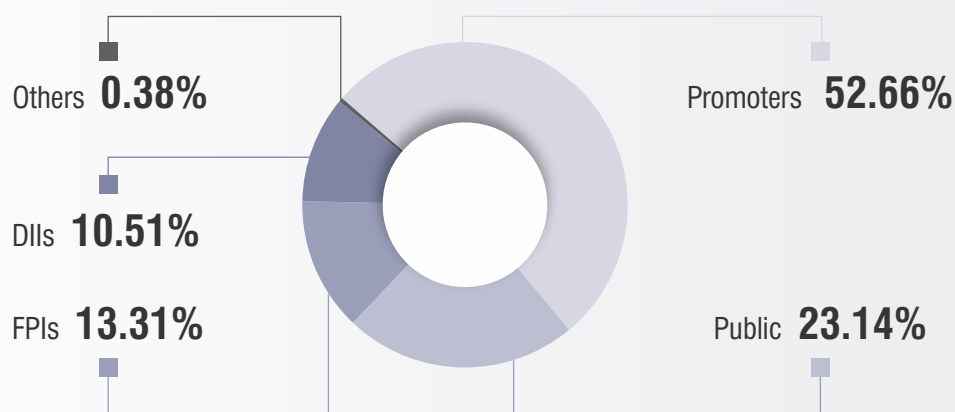
In-licensing and acquisitions

- On the back of **value-accretive deals** (e.g., Strides, Zomelis), we continue to look for **high-return inorganic opportunities** to complement our organic growth initiatives

Our Investors

Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder	As on 31-Mar-22 689*	As on 31-Dec-21 760*	As on 30-Sep-21 761*
Promoters	52.66%	52.66%	52.68%
UTI Mutual Fund	5.53%	5.44%	5.18%
ChrysCapital (Emerald Investment Limited)	5.50%	5.50%	5.50%
Aditya Birla Sun Life Mutual Fund	1.73%	1.73%	1.75%
Vanguard	1.72%	1.70%	1.69%
Franklin Templeton Mutual Fund	1.35%	1.35%	1.38%
Kotak Mutual Fund	1.15%	1.15%	0.65%
L and T Mutual Fund	0.88%	0.88%	0.90%
Kuwait Investment Authority	0.86%	0.86%	0.86%
Fundsmith Emerging Equities Trust	0.58%	0.58%	1.09%
Steinberg India Fund	0.54%	0.54%	0.54%
Government Pension Fund Global- Norges Bank	0.52%	0.52%	0.52%
Malabar Select Fund	0.45%	0.45%	0.45%
Tata Mutual Fund	0.38%	0.38%	0.38%
Ellipsis Partners LLC	0.36%	0.36%	0.36%
Shinsei UTI JV	0.30%	0.31%	0.30%





STATUTORY REPORTS



Management Discussion and Analysis

Economic Overview

Global

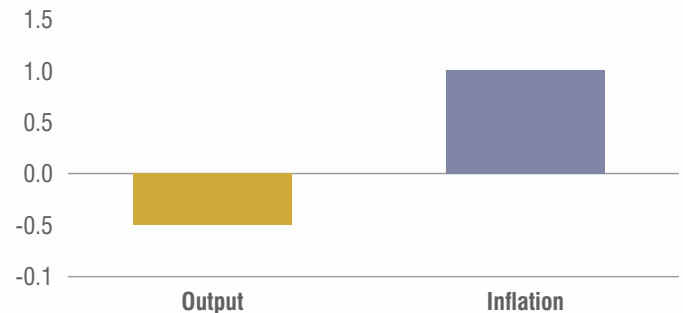
In 2021, a year and a half since the start of the COVID-19 pandemic, the world economy moved towards its most resilient post-recession rebound in 80 years. That said, the global economy stepped into 2022 at a weaker position than projected as the new COVID-19 variant Omicron that spread across countries was said to be more transmissible than the Delta variant albeit with less severe symptoms. As the pandemic raged, the importance of a good health strategy became more crucial than ever. Global availability of testing along with vaccinations has become imperative to lower COVID-19 mutations and further economic growth.

Since the start of the pandemic, supply chains across the spectrum were disrupted with movement restrictions on the ground during the 1st wave of the pandemic coupled with stricter lockdowns in China. This was followed by global ship shortages which continue to be a major supply-chain hurdle. The Ukraine-Russia situation has added to the current supply-chain issues leading to overall higher inflation across the world. The immediate threat to the distribution chain continues with shortages in metals, grain, and natural gas, among others, causing a disproportionate impact on poorer economies around the world and adding to long-term challenges for collective recovery. The current level of inflation is expected to last longer than anticipated and policymakers face a dual challenge of managing inflation and economic growth.

The shift toward goods consumption, particularly in advanced economies overloaded the global supply-chain networks during the pandemic. This problem was compounded by pandemic-related impediments to transportation and staffing, as well as by the inherently fragile nature of just-in-time logistics and lean inventories. The resulting disruption to global trade led to shortages and higher prices for imported consumer goods. The IMF analysis suggests that supply disruptions shaved 0.5–1.0

percentage points off global GDP growth in 2021 while adding 1.0 percentage points to core inflation.

Impact of 2021 Shocks on World Output and Core Inflation
(Percentage points)

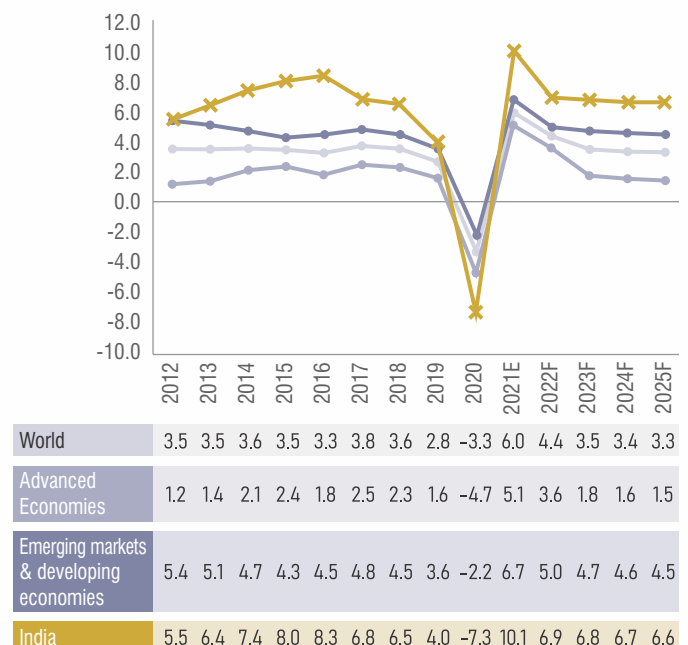


Sources: Haver Analytics; and IMF staff calculations.

Note: The figure shows the impact of global supply shocks as identified by the IMF staff global macro model, the Flexible System of Global Models.

With supply-demand imbalances receding over the course of 2022 coupled with better vaccination cover across the globe, IMF forecasts the global economy to grow at 4.4% in 2022, with emerging markets and developing economies growing at 5.0% in 2022.

Real GDP Growth (%) 2012-2025F



Sources: World Economic Outlook, International Monetary Fund Estimate, Moody's Outlook, Frost & Sullivan

India

India's GDP contracted by 7.3% in FY 21 – the first in four decades. While economic activity during FY 22 started on a promising note with 20.33% y-o-y GDP growth in Q1 FY 22, it decelerated in the coming quarters with 8.48% y-o-y and 5.4% y-o-y growth in Q2 and Q3 respectively. Slowdown in GDP has been attributed to the deadly 2nd wave of COVID-19. In Q4, the economic activity recovered from a brief spell of moderation in January 2022 caused by the Omicron variant, which had less virulent effects. Effective planning and strategy, along with management of supply-chain logistics and accelerated digitalisation allowed companies to mitigate pandemic risks to some extent. Unlike the first two waves of COVID-19, the overall consumer and business confidence stayed resilient during the third wave on the back of accelerated mass vaccination, with better prospects for the general economic situation, household incomes, and spending.

(Source: WEO, EMIS)

The war crises along with supply-chain bottlenecks will continue to wreak havoc on the domestic commodity as well as energy markets. Being a major importer of oil and other commodities such as coal and liquified natural gas, India cannot evade this turmoil. This has led to a consistent rise in WPI inflation which, in turn, trickled down to the Consumer Price Index (CPI) that rose to 6.07% y-o-y in February 2022 from 5.7% y-o-y in December 2021, increasing consistently from a low of 4.35% y-o-y in September to its highest level since June.

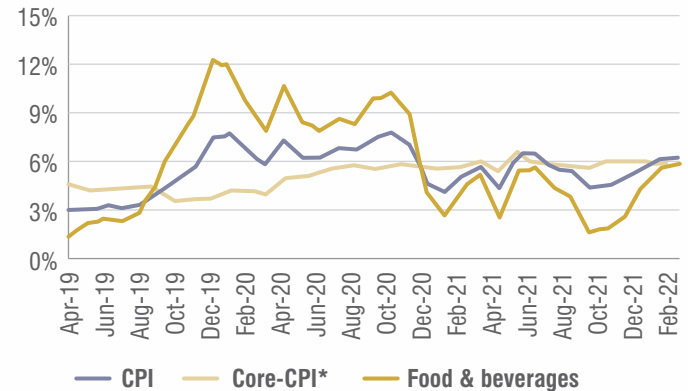
(Source: CEIC)

The Bloomberg Commodity Index has spiked by 12.0% between Feb 28, 2022 and Mar 24, 2022; high commodity prices pose downside risks to India's FY2023 GDP growth outlook, with margin compression set to squeeze value added growth



Source: Bloomberg; ICRA Research

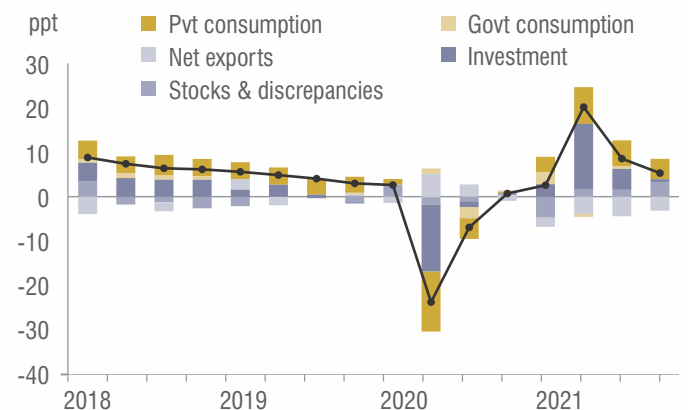
The YoY CPI inflation hardened to an eight-month high of 6.07% in Feb 2022 from 6.01% in Jan 2022; FY2023 CPI inflation projected to average at 5.6%



* Since the detailed data for March-May 2020 is not available, we have not excluded prices for petrol and diesel of vehicles in the calculation of the core-CPI index for the YoY inflation rates in March-May 2021;
Source: NSO; ICRA Research

High input prices and supply-chain disruptions will continue to act as a hurdle to an already fragile manufacturing recovery and keep private investment lacklustre. Investment slump was one of the leading factors for deceleration in GDP growth over the course of FY 22.

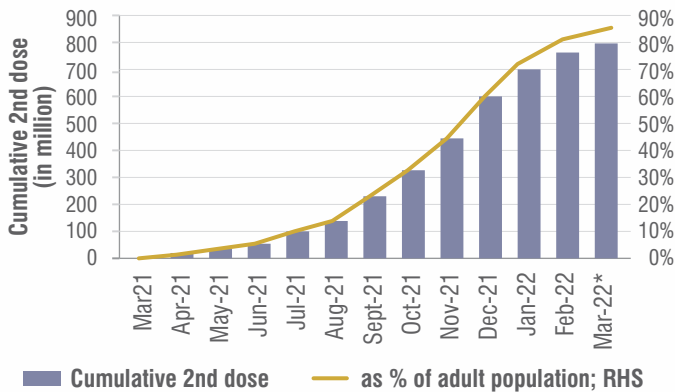
India: Contributions to GDP growth



Source: Oxford Economics

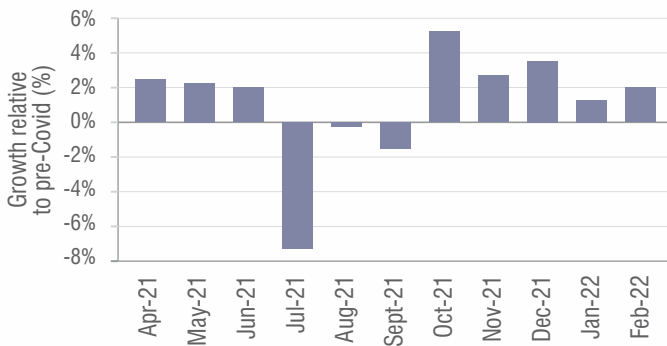
Cyclical tailwinds such as pent-up demand, favourable foreign demand, and stronger government spending can potentially boost growth momentum. Even though India is expected to remain one of the fastest-growing emerging markets (EM) in FY 23E (based on significant statistical carryover), the output gap may stay negative throughout the year. Better vaccination rates and improved port activity are some of the green shoots of the recovery.

As on March 29, 2022, India has administered 792.0 million second doses (above 18 years), which is ~85% of the adult population



*Till March 29, 2022; Note: Adult population assumed to be 935 million, based on news reports of 930-940 million adults being estimated in the Gol's affidavit submitted to the Supreme Court; Adults form around two-thirds of India's total population. Source: CEIC; ICRA Research

Cargo handled at major ports was higher than the pre-Covid level for the fifth consecutive month in Feb 2022, albeit by a modest 2.0%; in Apr-Feb FY2022, ports cargo traffic was a marginal 1.2% higher than the pre-Covid level, even though it contracted for the fourth consecutive contraction in Feb 2022 (-4.5%), on a YoY basis



Source: Indian Ports Association (IPA); ICRA Research

India is witnessing a surge in overall consumer confidence and business optimism as the scale of vaccination expands. The outlook is progressively improving despite headwinds from global developments. Inflation remains a concern and it is buffeted by the build-up of cost-push pressures. Strong supply-side measures to contain food and energy prices are required to moderate these risks.

Since the duration of Russia-Ukraine conflict continues to be uncertain, India Ratings (Ind-Ra) has created two scenarios with respect to its FY 23 economic outlook basis certain assumptions. The first scenario assumes crude oil price to be elevated for three months, while the second scenario sees this assumption extended to six

months, both with a half cost pass-through into the domestic economy. Ind-Ra further expects GDP to grow 7.2% y-o-y in Scenario 1 and 7.0% y-o-y in Scenario 2 in FY 23, compared to its earlier forecast of 7.6%.

(Source: Reports - India Ratings, ICRA, EYresearch)

Pharmaceutical Industry

Global

The Global Pharmaceutical manufacturing market is expected to grow at an annual rate of 11.34% from 2021 to 2028. With the introduction of cost-effective, new technology and efficient manufacturing methods, the pharmaceutical landscape has experienced significant upheaval. The market growth has also seen a favourable impact due to an increased investment flow in this sector. The consistent progress in personalized medicine opened various alternatives for treating ailments while helping build patient-centric treatment models.

India, China, and Asia-Pacific will dominate the Branded Generics Market which is expected to grow at a CAGR of 8% according to FMI's recent analysis. Cardiovascular illnesses and diabetes account for more than 20% of branded generics sales globally, indicating that the chronic disease management therapeutics and device technologies should grow from \$391 bn (2021) to \$553 bn by 2026, at a CAGR of 7.1%.

(Source: Frost and Sullivan, EY Research)

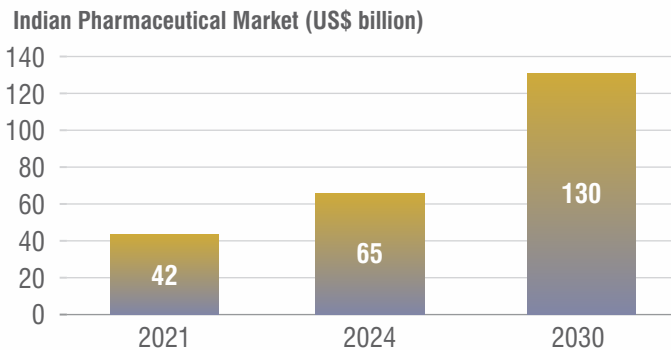
India

India's pharmaceuticals and healthcare sector has expanded considerably since the government pursued economic liberalisation in 1991. Liberalisation created India's powerhouse generic drugs producers responsible for supplying a significant proportion of the world's generic drugs. The Indian Pharmaceutical Industry is currently ranked 3rd in the world in terms of volume and 14th in terms of value. The lower market share in terms of value can be attributed to the predominance of generic medicines (accounting for about 70% of the industry's revenues) which command lower prices. The Indian Government's policy reforms and initiatives have further augured well with the pharmaceutical and medical devices industries.

The Government has implemented enterprising initiatives and schemes such as Make in India, Aatmanirbhar Bharat

Abhiyan and the Production-Linked Incentive (PLI) Scheme with a budget of INR 6,940 crores over the next 8 years. The Ayushman Bharat Yojana (National Protection Scheme) which provides coverage of INR 5 lakh per family per year for secondary and tertiary care hospitalisation with the objective of improving the competitiveness of domestic manufacturing is one such reform.

According to the Economic Survey 2021, over the next decade, the domestic market is expected to grow 3x. The Indian domestic pharmaceutical market is likely to reach US\$ 65 bn by 2024 and expand further to US\$ 120-130 bn by 2030, whereas The Indian Medical Devices market is expected to reach US\$ 50 bn and grow at a CAGR of 37% from 2020–2025.



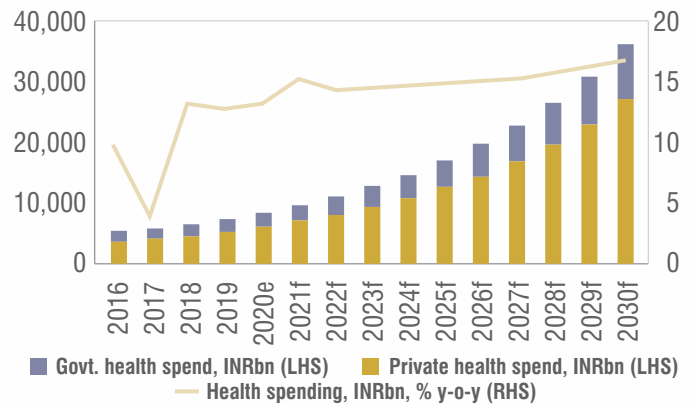
Source: IBEF

The pharma market is primarily divided into two broad therapeutic areas: acute (which includes anti-infectives, pain/analgesics etc.) and chronic therapies (that encompasses cardiac, anti-diabetic etc.). According to the AWACS Data, Chronic therapies constitute 33% of market share while Sub-Chronic for 20% and the Acute Segment for 47% of the market share. The acute therapy segment reported sales growth of 19.8 % YoY, whereas chronic and sub-chronic therapy segments reported growth at 9.2% and 12%, respectively in FY 22.

Private expenditure to drive the Healthcare industry

In 2020, India's healthcare spending reached a value of INR 8,747.6 bn, with per capita expenditure on healthcare reaching a value of US\$ 85.5. By 2025, the health expenditure is forecasted to reach a value of INR 17,451.1 bn, representing a compounded annual growth rate of 14.8%. Long-term healthcare spending is expected to reach INR 36,570.5 bn in 2030, representing 7.4% of the GDP.

Healthcare Expenditure Forecast - 2016 to 2030



Source: Fitch Solution

Government expenditure on healthcare reached INR 2,469.0 bn (US\$ 33.3 bn) in 2020, accounting for 28.2% of total health spending. By 2025, public healthcare spending will reach INR 4,694.2 bn (US\$ 55.9 bn).

The healthcare industry has welcomed the increased allocation by the government in the Union Budget for the sector. India witnessed a boost in its healthcare spending by 135.0% and lifted caps on foreign investment in its vast insurance market. INR 2.2 trn will be allocated to improve public health systems and fund a huge vaccination drive to immunise 1.3bn people. This also includes a new federal scheme with an outlay of INR 641.0 bn over six years to develop the country's capacity for primary, secondary, and tertiary care as well as strengthen national institutions and create new ones to detect and cure new diseases. That said, the government's investment towards healthcare expenditure is expected to remain limited.

Private expenditure on healthcare reached INR 6,278.6 bn in 2020, accounting for 71.8% of total health spending. By 2025, private healthcare spending is expected to double to INR 12,756.9 bn (US\$ 151.9 bn).

Overall private expenditure will continue to drive the growth of the healthcare industry supported by government expenditure to improve accessibility and strengthen India's healthcare infrastructure.

(Source: FITCH, EY Research)

The Indian Prescription Medicine Market

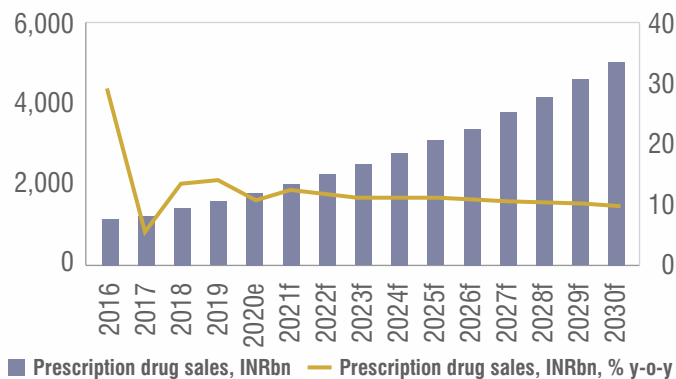
India's prescription medicine market is expected to continue its dominance in pharmaceutical expenditure

during this decade. An existing and growing chronic disease burden coupled with a shift from self-medication to greater use of the healthcare system as accessibility increases will drive the demand. Rapid population growth and a gradually ageing population represent a huge potential for pharmaceutical firms to expand, with the increased emergence of diabetes, cancer, and cardiovascular diseases driving the growth of higher value prescription medicines.

The prescription drug expenditure in India reached a value of INR 1,825.1 bn. By 2025, the sub-sector is expected to grow to INR 3,135.7 bn - experiencing a compound annual growth rate of 11.4%. Over the 10-year forecast period, the prescription drug market will be valued at INR 5,106.8 bn by 2030.

(Source: FITCH, EY research)

Prescription Drug Market Forecast - 2016 to 2030



Source: FITCH, EY research

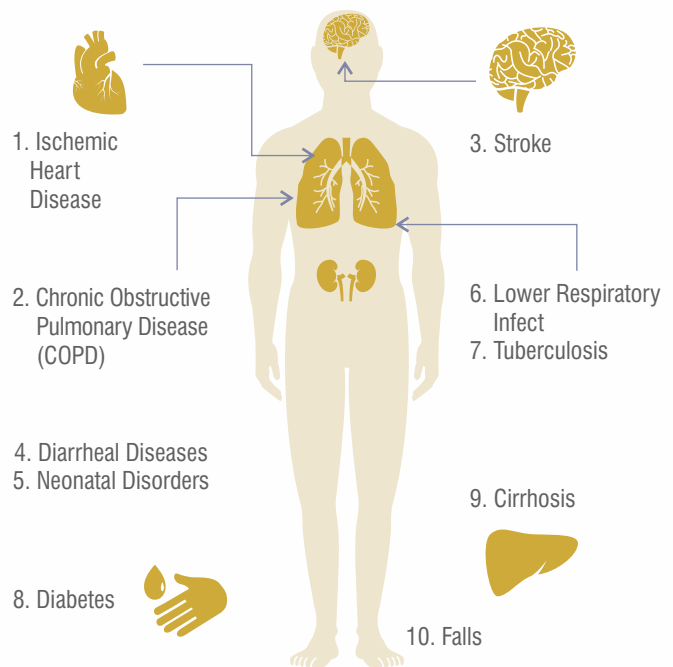
Receding Demographic Dividend

The median age of India's population in 2020 was 28.4 years. The country's favourable demographics provide a tailwind for continued economic growth. India's dependency ratio, the proportion of below 15-year-olds and above 65-year-olds in the population has been falling from 52.5% in 2014 to 48.7% in 2020. However, the window of opportunity for India to capitalise on its demographic dividend is narrowing. India's population is ageing rapidly. The median age of the Indian population is expected to hit 30.0 years in 2025, the threshold after which India can be considered an ageing society.

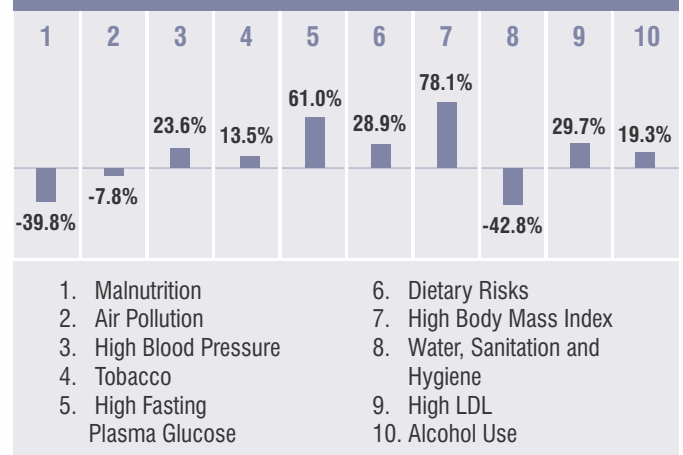
India is now additionally faced with a dual burden of disease. While communicable diseases still account for a significant proportion of the disease burden, a rising morbidity and mortality cost can now be attributed to

Non-Communicable Diseases (NCDs). India suffers from a severe NCD burden, standing on the brink of a cardiac disease crisis caused by unhealthy diets, hypertension, air pollution, hypercholesterolemia, and tobacco usage. Notably, more than two-thirds of the Indians suffering from NCDs fall in the 26 to 59-year-old age group, implying a potentially heavy burden on the healthcare system, given that their condition could be long-lasting.

Top 10 Causes of Death in India, 2019



Top 10 Risk Factor for Death and Disability in India,* 2019



* Percentage change compared to 2009

Source: Institute for Health Metrics and Evaluation (IHME)

INDIA PHARMA & HEALTHCARE SECTOR 2022/2023

AN EMIS Insights Industry Report

Over the years, there has been a substantial change in the disease profile of Indians. The share of communicable, maternal, neonatal, and nutritional diseases for death decreased to 27.5% in 2016 from 53.6% in 1990 and that of non-communicable diseases increased to 61.8% in 2016 from 37.9% in 1990, representing a transition or shift in the disease profile of the country's population.

The receding demographic dividend coupled with lifestyle changes are major reasons for rise in NCDs and specifically lifestyle related Cardiometabolic diseases such as Diabetes, Hypertension, etc.

(Source: EMIS, Investment Opportunities in India's Healthcare Sector – NITI Aayog, EY research)

Rising Burden of NCDs

Non-communicable diseases (NCDs), also known as lifelong diseases, have a long duration and commonly slow progression. The most important NCDs are heart diseases, cancers, chronic respiratory diseases, and diabetes. Each year, 15 mn people die from NCDs between the ages of 30 and 69 years; over 80% of these “premature” deaths occur in low- and middle-income countries. NCDs pose a major public health concern in India, amounting to 62% of the total burden of foregone disability-adjusted life years and 53% of total deaths. Out-of-pocket expenditure associated with the acute and long-term effects of NCDs is high, resulting in catastrophic health expenditure for the households.

According to a macroeconomic analysis, it is estimated that each 10% increase in NCDs is associated with a 0.5% lower rate of annual economic growth. The income loss due to hypertension is the highest, followed by diabetes and cardiovascular diseases. The macroeconomic impact of NCDs is profound as they cause loss of productivity and decrease in gross domestic product.

Tobacco use, unhealthy diet, insufficient physical activity, and harmful use of alcohol are the four major risk factors leading to NCDs. These risk factors, leading to diabetes, hypertension, and dyslipidaemia, are an important feature leading to cardiovascular diseases, responsible for nearly 30% of deaths worldwide.

(Source: Pubmed: A review on Noncommunicable Diseases (NCDs) burden, its socio-economic impact and the strategies for prevention and control of NCDs in India; International Journal of Human and Health Sciences, EY research)

Eris At a Glance – Who we are

Eris Lifesciences Ltd is the only publicly listed Indian Pharmaceutical company with a pure-play domestic branded formulations business model.

Ranked 22 in the IPM, Eris has established an esteemed market presence in its core cardio-metabolic franchise in just 15 years since inception

We began our journey 15 years ago in 2007 with the vision to make a meaningful impact in the management of chronic lifestyle related diseases. The thesis of our existence has remained unchanged since then – to channel the advantages of the latest scientific developments to aid our physicians and patients with better disease management options.

We are India's only domestic listed pharma company with a business model focused entirely on the Indian branded formulation market. Our high degree of conviction in the importance of chronic lifestyle related therapy management has led to our business being highly focused – 93% of our business comes from chronic and sub-chronic therapies. Our business is pivoted around specialist and super specialist doctors as well as high end consulting physicians and as a result of our science led market engagement programs, we enjoy high prescription ranks with these physicians. These market engagement programs take the form of 3 activities - Dissemination of latest scientific knowledge through CMEs and Webinars, our unique Patient Care Initiatives (PCI) and Generation of actionable scientific evidence through India-centric studies.

PCIs are the focal point of our efforts towards creating a science led, transparent and symbiotic relationship with our customers. Through our PCI platform, we bring cutting edge disease diagnosis and monitoring technologies to patients. The data driven insights from these interventions are immensely useful to our physicians in managing the health outcomes of their patients. Over the years, these initiatives have helped myriads of patients take charge of their health outcomes and we remain passionate to take it to even larger scales going forward. The insights we derived over the years from these initiatives eventually paved the way for us to

deliberate on taking the lead in creating India centric studies – to overcome the limitation in data centric understanding of the Indian populations' pharmacological distinctiveness. In FY 21 we published our first such study – The India Heart Study, the only study of its kind on hypertension based on the Indian population. On the back of IHS's sounding success, this year we concluded the India Diabetes Study, the results of which were published in April 2022.

Diabetes care is our flagship therapy contributing to 32% of our FY 22 revenue and we enjoy esteemed ranks in the Oral Diabetes franchise. We rank No 5 in our covered Oral Diabetes market in terms of revenue and No 3 in terms of prescription share. To further enhance our presence in diabetes and to leverage on our high ranks, this year we extended our presence to include Human Insulin. Over the span of the next 3-4 years, we plan to extend our diabetes presence further with the launch of analogue insulins and GLP 1 agonists. Cardiac care is our second largest therapy followed by VMN, CNS, Gastro and Women's health.

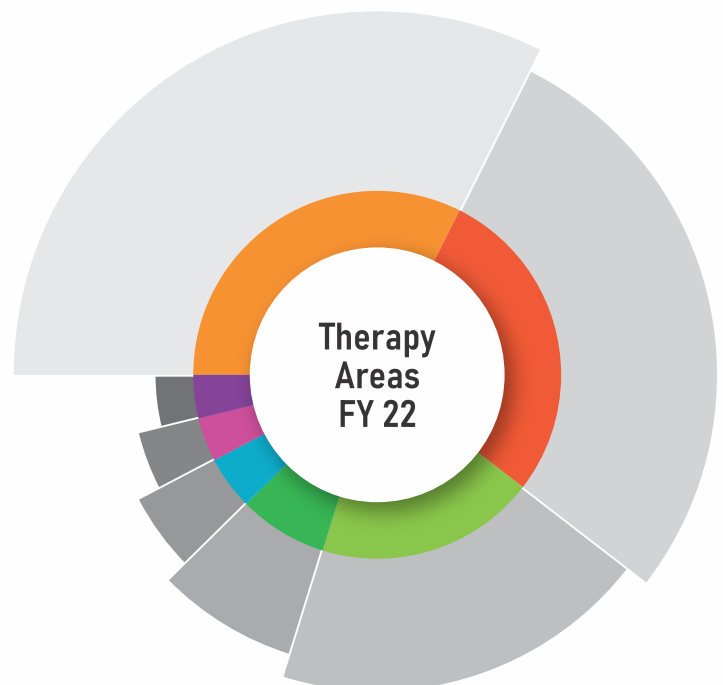
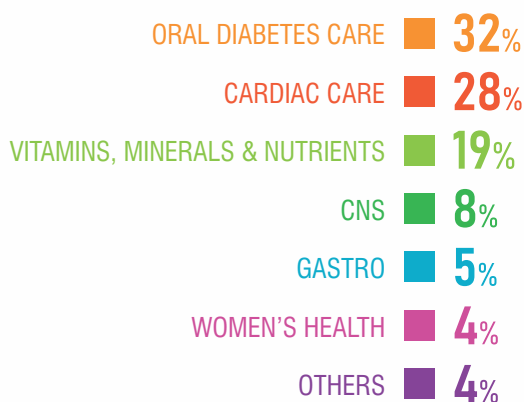
We have a fully integrated business model with our manufacturing facility in Guwahati contributing to 79% of

the products sold during FY 22. Our forthcoming new manufacturing facility in Gujarat, which is expected to be operational by end of CY 22, will further augment our manufacturing capabilities. Our distribution network is present pan India with over 2,000 stockists and 5,00,000+ chemists. Over 4,200 Erisians work in our offices in Ahmedabad and Mumbai, at our manufacturing facility and on the field across the nation.

We clocked in consolidated operating revenue of INR 13,470 mn in FY 22, registering a growth of 5x in the 10 years since FY 12. Our net profits have grown 11x in the last 10 years to INR 4,058 mn in FY 22. We have maintained strict discipline in our capital allocation strategy which has led to our ROICs being in excess of 30% for the last 13 years. 15 years into our existence, the fundamental pillars of our business remain intact – chronic and specialty focused domestic business with a low NLEM exposure, leading brands in core therapies, high margins and return metrics, industry leading cash generation and a strong net debt free balance sheet. We look forward to harness the power of these pillars as we lean into the next leg of our growth journey.

Our Business

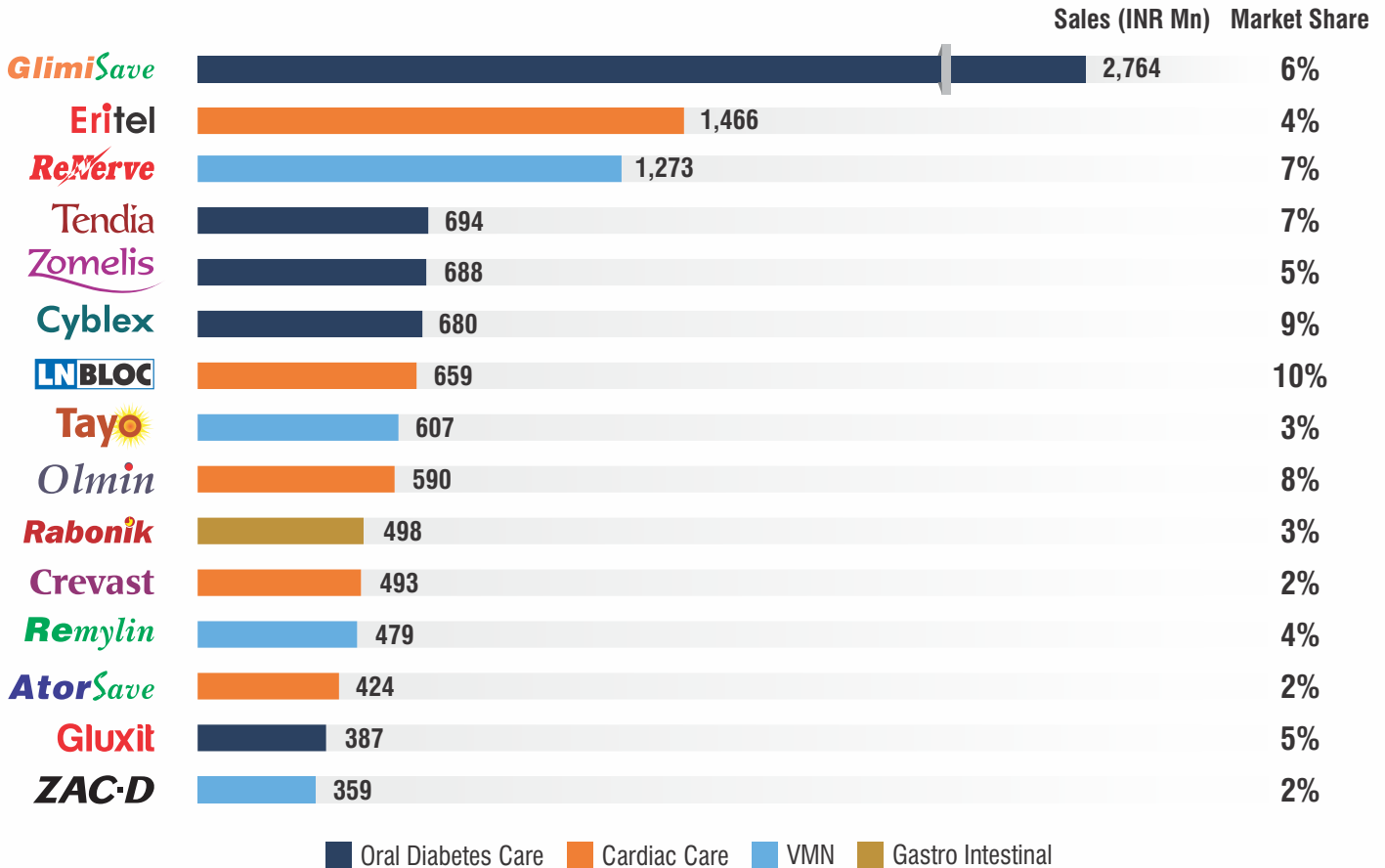
Eris derives all of its standalone revenue from the domestic branded formulations market. Chronic and sub-chronic therapies account for 93% of our business (vs 53% for IPM).



Source: AWACS MAT Mar 22

Our Top Mother Brands

We have a focused portfolio with our Top 15 mother brands accounting for nearly 75% of our revenue



Source: AWACS MAT Mar 22

Our Prescription Rankings

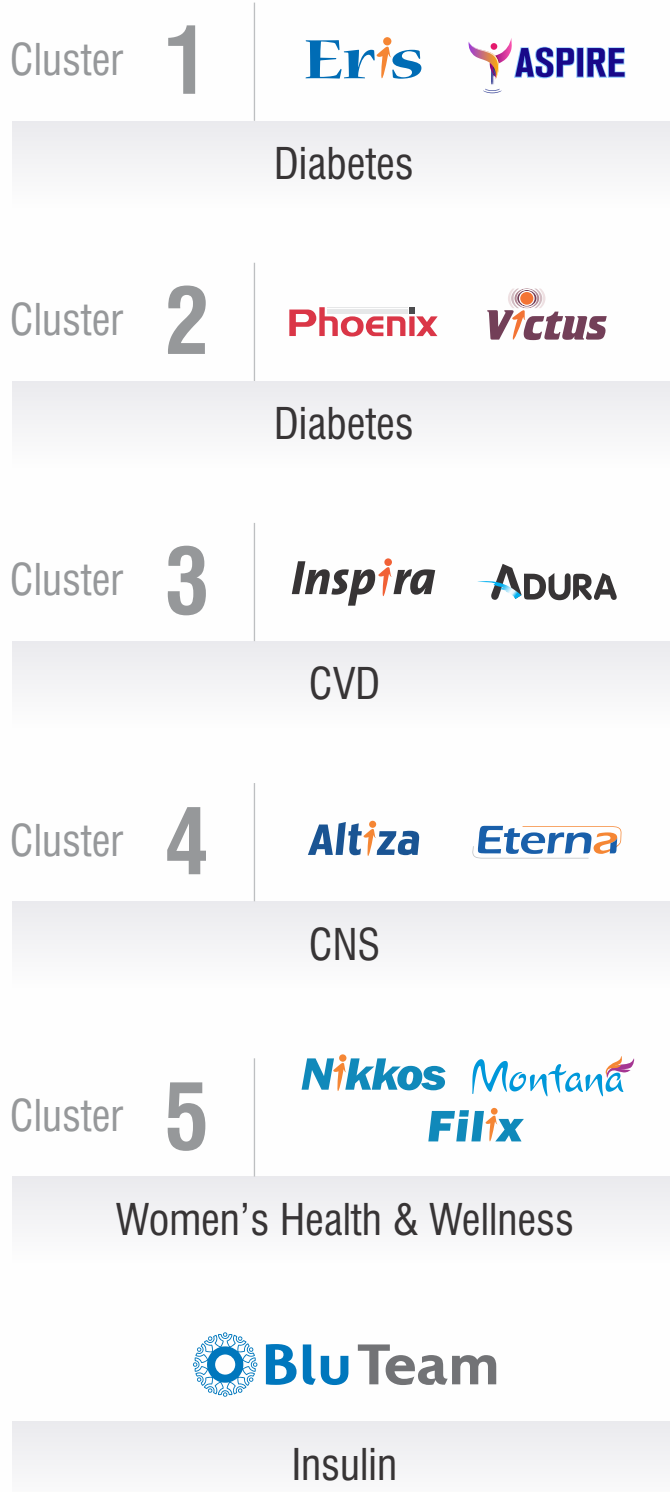
Continued High Prescription Ranks Among Super-Specialists

Our relentless efforts in deepening our coverage of specialists and consulting physicians has resulted in high ranks among doctor specialties.



Source: SMSRC MAT Feb'22 / Prescription Rank in Represented Market / # Diabetologists include Endocrinologists

Our Strategic Business Units



*The Insulin division is placed in the subsidiary

Our Therapy Areas

Diabetes Care

Oral Diabetes Care

Oral diabetes care is our flagship therapy contributing to 32% of FY 22 revenue. In our covered market of ~INR 10,000 crore, we rank #5 ^ in terms of revenue and #3 as per Rx ranks.

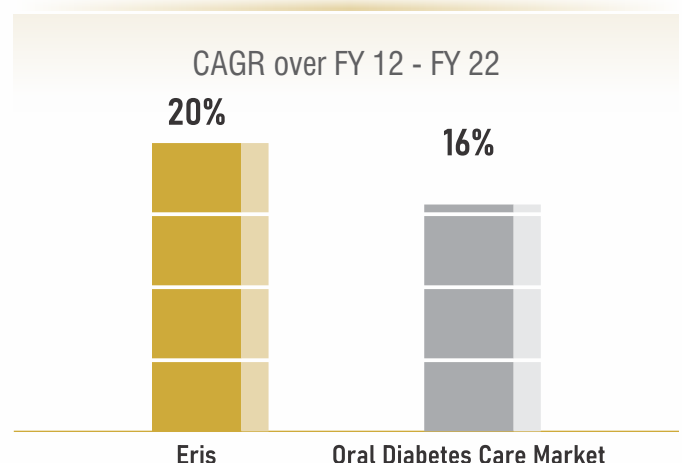
(Source: SMSRC MAT Feb'22) ^ Rank in the represented market

Over the years we have created a strong full-service presence across all the OHA* segments – Sulphonylureas, DPP4 Inhibitors and SGLT 2 Inhibitors. Our successful legacy diabetes brands enjoy high ranks in highly competitive segments - Glimisave is Rank #6, Cyblex is Rank #5 and Tendia Rank #4. The established presence in diabetes thus paved the way for our 2 key new launches in Oral Diabetes in the last 2 years – Zomelis and Gluxit in the newer generation OHA* segments of DPP4 and SGLT2 inhibitors.

In FY 22, while the IPM's Oral Diabetes Care segment grew at 6.3%, Eris outgrew it with a strong yoy growth rate of 13.9%.

*Orally Administered Anti-Hyperglycemic Agents

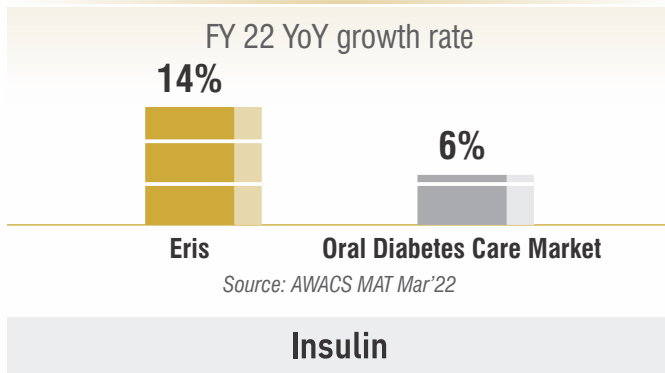
1.3x times faster growth than market



Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

FY 22 Revenue = INR **5,354 mn**



FY 22 marks Eris's entry in the INR 3,500 crore Insulin market with the launch of human insulin through our subsidiary Eris MJ Biopharm Ltd, which houses our joint venture partnership with MJ Biopharm, our strategic partner in the insulin business. In Q4 FY 22, we launched the first product in this bucket, Xsulin our launch in the regular and premix human insulin segment, in the forms of vials and cartridges. We expect meaningful growth in this segment for Eris in the years ahead as Xsulin scales up and new products like Glargine, Lispro, Aspart and Liraglutide are added to the portfolio.

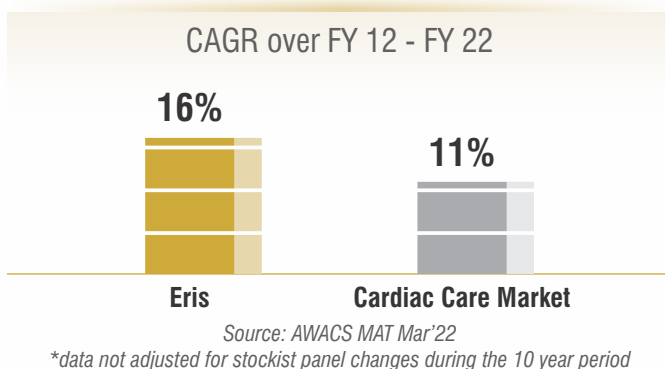
Cardiac Care

Cardiac Care is our second largest therapy area, contributing 28% of our business. Over FY 12 to FY 22, our Cardiac Care franchise has grown 1.4x faster than the market at a CAGR of 16%.

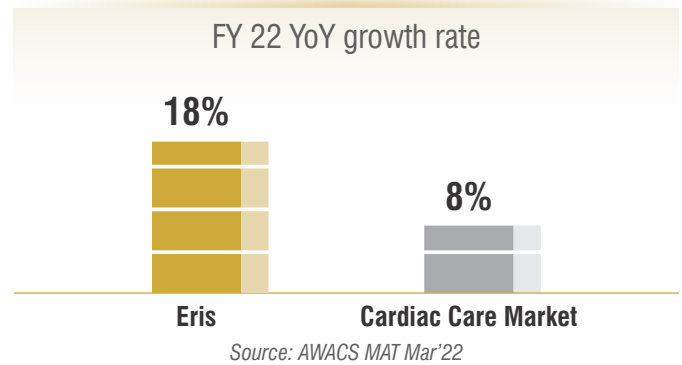
Eris is ranked #4 in terms of prescription rank among Cardiologists and #9[^] in terms of revenue in the Cardiac Care space. We have five of our Top-15 mother brands - Eritel, Olmin, LNBloc, Crevast and Atorsave – in the Cardiac segment.

(Source: SMSRC MAT Feb'22) [^] Rank in the represented market

1.4x times faster growth than market



FY 22 Revenue = INR **4,598 mn**

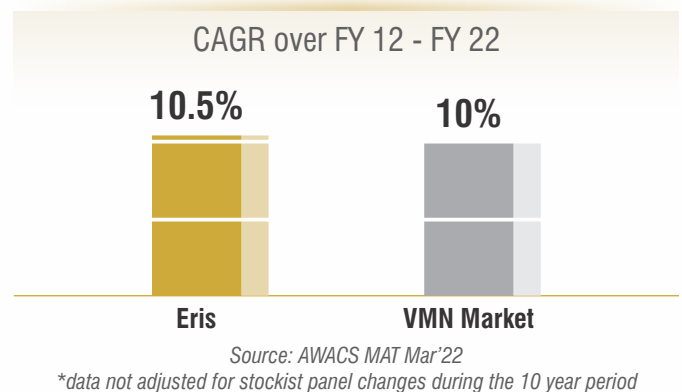


Vitamins, Minerals and Nutrients

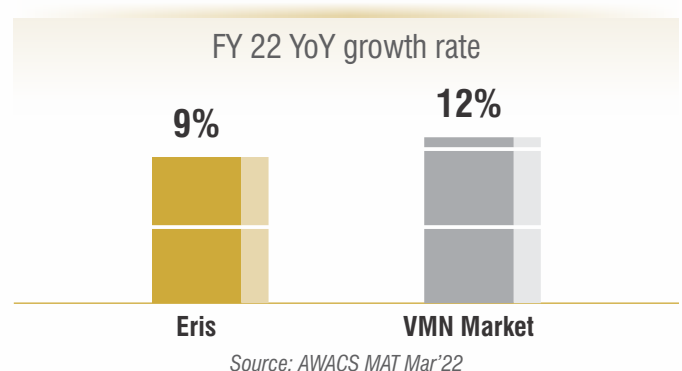
Vitamins, Minerals and Nutrients (VMN) is our 3rd largest therapy area contributing to INR 3,215 mn or 19% of our business. Over FY 12 to FY 22, our VMN franchise has grown in-line with the market at a CAGR of 10.5%.

In FY 22, while the VMN market grew at 12.2%, Eris' VMN franchise grew at 8.6%.

Performed in-line with the market



FY 22 Revenue = INR **3,215 mn**



NEW LAUNCHES IN FY 22

- Renerve Total
- Remylin Dx
- Zac Day
- Ginkocer Forte
- Tayo Raga

NEW LAUNCH IN FY 22

- Drolute

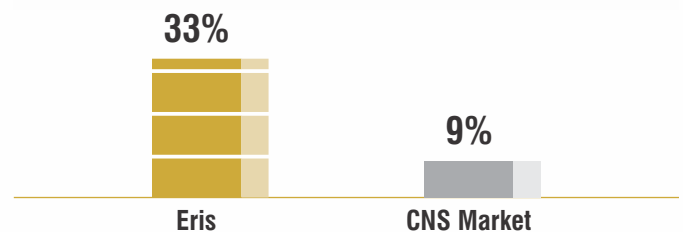
Central Nervous System (CNS)

Our fourth largest therapy area, CNS contributed INR 1,297 mn or 8% of our business.

In FY 22, while CNS market grew by 8.7% yoy, Eris's CNS segment growth at 33.2% was nearly 4 times the market rate

FY 22 Revenue = INR 1,297 mn

FY 22 YoY growth rate



Source: AWACS MAT Mar'22

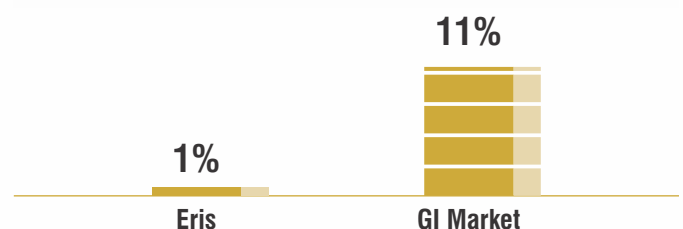
Gastro Intestinal (GI)

The largest therapy area in our acute franchise, GI contributed to INR 756 mn or 5% of our business.

Over FY 12 to FY 22, our GI franchise has grown at a CAGR of 1%. In FY 22, while the GI market grew at 17.3%, Eris under-performed the market by growing at 2.9%.

Under-performed the market

CAGR over FY 12 - FY 22



Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

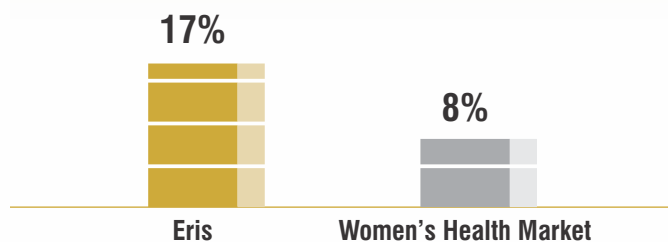
Women's Health

Our women's health segment contributed INR 605 mn or 4% of our business. Over the last decade, Eris has outperformed the women's health market by 2.2x by growing at a CAGR of 17%.

In FY 22, women's health market grew by 13.4% yoy. Eris outperformed the market by growing at 16.4%

2.2x times faster growth than market

CAGR over FY 12 - FY 22

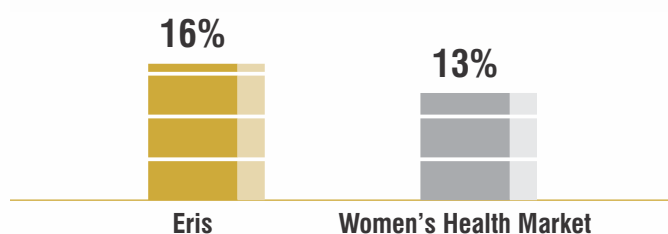


Source: AWACS MAT Mar'22

*data not adjusted for stockist panel changes during the 10 year period

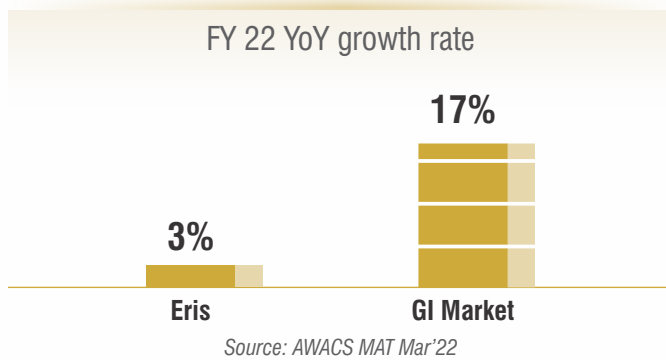
FY 22 Revenue = INR 605 mn

FY 22 YoY growth rate



Source: AWACS MAT Mar'22

FY 22 Revenue = INR 756 mn



Our IT Platform Digital Metamorphosis

Eris has been at the forefront of adopting technology and recognises that information technology has become more pervasive than ever before – underpinning and supporting almost every aspect of an organisation. Embarking on this journey, Eris is well poised for a digital metamorphosis embarked with technology - the underlying backbone through which we are entering the next leg of growth.

As we step forward on the growth journey, we are re-architecting and re-platforming the existing applications and looking forward to moving from a monolithic to a micro services and platform based architecture.

Our new office premises have been built on network zoning and network segmentation with central monitoring systems in place. We are also looking forward at adopting a lean data centre where-in we will follow a cloud-first kind of approach.

Initiatives during the year

To overhaul the existing enterprise resource solution, Eris will be adopting SAP S/4HANA – a world class ERP suite which will enable the company to manage business change at speed, manage internal and external resources, and empower a pan-organisation scalable digital core for all business processes.

During the year, Eris completed a smooth end-to-end roll-out of an automated human resource management system - Darwin Box. The comprehensive platform has

resulted in several benefits like improving employee engagement and performance management, effortless employee on-boarding and powerful analytics aiding senior management in decision making.

Cyber Security

Critical in today's information centric environment is the subject of information security, whether for reasons of safety, security, legal, ethics or compliance. The management of such information is of paramount importance and Eris recognizes it as an essential element of good organisational practice in today's rapidly evolving world. In order to protect this information, Eris has laid the foundation for a robust Information Security Management System which will enable the company to manage the security of assets which are critical to the organization.

Scaling up the team

Eris is conscious of implementation of latest technologies in key working areas. Technology is ever-changing and employees of the company are made aware of the latest working techniques and technologies through workshops, trainings, certifications and discussion sessions for optimum utilization of available resources and to improve operational efficiency.

The year in review witnessed several such levers to innovate, enhance and strengthen business operations, using information technology and digital platforms.

Our People Committed to People Empowerment

As we celebrate 15 years, it is befitting that we appreciate the efforts of our employees over the years for helping build Eris into what it is today. At Eris, human resource is viewed as a key driver of business growth and has been the prime enabler of our rapid expansion and progress. Our robust people processes that have been the bedrock of our success over the years continue to evolve and stay contemporary. By investing in our people, we build

careers and a formidable knowledge pool that helps drive innovation and efficiency.

We are committed to fostering an environment that facilitates employee well-being, safeguards employee rights, promotes growth and continue to invest considerable time and effort in ensuring our people practices are best in the industry.

We have a strong team of 4200+ Erisians working in our offices, manufacturing plant and the field.

4,286	➤ Employees
2,555	➤ Medical Representatives*
1,144	➤ Field Managers
273	➤ Manufacturing
79	➤ Sales and Marketing
26	➤ Intellectual Property & Research
209	➤ Others

*(In the Branded Formulation and Trade Generics business)

People Engagement Survey

We emphasise on creating unique employee experiences and strive to create a workplace that results in engagement and job gratification of highest orders.

During the year, we launched a People Engagement Survey that enabled Erisians to share their feedback directly with Senior Management. The inputs from the survey aided Management to drive policy and process improvements and ultimately create a more rewarding workplace for everyone. To continue engaging with the employees at regular intervals, the survey will be conducted twice a year.

Talent Management

As we evolve, so does our Talent Management processes. This year, we have successfully deployed Darwin-box –a cloud-based human resource management system and on-boarded employees across the organization. This HR system is the fulcrum of our talent management focus

– from talent acquisition, performance and compensation management to managing other routine HR functions.

As part of rewarding the finest talent, Eris has introduced and implemented the new Employee Stock Option Plan during the year to cover additional employees that would not only enable the company to attract and motivate them by rewarding long term association but also retain best talent and enable them to develop a sense of ownership within the organization, with a common objective of maximizing shareholder value.

Performance Management

At Eris, effective talent and skill management is quintessential to our growth. Our performance management is a key talent management process that drives a high performance culture and helps create excellence by enabling achievement of organisational goals. Senior Management regularly assesses departmental and organisational performance metrics, identifies gaps, and addresses them promptly. Our annual performance appraisal process is intensively carried out factoring in the inputs of all the relevant stakeholders.

At Eris, our employees play a crucial role in driving sustainability across the company. We deeply seek to create a thriving work environment and endowing our people with right training. It is our endeavour to help our employees leverage their capabilities through development programs. Our human resource team, periodically conducts training programmes where employees are encouraged to bolster their capabilities.



Launched over two years ago, this digital platform has been successful in bridging the entire field force of Eris on the platform. It enables to keep them conversant of all organizational developments and ensures important announcements are not missed.



Simplification of our people processes remains a focus for us. We have leveraged technology significantly to optimize the induction process as well. Our web based

learning platform, e-Aagman is designed to serve as a program for orientation of new joiners and enable interactive learning. During the year, over 700 employees participated in the program.

Engagement Initiatives

We undertake a wide-ranging suite of employee engagement initiatives including but not limited to organizing sports event, celebrating the founding day of Eris and ensure to celebrate moments of happiness like festive occasions, new-borns in the family



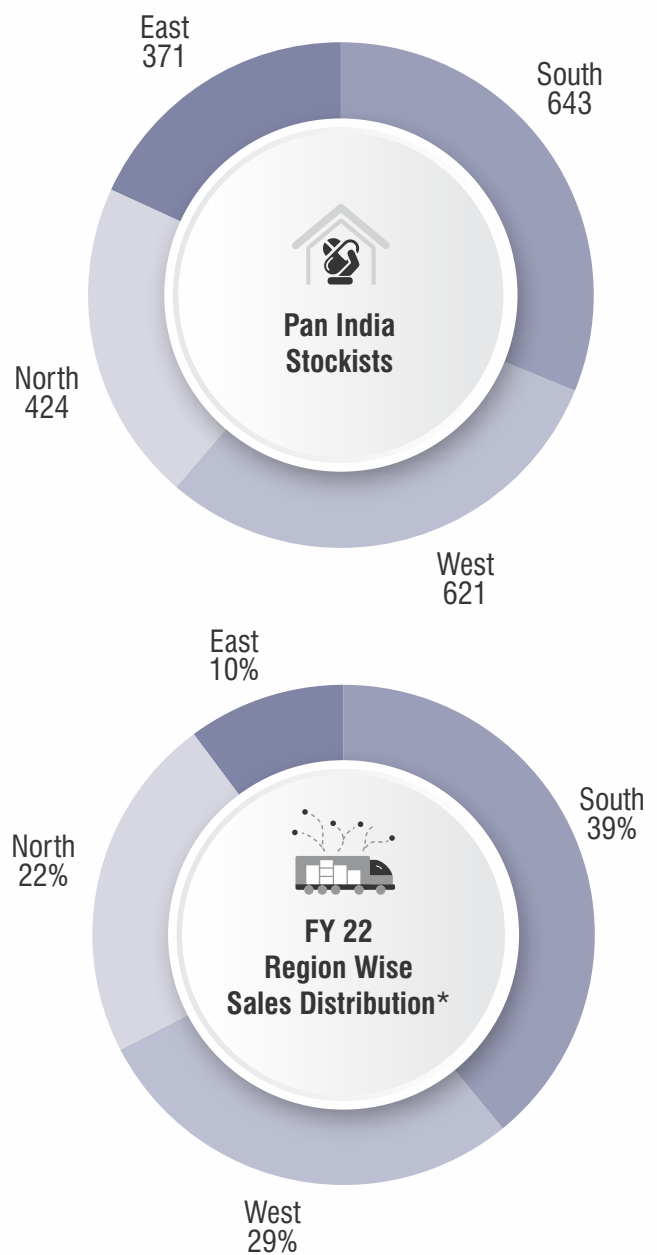
Our Distribution Network Leveraging Nation-wide Sales and Distribution Presence

During the year, our strategy to effectively manage our stockist network focused on deepening our presence in existing markets and ensured that crucial medicines were available throughout the country at all times while maintaining highest quality standards and cost efficiency, eliminating any odds of stock-outs.

To enhance our supply chain capabilities, we have hired a Head of Supply Chain whose role entails managing supply planning by inventory optimization, demand planning forecasts and driving the annual distribution strategy while ensuring service levels of the highest order.

Our operations are ably supported by a pan-India distribution network of 22 Sales depots, 2059 Stockists and more than 500,000 retail chemists.

Our team has been instrumental in achieving supply chain optimization. The key drivers of our excellence in supply chain are our high degree of flexibility, speed of execution and reliability.

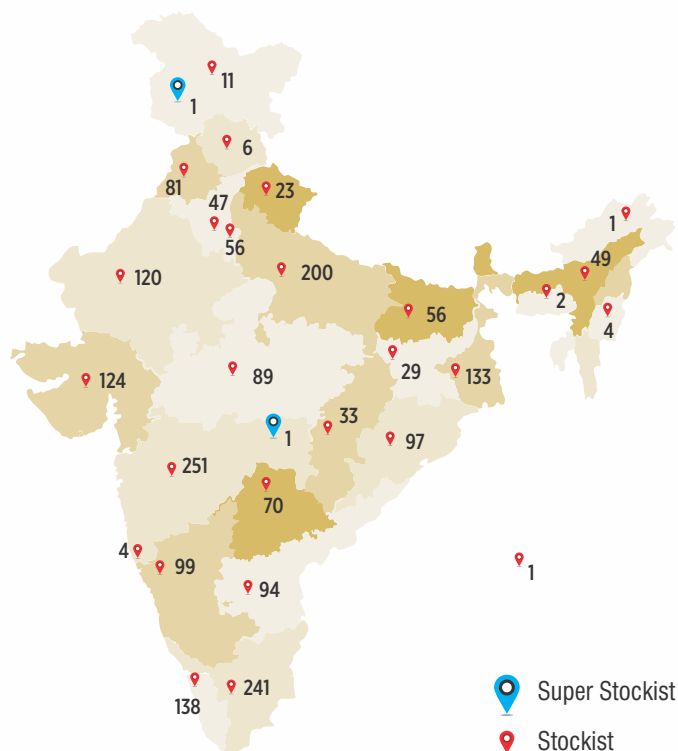


*Source: Primary Sales

22 | SALES DEPOT

2,059 | STOCKIST

5,00,000⁺ | RETAIL CHEMISTS



Our Manufacturing Infrastructure

Our cutting-edge manufacturing facility at Guwahati, Assam accounted for 79% of all products sold (by value), up from 74% last year as we continue to manufacture organically developed products as well as most of our acquired products.

79% of revenues from products manufactured at Guwahati in FY 22

280+ products manufactured

State-of-the-art manufacturing facility in Guwahati, Assam

1 Lakh sq ft built-up area

Our manufacturing facility is eligible to avail of certain tax incentives including income tax exemption and GST subsidies until FY 2025

WHO GMP guidelines compliant



Capacity Utilization for Prescription Products

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	1440	1130	79%
Capsules	150	92	62%
Sachets	2.4	1.2	50%
Soft Gel Tablets	216	48	22%

Capacity Utilization for Supplements and Nutraceuticals

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	25	10	40%
Capsules	25	18	71%
Sachets	1.2	0.5	39%

*Installed capacity based on two shifts per day

Expanding Manufacturing Prowess

As we prepare for the road ahead, we recognise that the ability to put a larger number of successful products in the marketplace needs to be complemented with corresponding growth in manufacturing capacities. To this end, we are judiciously investing in our manufacturing capital by setting-up a new green field facility in the state of Gujarat that can address potential demand, support our pipeline of new product introductions, aid in retaining our competitive advantage of in-house manufacturing for preserving optimal control over quality, supply and cost as well as fill gaps in our current manufacturing infrastructure.

**The new plant is
expected to be operational by
the end of CY 22**

The commercialisation of the new facility in a phased manner will enhance our product mix and plug portfolio gaps while strengthening revenues.

Environment, Safety and Social Responsibility



Eris strives to adopt best environmental practices and protocols within the paradigm of our operations and create value for all stakeholders whilst growing responsibly and sustainably. During the year, a host of initiatives were undertaken at the manufacturing plant to improve energy efficiencies resulting in savings of ~40,000 units of energy per month. Some of the energy saving initiatives taken during the year are outlined below,

- Optimising compressed air generation by installing an air reservoir to store and maintain air pressure
- Insulation of hot water tanks to minimize energy loss
- Optimisation of energy efficiency through preventive maintenance activities of systems like HVAC, plant and utility equipment at regular intervals

Our manufacturing plant has set-up an effluent treatment plant with Zero Liquid Discharge (ZLD) treatment process, designed for the removal of liquid waste from the system. The emphasis of the process is to manage wastewater economically and produce clean water. Treated water from this facility is recycled and used for gardening, cooling tower and other utilities. As an outcome, plant processed an average of ~25,000 litres of effluents per day in the last financial year.

As part of optimum utilization of rain water, we have deployed rain water harvesting system which resulted in harvesting ~75,000 litres of rain water per month.

We continue to build and improve our occupational health and safety management system. Hazards and risk associated with site activities are identified at the manufacturing location and risk control and mitigation measures are implemented periodically. Specific safety SOPs and protocols are put in-place so that steps on pre-emptive action for safety can be taken on a timely basis. We have not faced any accidents at our manufacturing facility in Guwahati since inception. Some of the key health and safety measures adopted at the plant are:

- Conducting frequent risk assessments and regular checks to ensure safety of employees
- Imparting periodic training on fire and first-aid by a team of in-house experts
- Celebrate safety week which covers all aspects of safety measures
- Conducting medical check-up for all employees

We endeavour to maintain healthy relationship and engagement with local communities and work with them as partners. In that spirit, we have initiated and adopted social and community welfare undertakings which include a wide spectrum of development activities. The community activities implemented in the vicinity of the manufacturing plant are done in response to the immediate needs of the communities.

Financial Review

Financial Highlights

Summary Consolidated Income Statement

Particulars (INR million)	FY 21	FY 22	Growth %
Revenue from Operations	12,119	13,470	11.2%
Gross Profit	9,736	10,885	11.8%
EBITDA	4,306	4,850	12.6%
EBIT	3,876	4,203	8.4%
Profit Before Tax	3,945	4,422	12.1%
Profit After Tax	3,551	4,058	14.3%
Earnings per share (INR)	26.16	29.89	14.3%

Summary Standalone Income statement

Particulars (INR million)	FY 21	FY 22	Growth %
Revenue from Operations	11,088	12,157	9.6%
Gross Profit	9,103	10,161	11.6%
EBITDA	4,173	4,840	16.0%
EBIT	3,797	4,325	13.9%
Profit Before Tax	3,889	4,585	17.9%
Profit After Tax	3,506	4,172	19.0%

Revenue from Operations:

For the year under review, the Company's consolidated Revenue from Operations increased by 11.2% to INR 13,470 mn from INR 12,119 mn in FY 21.

The growth in the standalone operations, which represent the branded formulation business of Eris, is a testimony of our strong and consistent focus on building resilient brands in the chronic and sub chronic therapies. The AIOCD AWACS analysis shows that Eris has grown in-line with the IPM and covered market.

As per AWACS, our cardio-metabolic segment (which contributes 60% to our revenue), grew 16% yoy in FY 22, outperforming its covered market which grew by 7.6% yoy. The Vitamins, Minerals and Nutrients (VMN) segment (19% of our revenue) grew by 8.6% yoy, underperforming its covered market which grew by 13.6% yoy. Our Top-15 mother brands, which contribute nearly 75% of our revenue, grew by 11.7% yoy. 9 out of these Top 15 brands outgrew their markets.

Gross Profit: The standalone gross margin (branded formulations) increased from 82.1% in FY 21 to 83.6% in FY 22 owing to better product mix and increased in-house sourcing from Guwahati facility.

Employee Expenses: Our employee expenses as a ratio of operating revenues remained in line with the previous year as we continue to reap benefits of people investments made in earlier years. We realised marginal productivity gains in our standalone operations (branded formulations business) as the YPM (Yield per Man per Month) for FY 22 increased to INR 5 lakh per month, up from INR 4.5 lakh per month in FY 21.

Other Expenses: Standalone other expenses as a percentage of revenue witnessed a marginal reduction of 30 bps during the year.

Earnings before Depreciation, Amortisation, Interest and Taxes (EBITDA): As a result of the said factors, the standalone EBITDA margin increased to 39.8% in FY 22 from 37.6% in FY21 and the consolidated EBITDA margin increased to 36.0% in FY 22 from 35.5% in FY 21. We continue to remain among the highest EBITDA-margin companies in our industry.

Profit Before Tax (PBT): Consolidated PBT grew by 12.1% to INR 4,422 mn from INR 3,945 mn in FY 21.

Tax Expenses: Our effective tax rate declined slightly to 8.2% in FY 22 from 10.0% in FY 21 as we continue to enjoy tax exemption at our Guwahati manufacturing facility which catered to 79% of our standalone revenue.

Profit After Tax (PAT): Consolidated Profit after Tax for the year at INR 4,058 mn witnessed a 14.3% yoy growth and standalone Profit after Tax for the year at INR 4,172 mn witnessed a 19% growth.

Cashflows: We continue to remain among the highest cash-flow generating businesses in our industry. Operating cashflow (OCF) to EBITDA ratio in FY22 stood at 78%.

Working Capital: Our core working capital (inventory, debtors and payables) in the standalone business stood at 38 days of operating revenue in FY 22. Our Debtor turnover days in the standalone operations increased from 37 days of operating revenue in FY 21 to 41 days of operating revenue in FY 21. We continue to make efforts to optimise our working capital requirements as we move forward.

Key Financial Ratios – Consolidated

Ratio	FY 21	FY 22	Variance
Profitability Margin ratios			
Gross Margin	80.3%	80.8%	47 bps
EBITDA Margin	35.5%	36.0%	47 bps
EBIT Margin	32.0%	31.2%	(79) bps
PAT Margin	29.3%	30.1%	82 bps
Return ratio			
Return on Invested Capital (ex treasury investments and cash & cash equivalents)	33.5%	33.9%	37 bps

Ratio	FY 21	FY 22	Variance
Return on net worth (RoE) (ex treasury investments and cash & cash equivalents)	30.7%	33.4%	264 bps
Working capital ratios			
Net Working Capital days	51	58	13.1%
Debtors days	42	44	3.1%
Inventory days	28	32	12.3%
Gearing ratios			
Interest coverage ratio	215	101	(52.9%)
Debt/Equity ratio	0.2	0.2	16.4%
Liquidity ratios			
Current ratio	2.8	3.1	12.3%
Current Assets	4,670	6,273	34.3%
Current Liabilities	1,669	1,996	19.6%

Key Financial Ratios – Standalone

Ratio	FY 21	FY 22	Variance
Profitability Margin ratios			
Gross Margin	82.1%	83.6%	148 bps
EBITDA Margin	37.6%	39.8%	218 bps
EBIT Margin	34.2%	35.6%	134 bps
PAT Margin	31.6%	34.3%	270 bps
Return ratio			
Return on Invested Capital (ex treasury investments and cash & cash equivalents)	41.2%	44.2%	293 bps
Working capital ratios			
Net Working Capital days	51	62	21.5%
Debtors days	37	41	10.3%
Inventory days	21	25	19.3%
Gearing ratios			
Interest coverage ratio	488	145	(70.4%)
Debt/Equity ratio	0.1	0.1	6.2%
Liquidity ratios			
Current ratio	2.9	3.5	19.0%
Current Assets	4,236	5,800	36.9%
Current Liabilities	1,445	1,662	15.1%

Internal Finance Controls

The internal financial controls (IFC) framework institutionalised in Eris Lifesciences has been evaluated in-depth for its adequacy and operating effectiveness, wherein the company has covered financial reporting controls, operating controls, compliance related controls and also Information Technology (IT) controls, comprising of IT general controls (ITGC) and application level controls. The company has aligned IFC framework in line with the requirements of Companies Act 2013, on the lines of the globally accepted risk-based framework.

The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Risk and Risk Mitigation

The company has a Risk Management Committee of the board which is entrusted with the responsibility of overseeing various strategic, operational, compliance and financial risks the organisation faces. The Risk Management Committee reviews and addresses the risks on periodic basis.

The company has a robust risk management framework to identify, monitor, mitigate and minimise risks. The company is continuously monitoring and adapting the risk management framework to address the new challenges raised by the global pandemic of Covid19 and Global Supply Chain uncertainties. The internal auditors carry out a comprehensive risk-based audit which is reviewed by the Risk Management Committee to strengthen the risk mitigations.

The company defines and addresses risks majorly in following categories:

Strategic Risks are uncertainties impacting strategic goals of the Company and these risks arise due to key decisions taken by the management with respect to new markets, product & process development, resources, business growth & revenue model, M&A, industry changes, investment model, natural disasters, etc. which can impact business objectives.

Operational Risks are attributable to the efficient and effective utilization of resources. It covers risks related to gaps in existing processes which could make the function/ process weak and vulnerable to exploitation, which could have an adverse impact on the business. The gaps could be related to production capacities, quality assurance, customer demands, material availability, human safety, etc.

Compliance risks arise out of non-compliance with applicable laws, regulations, standards and policies which could impact the Company's reputation and business.

Financial risks include uncertainties and untapped opportunities in effective and efficient utilization of financial resources as well as uncertainties in currency fluctuations, liquidity & funding, capital management and credit risk. These risks could have an impact on the Company's financial statements and the transmission of accurate financial information to stakeholders.

Economic and Political Risks are the risks impacted by the various macro-economic factors and economic developments which have an adverse effect not only on the industry, but also the company as a whole. Any change in Government or a change in the economic and deregulation policies could adversely affect the economic conditions prevalent in the areas in which the company operates. These factors could depress economic activities and restrict its access to capital, which could have an adverse effect on its operations.

Regulatory Risks: The industry is subject to extensive regulations and any failure to comply with the applicable regulations prescribed by the central, state governments and regulatory agencies or failure to obtain or renew any licences and permits, could impact our business. The company maintains a strict vigil on the quality standards through a robust quality assurance framework. Regular monitoring of all the products, manufacturing and supply

chain processes, enable the company to maintain high quality standards on one hand, while securing conformity with regulatory norms on the other. The Risk Committee of the Company reviews the regulatory changes and identifies the potential new risks and its impact and plans the remediation plan.

Competition Risk: The industry is a highly competitive one, with presence of several major players. As a result of this, products face intense competition in various therapeutic areas. In order to mitigate the risks arising out of competition, the company has developed capabilities in the commercialisation of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and other regulatory aspects. The Company's capabilities are further enhanced with the presence of multiple sales division that focus on developing and growing its industry engagement.

Outlook

Strengths and Opportunities

Strong brands: The Company continues to focus on maintaining the strength of its brand portfolio; the Top 15 Mother Brands contribute 74% of its revenue and are well placed in their segments and poised for further future growth.

Leading prescription ranks: The Company's strong portfolio of Mother Brands has witnessed improvement over the years and enjoys leading prescription ranks with their respective specialties. In the prescription market, the Company holds a dominant position in key specialty areas such as diabetologists, cardiologists, neurologists, gastroenterologists and consulting physicians. Prescription ranks, implying the growth in new prescriptions, are a leading indicator of growth.

Prescription ranking among super specialists:

Diabetologists	3rd
Cardiologists	4th
Neurologists	4th
Gastroenterologists	5th
Consulting Physicians	6th

Source: SMSRC MAT Feb'22

Patient care initiatives: Our unique Patient care initiatives approach to doctor engagement leads to a

professional and science backed customer relationship which apart from helping the healthcare community manage the disease burden, create immense brand equity for the Company.

Strong balance sheet: The Company has consistently generated profits and maintained strong cash flows. The Company follows strong return discipline in capital allocation decisions which has helped in having a strong balance sheet with superior returns on invested capital and net worth for the benefit of shareholders.

Operating efficiency: The yield per man (YPM) for the Company has potential of scaling up to industry leading numbers. With improvement in the YPM metric margin efficiency also improves.

Operating leverage: The manufacturing facility in Guwahati, Assam currently operating at $\approx 80\%$ capacity utilisation on a two shift basis is capable of being scaled up to triple shift basis. The unutilised capacity will provide operating leverage benefit to the Company as sales of the products manufactured from the facility increases.

Demographic tailwinds: Overall healthcare spending in India is expected to rise due to rise in population, consistent economic development and rapid urbanisation, improved affordability, high real GDP growth rate and improving GDP per capita rising healthcare awareness among the masses and greater demand for insurance coverage, boosted by government and private insurer initiatives.

Increased lifestyle related diseases: Increasingly sedentary lifestyle, changing consumption patterns and rapid urbanization has led to a widespread rise in chronic ailments. As the market and economy mature, India is expected to see a higher share of chronic diseases in line with other emerging and most developed nations.

Health Insurance coverage: Greater demand for insurance coverage, boosted by government and private insurer initiatives will help drive the expansion of healthcare services and pharmaceuticals market in India.

Rising healthcare awareness: Enabled by rising medical information portals and healthcare start-ups, patients are becoming more aware of diseases and preventive therapies/ medicines.

Increase in government health expenditure: The government has plans of increasing focus on healthcare, doubling its share of expenditure as a % of GDP by 2025.

Threats, Risks and Concerns

Pandemic-like Situation: The outbreak of the COVID-19 like pandemic across the world and subsequent disruption in economic activities apart from impacting GDP across countries also causes various disruptions which impacts demand of pharmaceutical products.

Regulatory Overhang: The Drug Price Control (Amendment) Order limits price increases in schedule drugs mentioned in the National List of Essential Medicines (NLEM). While it has been observed that competitive forces in the market have been more effective in controlling prices, amendments in the list will continue to pose challenges for the industry. As on 31st March 2022, 7% of the Company's revenue were from drugs scheduled in the NLEM (vs. 17% for the Indian Pharma Market).

Going Ahead

With sharp recovery in Indian economy and more focus on healthcare after COVID-19 pandemic domestic pharmaceutical market is expected to grow significantly. Eris's strong current portfolio will further reap benefits of investments in promotions in last couple of years. While the existing business remains the main engine of growth for the Company, in-licensing, exploring newer therapeutic areas and future patent expiries are some areas that it is exploring. In-licensing of products also remains an exciting opportunity for the Company. It is aggressively looking at entering into partnerships with national and international entities to leverage its sales and marketing, distribution and manufacturing facilities.

The Company has also identified various key products whose patents expire in the near future. Productivity is also expected to improve further with further expansion in doctor reach.

The Company is confident to continue to outperform in core therapies as a result of super speciality focus, strong power brands, presence in fast growing molecules and adaptability and resilience of the business model.

Safe Harbour and Cautionary Statement

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections,

estimates or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Important factors that could make a difference to the Company's operations include our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, allocations of funds by the Governments in the healthcare sector, increasing competition and the conditions of our customers, suppliers and the pharmaceutical industry, global and Indian demand-supply conditions finished goods prices, cyclical demand and pricing in the Company's principal markets, changes in government laws and regulations, tax regimes, our provisioning policies, economic and political developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Amit Bakshi

Chairperson & Managing Director

Mr. Krishnakumar Vaidyanathan

Executive Director & COO

Mr. Inderjeet Singh Negi

Executive Director

Mr. Kaushal Shah

Executive Director

Mr. Sujesh Vasudevan

Independent Director

Ms. Kalpana Unadkat

Independent Director

Mr. Prashant Gupta

Independent Director

Mr. Rajeev Dalal

Independent Director

AUDIT COMMITTEE

Mr. Rajeev Dalal

Chairperson

Ms. Kalpana Unadkat

Member

Mr. Prashant Gupta

Member

Mr. Krishnakumar Vaidyanathan

Member

BANKERS

| **AXIS Bank Limited**

| **HDFC Bank Limited**

| **State Bank of India**

| **CITI Bank N.A.**

CHIEF FINANCIAL OFFICER

| **Mr. Sachin Shah**

COMPANY SECRETARY

| **Mr. Milind Talegaonkar**

STATUTORY AUDITORS

| **M/s. Deloitte Haskins & Sells LLP**

INTERNAL AUDITORS

| **M/s. Agrawal Dhand Motwani & Co.**

COST AUDITORS

| **M/s. Kiran J Mehta & Co.**

SECRETARIAL AUDITORS

| **M/s Ravi Kapoor & Associates**

REGISTERED OFFICE

Shivarth Ambit, Plot No. 142/2, Ramdas Road,
Off SBR, Near Swati Bungalows, Bodakdev,
Ahmedabad - 380054

MANUFACTURING FACILITY

Plot Nos. 30 and 31, Brahmaputra Industrial Park,
Under Mouza-Sila, Senduri Ghopa, Amingaon,
North Guwahati, Guwahati 781 031 Assam, India

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited C - 101,
247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083

BOARD OF DIRECTORS



MR. AMIT BAKSHI

CHAIRMAN AND MANAGING DIRECTOR

Mr. Amit Bakshi has been on the Board of Eris since inception and serves as Chairman and Managing Director. He has over two decades of experience in the Indian pharmaceutical industry across multiple Indian and MNC pharmaceutical companies. He takes responsibility for setting the strategic direction for Eris as well as maintaining high governance standards. He oversees the company's business with special focus on enhancing patient engagement and architecting total healthcare solutions. Mr. Bakshi has been recognized as 'Entrepreneur of the Year, 2013' by Ernst & Young LLP.



MR. KRISHNAKUMAR VAIDYANATHAN

EXECUTIVE DIRECTOR & CHIEF OPERATING OFFICER

Mr. Krishnakumar in his role as Chief Operating Officer oversees the business operations of the company. He has over two decades of professional experience across Lifesciences, Corporate Finance and Management Consulting. His core areas of expertise include Strategic Planning, Business Building, Mergers & Acquisitions, Corporate Finance and Operational Excellence. Prior to joining Eris, Mr. Krishnakumar was a Corporate Finance Partner with Ernst & Young LLP for 9 years. Prior to Ernst & Young, Krishnakumar has worked with Avendus Capital, Piramal Pharma Solutions and McKinsey & Company. Mr. Krishnakumar holds an MBA in Finance from IIM Calcutta and a B.Tech from VJTI, Bombay University.



MR. INDERJEET SINGH NEGI

EXECUTIVE DIRECTOR

Mr. Inderjeet Singh Negi has been on the Board of Eris since inception and serves in the capacity of Executive Director. He is responsible for driving supply chain and sales administration in line with the overall strategic direction of the company. Mr. Negi has worked with several pharmaceutical companies including Sun Pharma and Intas Pharma in various capacities and has more than 20 years' cumulative professional experience. Mr. Negi is a science graduate from HNB Garhwal university.



MR. KAUSHAL KAMLESH SHAH

EXECUTIVE DIRECTOR

Mr. Kaushal Kamlesh Shah has been associated with Eris since inception and serves in the capacity of Executive Director. He is responsible for driving manufacturing, strategic sourcing and distribution operations. He has 23 years' experience in the pharmaceutical industry. Mr. Shah holds a bachelor's degree in commerce from Gujarat University and a post graduate diploma in management from Som-Lalit Institute of Management Studies.



MR. SUJESH VASUDEVAN

INDEPENDENT DIRECTOR

Mr. Sujesh Vasudevan is an Independent Director at Eris. A Harvard alumnus, he brings 31+ years of experience in the pharma industry across leading Indian and global companies such as Glenmark, Abbott, and Torrent in the areas of Sales & Marketing and Business Development. He has built and led international businesses for some of these companies. Mr. Sujesh is a Senior Advisor to the Boston Consulting Group (BCG) and a Consultant to Warburg Pincus.



MS. KALPANA UNADKAT

INDEPENDENT DIRECTOR

Ms. Kalpana Unadkat is an Independent Director at Eris. She is a qualified Solicitor registered with the Bombay Incorporated Law Society and the Law Society of England & Wales. She brings over two decades of legal experience and is presently a Partner with Khaitan & Co. Prior to Khaitan & Co., Ms. Unadkat spent 10 years with the London offices of Ashurst LLP. She is a well-recognised expert on M&A and Corporate Governance principles. She also advises on board effectiveness, particularly around issues of corporate governance, leadership, organisational climate, and decision-making. In this regard, she has led several workshops and trained more than 300 directors with a comprehensive approach to director development. She is also an independent director on the board of public companies (listed and unlisted). She is a co-author of the research "Women on Board" and has been frequently quoted in the media on corporate governance and M&A deals in India.



MR. PRASHANT GUPTA

INDEPENDENT DIRECTOR

Mr. Prashant Gupta, is an Independent Director at Eris. He is a Partner in the corporate law department of Shardul Amarchand Mangaldas & Co. Mr. Gupta has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal500 and other leading industry publications as one of the leading capital markets practitioners in India. He was selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017. Mr. Gupta received his Bachelor of Arts and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor's degree in Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California.



MR. RAJEEV DALAL

INDEPENDENT DIRECTOR

Mr. Rajeev Dalal is an Independent Director at Eris. He brings over 36 years of experience in corporate finance covering 100+ M&A (domestic and cross border) transactions and Private Equity deals in sectors such as Pharma, Chemicals, FMCG, Metals & Mining, Industrials and Financial Services. Mr. Dalal was a corporate finance Partner at Ernst & Young LLP since 2002, consequent to the merger of Arthur Andersen with Ernst Young in India. Prior to that in 1990, Rajeev co-founded Ind Global Finance Trust (IGFT), which was acquired by Arthur Andersen in the year 2000. Prior to co-founding IGFT, Rajeev worked with HSBC and JM Financial in their investment banking divisions. Mr. Dalal is a member of the Institute of Company Secretaries of India. He is also a Law and Commerce Graduate from Bombay University.

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company have pleasure in presenting their 6th Annual Report (Post – IPO) on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2022.

The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS:

During the year under review, the performance of your Company was as under:

(Rs. In Million)				
Particulars	Standalone		Consolidated	
	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	12,157.30	11,088.34	13,470.43	12,118.63
Other Income	289.89	99.98	260.94	87.08
Total Revenue	12,447.19	11,188.32	13,731.37	12,205.71
Operating EBITDA	4,839.95	4,173.14	4,849.55	4,305.76
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	5,129.84	4,273.12	5,110.49	4,392.84
Less: Depreciation/ Amortisation/ Impairment	(514.55)	(376.40)	(647.05)	(429.85)
Profit /loss before Finance Costs, Exceptional items and Tax Expense	4,615.29	3,896.72	4,463.45	3,962.99
Less: Finance Costs	(29.91)	(7.78)	(41.46)	(18.02)
Profit /loss before Exceptional items and Tax Expense	4,585.38	3,888.94	4,421.98	3,944.97
Add/(less): Exceptional items	0	0	0	0
Profit/(Loss) before taxation	4,585.38	3,888.94	4,421.98	3,944.97
Less : Tax Expenses (Current & Deferred)	(413.46)	(382.89)	(364.09)	(393.62)
Profit /loss for the year	4,171.92	3,506.05	4,057.89	3,551.35
Profit after tax before share of profit/(loss) of minority interest	4,171.92	3,506.05	4,057.89	3,551.35
Share of profit/(loss) attributable to Minority Interest	0	0	(3.24)	0
Profit for the year attributable to the shareholders of the company	4,171.92	3,506.05	4,061.13	3,551.35
Other Comprehensive Income/(Loss)	(10.05)	(12.80)	(9.82)	(14.89)
Total Comprehensive Income/Loss	4,161.87	3,493.25	4,048.07	3,536.46
Owners of the company	4,161.87	3,493.25	4,051.31	3,536.46
Add : Balance B/F from the previous year	15,577.39	12,830.93	15,503.13	12,713.46
Less: Transfer to Debenture Redemption Reserve, If any	0	0	0	0
Less: Transfer to Reserves	0	0	0	0
Less: Interim dividend	(816.48)	(746.79)	(816.48)	(746.79)
Less: Utilised for buy back of shares	0	0	0	0
Add: Change in Non-controlling interest	0	0	(1.43)	0
Balance Profit / (Loss) C/F to the next year	18,922.78	15,577.39	18,736.53	15,503.13

2. STATE OF AFFAIRS (standalone):

- The gross sales and other incomes for the financial year under review were Rs. 12,447.19 million as against Rs. 11,188.32 million in the previous year, recording a growth of 11.25%
- The profit before tax was Rs. 4,585.38 million for the financial year under review as against Rs. 3,888.94 million for the previous financial year, registering an increase of 17.91%
- The profit after tax for the financial year under review was Rs. 4,171.92 million as against Rs. 3,506.05 million for the previous financial year, registering an increase of 18.99%.

3. DIVIDEND:

In line with the Dividend Distribution Policy of the Company, during the year under review, the company had paid Rs. 6.01 per equity share (at the rate of 601%) as an interim dividend for the Financial Year 2021-22 (during the previous year the company had paid Rs. 5.50 (at the rate of 550%) per equity share as an interim dividend with no final dividend). No Final dividend was recommended by the Board of directors.

The Company has adopted the Dividend Distribution Policy and the said policy is available on the website of the Company at <http://eris.co.in/policies>.

4. CAPITAL EXPENDITURE (standalone):

As on March 31st, 2022, the gross fixed assets (tangible and intangible) stood at Rs. 7,833.96 million (previous year Rs. 7,168.75 million) and the net fixed assets (tangible and intangible), at Rs. 6,420.03 million (previous year Rs. 5,843.23 million). Capital expenditure during the year amounted to Rs. 532.83 million (previous year Rs. 256.11 million). During the year under review, the Company has paid NIL amount for business acquisition/consolidation of holding (previous year NIL).

5. TRANSFERS TO RESERVES:

The Company has not transferred any amount to the reserves during the year under review. (previous year: NIL)

6. CHANGES IN CAPITAL STRUCTURE:

During the year under review, the Company had issued and allotted 1,49,544 equity shares to its employees under the "Eris Lifesciences Employee Stock Option Plan 2017". As a result, the issued, subscribed, and paid-up share capital of the Company increased from Rs. 13,57,80,653/- (divided into 13,57,80,653 equity shares of Re. 1/- each) to Rs. 13,59,30,197/- (divided into 13,59,30,197 equity shares of Re. 1/- each). The equity shares issued under the Eris Lifesciences Employee Stock Option Plan 2017 ranks pari-passu with the existing equity shares of the Company.

7. STATUTORY AUDITORS:

M/s. Deloitte Haskins & Sells LLP, having Firm's Registration No. 117366W/W-100018, Statutory Auditors of the Company, were re-appointed at the 15th Annual General Meeting (AGM) held on 01.09.2021 and will complete their term at the end of the 19th AGM of the Company.

The Auditor's Report for the financial year ended 31st March, 2022 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

8. COST AUDITORS:

The Company has made and maintained cost accounts and records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

M/s Kiran J Mehta & Co., Cost Accountants have been duly reappointed by Board to conduct the audit of the cost records of the Company for the financial year 2022-23.

The remuneration payable to the Cost Auditor is subject to ratification by the Members at the Annual General Meeting. Accordingly, the necessary Resolution for ratification of the remuneration payable to M/s Kiran J Mehta & Co., Cost Accountants, to conduct the audit of cost records of the Company for the financial year 2022-23 has been included in the Notice of the forthcoming 16th Annual General Meeting of the Company. The Directors recommend the same for approval by the Members.

9. SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT:

The Board, pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has duly re-appointed M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad as the Secretarial Auditor of the Company to conduct Secretarial Audit as per the provisions of the Companies Act, 2013 for the financial year 2022-23.

The Secretarial Auditor has carried out Secretarial Audit accordingly and their report in Form MR-3, for the financial year 2021-22, is annexed as "Annexure 1" to this report.

The Secretarial Auditor's Report for the financial year ended 31st March 2022 does not contain any qualification, adverse remark, reservation, or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

10. INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies, processes, and structure for ensuring the orderly and efficient conduct of its business with adequate and effective internal financial control across the organization, including adherence to the Company's policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Also, the Company has an internal audit system commensurate with the size of the Company and periodic audits of the internal functions and processes of the Company are ensured.

11. CONSERVATION OF ENERGY, RESEARCH, AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO:

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, appears at **"Annexure 2"** to this report.

12. SUBSIDIARY COMPANIES/JOINT VENTURE/ ASSOCIATE COMPANY:

As on March 31, 2022, the Company has (3) three wholly-owned subsidiaries and (2) two other than wholly owned subsidiaries. As per the provisions of the Companies Act, 2013 there are no associates or joint venture companies of the Company.

There has been no material change in the nature of the business of the subsidiaries of the Company.

The Board of Directors had reviewed the affairs of all the subsidiaries of the Company.

- During the year under review, no company ceased to be a subsidiary of the Company.
- Eris Therapeutics Limited, wholly owned subsidiary of the Company, has been incorporated on 23rd June, 2021.
- The Company's wholly owned subsidiary Eris M.J. Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited) has issued fresh shares through private placement, pursuant to which Eris holding is now 70% in Eris M.J. Biopharm Private Limited.

The Company has formulated a policy for determining material subsidiaries. The Policy may be accessed at <http://eris.co.in/policies>.

13. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANIES /JOINT VENTURE/ ASSOCIATE COMPANY:

The Board has reviewed the affairs of its subsidiary companies. Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company, bringing out the highlights of their performance, in the prescribed form Form AOC – 1 which appears at **"Annexure 3"** to this report. Details pertaining to the subsidiaries of the Company are provided in the notes to the Consolidated Financial Statements.

The Audited Financial Statements of Company's subsidiaries for the financial year ended 31st March, 2022 are available on the web link <https://eris.co.in/financial-statements-of-subsidiaries/> and the same are also available for inspection at the Registered Office of the Company as per the details mentioned in the notice of the 16th Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same, subject to compliance of the applicable provisions of the Companies Act, 2013.

14. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014 and also as per the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company and its subsidiaries as approved by their respective Board of Directors.

15. ANNUAL RETURN (MGT-7):

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on 31st March 2022 is available on the Company's website at <https://eris.co.in/annual-return-and-annual-secretarial-compliance-report/> under the Investor tab.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee.

The details of the CSR Committee composition, meetings, and the attendance of the Members at the meetings along with other details appear in the Report on Corporate Governance which forms part of this Annual Report.

The annual report on CSR in the prescribed form appears at **"Annexure 4"** to this Report. The content of the CSR Policy is available on the website of the Company at <http://eris.co.in/policies>.

17. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company appears separately in the Annual Report.

18. CORPORATE GOVERNANCE:

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance and the Practicing Company Secretary's Certificate confirming compliances thereof appears at "**Annexure 5**" to this report.

19. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by the Company from an environmental, social, and governance perspective appears separately in the Annual Report.

20. DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review, the composition of the Board of Directors did not undergo any changes.

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations confirming that they meet the criteria of independence as prescribed thereunder.

The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013 and the Listing Regulations. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, and expertise.

The Company familiarises the Independent Directors of the Company with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model and related risks of the Company, etc. Monthly updates on performance/developments of the Company are sent to the Directors. The brief details of the familiarisation programme are available on the website of the Company at: <https://eris.co.in/policies/>.

There were no changes in Key Managerial Personnel during the financial year 2021-22.

Re-appointment / Appointment

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Amit Bakshi (DIN: 01250925) retires by rotation at the forthcoming 16th Annual General Meeting and being eligible, offers himself for re-appointment.

Necessary resolutions for approval of the appointment / re-appointment of the aforesaid Directors have been included in the Notice of the forthcoming 16th Annual General Meeting of the Company. The Directors recommend the same for approval by the Members.

21. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review, the Board of Directors of the Company duly met 5 (five) times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

The applicable details of these Board meetings including the attendance of the Directors at those meetings are given in the report on Corporate Governance which forms part of the Annual Report.

22. COMMITTEES OF THE BOARD:

The Company has the following 6 (six) Board Committees which have been established in compliance with the requirement of applicable law(s) and statute(s) and function accordingly:

- Audit Committee
- Nomination and remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Executive Committee
- Risk Management Committee

The details with respect to the composition, terms of reference, number of meetings held and other disclosures required to be made in the Board's report etc. of these Committees are given in the report on Corporate Governance which forms part of the Annual Report.

23. EMPLOYEES' STOCK OPTION SCHEME:

Eris Lifesciences Employee Stock Option Plan 2017

The 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") was approved by the shareholders at their Extra Ordinary General Meeting held on 3rd February, 2017 and subsequently in the 11th Annual General Meeting held on 29th September, 2017, the Shareholders duly ratified the said Plan. The details as required to be disclosed under the Companies Act, 2013, read with the rules made thereunder and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [SEBI SBEB, 2021] appears at **"Annexure 6"** and are available on the Company's website at: <https://eris.co.in/corporate-announcements/>

Eris Lifesciences Limited Employee Stock Option Plan 2021

The 'Eris Lifesciences Employee Stock Option Plan 2021' ("ESOP 2021"/ "Plan") was approved by the shareholders at their 15th Annual General Meeting held on 01st September 2021. The details as required to be disclosed under the Companies Act, 2013, read with the rules made thereunder and SEBI (Share Based Employee Benefits and sweat equity) Regulations, 2021 [SEBI SBEB, 2021] appears at **"Annexure 7"** and are available on the Company's website at: <https://eris.co.in/corporate-announcements/>

The objects of the Schemes are, inter alia, to provide an incentive to reward and motivate employees and enable them to participate in the long-term financial growth of the Company. The Company has granted stock options to eligible employees. The options will be exercisable into equity shares as per the terms and conditions stipulated in the Plan.

The certificate from the Secretarial Auditors of the Company certifying that the Scheme is implemented in accordance with the SEBI SBEB, 2021 and the resolutions passed by the members in this regard shall be available at the Annual General Meeting for inspection by members.

24. CONTRACTS WITH RELATED PARTIES:

The policy on Related Party Transactions as approved by the Board is available on the website of the Company and can be accessed through the web link: <https://eris.co.in/policies/>. All contracts/ arrangements/transactions entered by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis.

As required under Section 134(3)(h) of the Act, details of transactions entered with related parties under the Act as per the last audited financial statements are given in Form AOC-2 provided at **"Annexure 8"** to this Report.

25. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN, INVESTMENTS MADE OR SECURITY PROVIDED BY THE COMPANY:

Details of loans, guarantees and investments, etc covered under section 186 of the Companies Act, 2013 appear in the notes to the financial statements.

26. PROTECTION OF WOMEN AT WORKPLACE:

No complaints pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been received during the year under review. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. RISK MANAGEMENT:

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

28. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:

The Company provides an avenue to the Directors and Employees of the Company to report without fear any instance of an actual or suspected violation, wrongdoings, or any illegal or unethical, or improper practice which may adversely impact the image and/or the financials of the Company. For this, the Company has in place a Vigil Mechanism Policy (Whistle Blower Policy) for Directors and employees to report genuine concerns.

This provides for adequate safeguards against the victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed(s) to the notice of the Company.

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. However, no complaints or instances in this regard have been reported in the financial year 2021-22. The said policy is available on the Company's Website at <http://eris.co.in/policies>.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for that period;
- They had 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;
- They had prepared the annual accounts on a going concern basis;
- They had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating efficiently; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

30. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company has in place a policy on remuneration of Directors, Key Managerial Personnel ("KMP") and Other Employees which appears at "Annexure 9" to this report.

The details of parameters adopted for evaluating the performance of Non-Executive Directors appears in the Report on Corporate Governance which forms part of this Annual Report and also available on the Website of the Company at <https://eris.co.in/policies/>.

31. MANNER IN WHICH FORMAL ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN CARRIED OUT:

The Board adopted the evaluation performed by the Independent Directors on the Board's performance carried out in accordance with the requirements of LODR Reg. 25(4)(a) which took into account factors like 'ability to create value for its shareholders while ensuring legal compliances' and 'corporate governance norms'. Satisfaction has been recorded about the performance based on the aforesaid criteria. The performance of the Committees was adjudged based on the criteria approved by the Nomination and remuneration committee of the Company. The Board records its satisfaction about the performance of all the committees of the Board. The performance evaluation of Chairperson and Managing Director of the Company has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(b) and stands duly adopted by the Board. The performance evaluation of non-independent directors has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(a) and it has been likewise adopted by the Board. The remaining members of the Board were evaluated at the Board Meetings based on parameters adopted by the Nomination and Remuneration Committee.

32. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

33. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures required pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and appears at "Annexure 10".

34. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

The Company acquired 100% stake in Oaknet Healthcare Private Limited at the Company Valuation of Rs. 650 Crores through judicious mix of internal accruals and borrowings.

Except the above, no material changes and commitments have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

35. PUBLIC DEPOSITS

The Company has not accepted deposits from the public during the year under review. No deposits were outstanding at the beginning or at the closure of the financial year under review.

36. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters under the Companies Act, 2013, and SEBI Regulations either on account of absence of any transaction or the inapplicability of the provisions:

- Reporting of fraud(s) by the Auditors within the meaning of Section 143(12) of the Companies Act, 2013.
- Disclosure pursuant to section 43(1) read with Rule 4(4) of Companies (Share Capital and Debenture) Rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme for providing money for the purchase of shares of the Company by employees for the benefit of employees.
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme, save and except Employees' Stock Options Plans referred to in this Report.
- Receipt of any commission from the Company or remuneration from any of its subsidiaries by the Managing Director or the Wholetime Directors of the Company as per section 197(14) of the Companies Act, 2013.
- Revision in the financial statements (apart from regrouping adjustments) or directors' report in any of the three preceding financial years.
- Regulation 32 (4) of SEBI LODR Regulations regarding explanation for the variation in the utilisation of money raised by public issue.
- Change in the nature of business as per rule 8(5)(ii) of the Companies Account Rule, 2014.
- Significant or material orders passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.
- Details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review along with their status as at the end of the financial year.
- Details of difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof.

37. ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Amit Bakshi

(DIN: 01250925)

Chairperson & Managing Director

Ahmedabad, 15th June 2022

Annexure 1

Form No. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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
Eris Lifesciences Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eris Lifesciences Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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, during the audit period covering the financial year ended on 31st March, 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 31st March, 2022 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (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 Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (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:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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 there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad
Date: 15th June 2022

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No.: 2587
C P No.: 2407
UDIN: F002587D000608555

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

Annexure A

To,
The Members
Eris Lifesciences Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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 process 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. Wherever 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 procedure 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.

Place: Ahmedabad
Date: 15th June 2022

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No.: 2587
C P No.: 2407
UDIN: F002587D000608555

Annexure 2

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**Conservation of energy:****Steps taken for conservation of energy:**

- Power consumption monitoring is regularly done at the manufacturing facility, resulting in optimum energy consumption and conservation.
- Use of LED lights and human sensor switches to save electricity has been adopted.
- Regulation in usage of office lighting.
- Regular monitoring of high energy consumption areas and taking appropriate measures as and when required. For instance optimisation of compressed air generation process, thermal insulation of hot water tanks and steam lines, preventive/periodic maintenance of HVAC plants and utility equipment.
- All efforts are made to use more natural lights in the premises to optimise the consumption of energy.

The steps taken by the company for utilising alternate sources of energy:

- The Company evaluates all possibilities of utilizing alternate sources of energy in its operations, wherever possible.

The capital investment on energy conservation equipment:

- During the year, the company has not made any capital investment on energy conservation equipment.

Technology absorption:

- Company regularly monitors the technical advancements which can help in reducing cost and make the existing processes more eco-friendly and result in minimization of environmental hazards.
- The benefits derived from these efforts would be product improvement, cost reduction, and sustainable development.
- No technology was imported by the Company during the year under review.
- During the year, the Company has not made any expenditure on research and development related to technology absorption.

Foreign Exchange Earnings and Outgo details are as follows:

(Rs. in million)

Sr. No.	Particulars	2021-22	2020-21
1	Foreign Exchange Earnings	Nil	Nil
2	Foreign Exchange Outgo	111.43	200.96

For Eris Lifesciences Limited**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 15th June 2022

Annexure 3

FORM AOC-1

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

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

Part A – Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in million)

Name of the Subsidiary	Aprica Healthcare Limited (Previously known as UTH Healthcare Limited)	Eris M. J. Biopharm Private Limited (Previously known as Kinedex Healthcare Private Limited)	Eris Therapeutics Limited	Eris Healthcare Private Limited	Eris Pharmaceutical Private Limited
The date since when subsidiary was Acquired/Incorporated	01.10.2017	23.11.2016	23.06.2021	01.12.2017	02.06.2020
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	23.06.2021 to 31.03.2022	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.
Share capital	73.45	2.61	2.58	43.33	0.10
Reserves & surplus	(38.43)	(6.19)	247.50	368.84	(0.09)
Total assets	352.48	112.75	720.95	1,058.48	0.24
Total Liabilities	117.47	116.33	470.87	616.31	0.23
Investments	30.02	-	-	0.08	-
Turnover	582.68	13.62	-	1,012.32	-
Profit before taxation	95.63	(16.70)	-	(134.51)	(0.04)
Provision for taxation	15.98	2.92	-	(33.91)	-
Profit after taxation	79.65	(19.62)	-	(100.60)	(0.04)
Proposed Dividend	-	-	-	-	-
% of shareholding	100.00	70.00	100.00	100.00	76 by EHPL

Notes:

- Names of subsidiaries which are yet to commence operations: Eris Therapeutics Limited
- Names of subsidiaries which have been liquidated or sold during the year: NA

PART B: ASSOCIATES AND JOINT VENTURES

Sr. No.	Name of Associates or Joint Ventures	There are no associates or joint ventures of the Company during the year
1.	Latest audited Balance Sheet Date	N.A.
2.	Date on which the Associate or Joint Venture was associated or acquired	N.A.
3.	Shares of Associate or Joint Ventures held by the company on the year end a. Numbers b. Amount of Investment in Associates or Joint Venture c. Extent of Holding (in percentage)	N.A.
4.	Description of how there is significant influence	N.A.
5.	Reason why the associate/joint venture is not consolidated	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
7.	Profit or Loss for the year a. Considered in Consolidation b. Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations: NA

2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

For Eris Lifesciences Limited

Amit Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Ahmedabad, 15th June 2022

Annexure 4

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility) Rules, 2014]

1. BRIEF OF THE COMPANY'S CSR POLICY:

While the Company continues to expand and grow in its sector of business, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda.

The Company's focus areas under CSR are:

- Preventive Medical Screening
- Education
- Environment
- Rural & Agricultural Development

2. THE COMPOSITION OF THE CSR COMMITTEE:

The CSR committee of the Board is responsible, inter alia, for overseeing the execution of the Company's CSR policy.

The composition of the CSR Committee of the Company as on 31.03.2022 was:

Sr. No.	Name of the Director	Designation	Nature of directorship (Executive / Non-executive/ Independent / Non-independent)	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Inderjeet Singh Negi	Chairperson	Executive and Non-Independent	1	1
2	Mr. Rajeev Dalal	Member	Non-Executive and Independent	1	1
3	Mr. Kaushal Shah	Member	Executive and Non-Independent	1	1

3. WEB-LINKS:

Composition of CSR Committee: <https://eris.co.in/wp-content/uploads/2021/02/Committees-of-the-Board-of-Directors.pdf>

CSR Policy/Projects: <https://eris.co.in/policies/>

4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, 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 (Rs. In Million)	Amount required to be set off for the financial year, if any (Rs. In Million)
1	2021-22	~ 129.94	-
2	2020-21	~ 0.29	-
3	2019-20	~ 0.25	-
Total		~ 130.48	

6. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS (Section 135(5)): Rs. 3,271.35 million.

7. PRESCRIBED CSR EXPENDITURE: Rs. 65.43 million. (2% of Average Net Profit)

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- Total amount to be spent for the financial year: Rs. 65.43 Million
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- Amount required to be set off for the financial year, if any: NIL
- Total CSR obligation for the financial year (a + b - c): Rs. 65.43 Million

8. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Million.)	Amount Unspent (in Million)				
	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
195.08	Nil	NA	NA	Nil	NA

Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (Rs. in Million)	Amount spent in the current financial Year (Rs. in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in Million)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
NIL												

Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (Rs. in Million).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Preventive medical screening at public places, sanitization, and promotion of vaccination	Promoting health care including Preventive health care (Schedule VII (i))	Yes	Pan India		192.10	No	NA	NA
2.	Promoting Education of Underprivileged	Education (Schedule VII (ii))	Yes	Gujarat		2.98	Both	Tresna Foundation	CSR00012863
Total						195.08			

Amount spent in Administrative Overheads: NA

Amount spent on Impact Assessment, if applicable: NA

Total amount spent for the Financial Year: Rs. 195.08 Million

Excess amount for set-off, if any:

Sl. No.	Particular	Amount (Rs. in Million)
(i)	Two percent of the average net profit of the company as per section 135(5)	65.43
(ii)	Total amount spent for the Financial Year	195.08
(iii)	Excess amount spent for the financial year [(ii)-(i)]	129.64
(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)]	129.64

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in Million)	Amount spent in the reporting Financial Year (Rs. in Million)	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. (Rs. in Million.)
				Name of the Fund	Amount (Rs. in Million).	Date of transfer.	
1	2020-21	0	195.08	Not Applicable	Not Applicable	Not Applicable	-
2	2019-20	0	59.53	Not Applicable	Not Applicable	Not Applicable	-
3	2018-19	0	59.53	Not Applicable	Not Applicable	Not Applicable	-
Total			314.14				-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Million.).	Amount spent on the project in the reporting Financial Year (in Million.).	Cumulative amount spent at the end of reporting Financial Year. (in Million.)	Status of the project - Completed /Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the financial year
 No creation or acquisition of capital asset(s) during the current financial year

11. The reasons for unspent amount: Not Applicable

For Eris Lifesciences Limited
Amit Bakshi

(DIN: 01250925)

Chairperson & Managing Director

Ahmedabad, 15th June 2022

Inderjeet Singh Negi

(DIN: 01255388)

Chairperson, CSR Committee

Ahmedabad, 15th June 2022

Annexure 5

CORPORATE GOVERNANCE REPORT

(Pursuant to provisions of Schedule V of the SEBI (LODR) Regulations, 2015/ "SEBI Listing Regulations")

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes in conscientiousness, innovation, fairness, transparency, the pursuit of long-term value for all stakeholders, ethical & accountability driven processes, and purposeful existence. Your Company views the code of Governance as an opportunity to translate these beliefs into conduct which may assure all persons dealing or contemplating dealing with the company about these legitimate expectations from the Company.

2. BOARD OF DIRECTORS:

As on 31st March, 2022, the Board of Directors (Board) is comprised of 8 (eight) directors out of which 3 (three) are promoter executive directors, 1 (one) executive director, and 4 (four) non-executive independent directors. The Board is chaired by an Executive Promoter Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as of March 31, 2022, have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("Act"). The maximum tenure of independent directors is compliant with the requirements of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

BOARD MEETINGS

The Company places before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year ended on 31st March, 2022 the Board met 5 (five) times on 13/05/2021, 29/07/2021, 29/10/2021, 03/12/2021, and 28/01/2022.

COMPOSITION OF THE BOARD AND CATEGORY OF DIRECTORS

The Composition of the Board, the category of Directors' and their attendance at the Board Meeting held during the year is as follows.

Directors	Category & Designation	No. of Board meetings attended	Last AGM attendance (Yes/No)	Other Directorship ^	No. of Committees in which Chairman/member #	
					Chairperson	Member
Mr. Amit Bakshi (DIN: 01250925)	Promoter, Executive, Managing Director and Chairperson	5	Yes	1	0	0
Mr. Inderjeet Singh Negi (DIN: 01255388)	Promoter, Executive and Whole-time Director	5	Yes	3	0	1
Mr. Kaushal Shah (DIN: 01229038)	Promoter, Executive and Whole-time Director	5	Yes	4	0	0
Mr. Krishnakumar Vaidyanathan (DIN: 08976508)	Executive Director	5	Yes	1	0	1
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	5	Yes	10	1	6
Mr. Prashant Gupta (DIN:08122641)	Non-Executive and Independent Director	4	Yes	0	0	1
Mr. Rajeev Dalal (DIN: 00222650)	Non-Executive and Independent Director	5	Yes	1	1	0
Ms. Kalpana Unadkat (DIN: 02490816)	Non-Executive and Independent Director	5	Yes	2	1	3

^ The above list of 'other directorships' is based on a declaration received from the respective Directors and does not include directorship in this Company.

The Committee (Audit and Stakeholders' Relationship Committee only) Memberships and Chairmanship in Companies include all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies.

DIRECTORSHIP IN LISTED COMPANIES OTHER THAN ERIS LIFESCIENCES LIMITED

Name of Directors	Category & Designation	Name of Listed Company
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	N.A	N.A
Mr. Inderjeet Singh Negi (DIN: 01255388)	N.A	N.A
Mr. Kaushal Shah (DIN: 01229038)	N.A	N.A
Mr. Krishnakumar Vaidyanathan (DIN: 08976508)	N.A	N.A
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	Safari Industries (India) Limited Craftsman Automation Limited Varroc Engineering Limited Intellect Design Arena Limited Ingersoll Rand (India) Limited VA Tech Wabag Limited
Mr. Prashant Gupta (DIN:08122641)	N.A	N.A
Mr. Rajeev Dalal (DIN: 00222650)	N.A	N.A
Ms. Kalpana Unadkat (DIN: 02490816)	Non-Executive and Independent Director	Avenue Supermarts Limited

All the information required to be furnished to the Board was made available to them along with detailed agenda notes. Information is also provided to the Board of Directors as and when required to make informed and timely decisions for the Company.

None of the Directors are related to each other in any way.

As on 31st March, 2022, the details of Equity Shares held by Non-Executive Directors are as under:

Name of Director	No. of Equity Shares held
Mrs. Vijaya Sampath	3400
Mr. Prashant Gupta	0
Mr. Rajeev Dalal	0
Ms. Kalpana Unadkat	0

The familiarisation programmes imparted to independent directors are available on <http://eris.co.in/policies/>

The Board, in their meeting, assessed the veracity of the declaration given by the Independent Directors and confirmed that the Independent Directors comply with the provisions regarding independence specified in the SEBI LODR regulations and are independent of the Management of the Company.

During the year under review, no Independent director has resigned before the expiry of his/her tenure.

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in the Notice calling this annual general meeting.

The Board of Directors identifies and approves the following core skills/expertise/competencies required by the Board of Directors for the effective functioning of the business and sector in which the Company operates:

- Pharmaceutical Industry expertise;
- Financial expertise;
- Legal expertise;
- Out of Industry perspective;
- Familiarity with Company history gained through long employment;
- Marketing of brands in the Pharma market.

The Directors of the Company possess the aforementioned core skills/expertise/competencies.

Name of Director	Pharmaceutical Industry expertise	Financial expertise	Legal expertise	Out of Industry perspective	Familiarity with Company history gained through long employment	Marketing of brands in Pharma market
Mr. Amit Indubhushan Bakshi (DIN: 01250925)	Y	Y	-	-	Y	Y
Mr. Inderjeet Singh Negi (DIN: 01255388)	Y	Y	-	-	Y	Y
Mr. Kaushal Shah (DIN: 01229038)	Y	Y	-	-	Y	Y
Mr. Krishnakumar Vaidyanathan (DIN: 08976508)	Y	Y	-	Y	-	-
Mrs. Vijaya Sampath (DIN: 00641110)	Y	Y	Y	Y	-	-
Mr. Prashant Gupta (DIN: 08122641)	-	Y	Y	Y	-	-
Mr. Rajeev Dalal (DIN: 00222650)	Y	Y	-	Y	-	-
Ms. Kalpana Unadkat (DIN: 02490816)	-	Y	Y	Y	-	-

3. AUDIT COMMITTEE:

The composition of the Audit Committee is in compliance with the requirements of Section 177(2) and Regulation 18 of the Listing Regulations as on March 31, 2022 comprising of 4 (four) members out of which 1 (one) being executive director and 3 (three) non-executive independent directors.

During the year under review, the Audit Committee duly met 5 (Five) times on 13-05-2021, 29-07-2021, 29-10-2021, 03-12-2021, and 28-01-2022. The gap between any two successive Audit Committee meetings did not exceed one hundred and twenty days.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath	Chairperson Non-Executive Independent Director	5
2	Ms. Kalpana Unadkat	Member Non-Executive Independent Director	5
3	Mr. Prashant Gupta	Member Non-Executive Independent Director	4
4	Mr. Krishnakumar Vaidyanathan	Member Executive Director	5

All recommendations made by the Audit Committee during the year under review have been accepted by the Board of Directors

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Audit Committee is responsible for the discharge of its statutory role as per framework provided under the Companies Act, 2013 and the applicable SEBI rules and regulations. It covers, inter alia, the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors (including chief internal auditor of the Company and external auditors) and the fixation of the audit fee;
3. Approval of payment to statutory auditors or external auditors for any other services rendered by them;
4. Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements and auditor's report thereon before submission to the Board for approval;
6. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the statutory auditor's and Internal Auditors independence and performance and discuss the same with the management and review effectiveness and adequacy of audit process and review Internal audit reports relating to internal control weaknesses;
8. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed and mandatorily review Statement of significant related party transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. 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;
13. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
14. 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;
15. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. Reviewing the functioning of the whistle blower mechanism;
17. Review of statutory compliances and legal cases;
18. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other functions required to be carried out by the Audit Committee in terms of applicable law;
20. Mandatorily review Management discussion and analysis of financial condition and results of operations;
21. Management letter / letters of internal control weaknesses issued by the statutory auditors;
22. Statement of deviations in terms of the SEBI Listing Regulations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations;
 - b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations;
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders'.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is in compliance with the requirements of Section 178(5) and Regulation 20 of the Listing Regulations as on March 31, 2022, comprising of 3 (three) members out of which 1 (one) being the executive director and 2 (two) non-executive directors.

The Chairperson of the Stakeholders Relationship Committee is Mr. Rajeev Dalal, Non-Executive Independent Director.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1.	Mr. Rajeev Dalal	Chairperson Non-Executive Independent Director	1
2.	Ms. Kalpana Unadkat	Member Non-Executive Independent Director	1
3.	Mr. Inderjeet Singh Negi	Member Executive Director	1

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review, the Stakeholders Relationship Committee duly met 1 (one) time on 28.01.2022.

Mr. Milind Talegaonkar, Company Secretary acts as the Compliance Officer of the Company.

Number of Shareholder Complaints Received, Solved and Pending during the year:

No. of Complaints Received	No. of Complaint not Solved to the satisfaction of shareholders	No. of Complaints Pending
0	0	0

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Considering and resolving grievances of shareholders', debenture holders, and other security holders;
2. Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
3. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures, or any other securities;
4. To consider and approve, any and all requests of the Security(ies) holders of the Company, for re-materialisation or de-materialisation of the Securities;
5. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

5. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178(1) and Regulation 19 of the Listing Regulations as on March 31, 2022, comprising of 3 (Three) non-executive independent directors of the Company.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath	Chairperson Non-Executive Independent Director	2
2	Mr. Prashant Gupta	Member Non-Executive Independent Director	1
3	Mr. Rajeev Dalal	Member Non-Executive Independent Director	2
4	Mr. Amit Indubhushan Bakshi [#]	Member Chairperson of the Company, Executive Director	1

[#]Ceased to be Member of the Committee w.e.f from 17th June 2021.

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review the Nomination and Remuneration Committee duly met 2 (Two) times on 13-05-2021 and 29-07-2021.

The Nomination and Remuneration Committee, in its meeting held on 29th January, 2019, has adopted the following parameters to evaluate the performance of Independent Directors:

- Attendance at meetings of the Board and Committees thereof,
- Extent of participation through discussions in the Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Inputs received while making risk assessments and suggestions on risk mitigation,
- Inputs received during the review of financial statements, business performance,
- Overall contribution to the enhancement of brand image of the Company,
- performance of the directors,
- fulfilment of the independence criteria as specified in applicable regulation of SEBI LODR Regulations, 2015 and their independence from the management

Managing Director and the Whole-time Director(s) and other Executive director(s):

- appropriate benchmarks set as per industry standards,
- the performance of the role occupant.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

- Formulation of the 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;
- Recommend to the board, all remuneration, in whatever form, payable to senior management
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying 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 and shall carry out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
- To administer and superintend the ESOP scheme of the company.

6. CSR COMMITTEE

As on 31st March, 2022 the CSR Committee comprises of 3 (three) members out of which 2 (two) are executive directors and 1 (one) is non-executive Independent Director of the Company. The committee carries out functions enumerated in the Act. During the Year Company has conducted only one meeting on 13-05-2021.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of Meeting Attended
1	Mr. Inderjeet Singh Negi	Chairperson Executive Director	1
2	Mr. Kaushal Shah	Member Executive Director	1
3	Mr. Rajeev Dalal	Member Non-Executive Independent Director	1

The Company has spent Rs. 195.08 Million on CSR activities during the financial year under review.

The terms of reference of the CSR Committee, inter alia, includes the following:

- Recommending the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013 for every financial year; and
- Monitoring the Corporate Social Responsibility Policy of your Company from time to time and recommending to the Board, any amendments in Corporate Social Responsibility Policy indicating activities that can be undertaken by the Company as specified in Schedule VII to the Companies Act 2013.

7. EXECUTIVE COMMITTEE MEETING

As on 31st March, 2022 the Executive Committee comprises of 4 (four) members, all being executive directors. During the Year Company has conducted eleven Meetings on 04-05-2021, 31-05-2021, 24-06-2021, 13-07-2021, 12-08-2021, 24-09-2021, 18-10-2021, 25-11-2021, 21-12-2021, 22-01-2022 and 22-02-2022.

The Composition as on 31st March, 2022 of the Executive Committee are as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-independent	No. of Meeting Attended
1	Mr. Amit Indubhushan Bakshi	Chairperson Executive	Non-Independent	11
2	Mr. Inderjeet Singh Negi	Member Executive	Non-Independent	11
3	Mr. Kaushal Shah	Member Executive	Non-Independent	11
4	Mr. Krishnakumar Vaidyanathan	Member Executive	Non-Independent	11

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE, INTER ALIA INCLUDES:

- Deal with the day-to-day activities of the Company business including all operational matters affecting it;
- Develop and implement the adopted business plans, policies, guidelines, strategies, procedures, budgets and operational plans;
- Monitor and manage the operating and financial performance of the Company;
- Optimise, prioritise and allocate investment and resources;
- Manage and develop talent and undertake succession planning;
- Manage the risk profile of the Company;
- Give or make available to the Board such information, reports and other documents to enable it to carry out its duties.
- Be responsible for the identification, management, and mitigation of risk(s) across the Company's business;
- Manage the internal controls environment;
- Be responsible and accountable for the integrity of management information and financial reporting systems;
- Review the legal structure and propose recommendations for its improvement to the Board based thereon; and
- Borrow monies in terms of Section 179(3)(d) of the Act read with the first proviso thereto not exceeding an amount of INR 1000 crores (one thousand crores only) in the aggregate
- Invest the funds of the Company in terms of Section 179(3)(e) of the Act read with the first proviso thereto within the aforesaid overall limit of INR 1000 crores (one thousand crores only).
- Grant loans or give guarantee or provide security in respect of loans in terms of Section 179(3)(f) read with the first proviso thereto within the limits available to the Board from time to time.
- All actions and decisions ancillary, incidental, or connected to the above unless those are ultra-vires the Company or fall within the terms of reference of any other committee of the Board or is only exercisable by the general body, or is specifically required by the prevailing Company Laws to be exercisable only by the Board without permitting any committee delegation thereof.

8. RISK MANAGEMENT COMMITTEE:

As on 31st March, 2022 the Risk Management Committee comprises of 5 (Five) members out of which 3 (three) are executive directors, 1 (one) is non-executive Independent Director, and 1 (one) is employee of the Company. The committee carries out functions enumerated in the Act.

The composition of the Committee as well as the particulars of attendance at the Committee meetings during the year and other related details are given in the table below:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of Meeting Attended
1	Mr. Krishnakumar Vaidyanathan	Chairperson Executive Director	2
2	Mr. Amit Bakshi	Member Executive Director	1
3	Mr. Sachin Shah	Member CFO	2
4	Mr. Kaushal Shah	Member Executive Director	1
5	Mr. Kalpana Unadkat*	Member Non-Executive Director	2

*Appointed as a member of the Committee w.e.f. 13-05-2021

During the Year Company has conducted 2 (Two) Meetings on 29-07-2021 and 21-01-2022.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, for the following:

- To formulate a detailed risk management policy in conformity with the requirements of the LODR regulations as amended from time to time.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. For instance, validating the process of Risk Management, the procedure for Risk Minimization, Cyber Security risk management and mitigation;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems. This would include the activity of continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- To periodically review the risk management policy, at least once in two years (or such other frequency stipulated by law from time to time), including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
- To coordinate its activities with other committees, in instances where there is an overlap with activities of such committees, as per the framework laid down by the board of directors.
- To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.”
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

9. INDEPENDENT DIRECTORS MEETING:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, separate meeting of Independent Directors was held on 10.03.2022 without the participation of Non-Independent Directors and members of the management.

The Independent Directors discussed on various aspects, viz. performance of non-independent directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

10. REMUNERATION OF THE DIRECTORS

- Transactions with the non-executive directors: - The Company does not have a material pecuniary relationship or transactions with its non-executive directors. The Company has paid sitting fees to non-executive directors for attending the meetings of the Board / Committees / sub-committees. Further, the Company has paid commission to non-executive directors.
- Criteria for making payments to Non-Executive Directors are available on the Company's website: <http://eris.co.in/policies/>
- Disclosures with respect to remuneration:

In addition to the disclosures required under the Companies Act, 2013, as given in the annual return, the disclosure regarding remuneration are as follows:

- Details of fixed component and performance linked incentives, along with the performance criteria:

(Amount in Rupees)

Sr. No	Particulars	Mr. Amit Bakshi Managing Director	Mr. Kaushal Shah Whole-time Director	Mr. Inderjeet Singh Negi Whole-time Director	Mr. Krishnakumar Vaidyanathan Executive Director
1	Basic Salary	1,74,99,996	26,25,000	45,50,004	1,16,87,500
2	Fixed components	84,99,940	39,50,629	71,27,595	2,81,65,515
3	Variable components	2,00,00,000	-	-	-
	Total	4,59,99,936	65,75,629	1,16,77,599	3,98,53,015

Non-Executive Directors:

During the year under review sitting fees and commission were paid to the Non-Executive Directors including Independent Directors of the Company which are as under;

Name of Director	Amount of commission paid	Amount of sitting fees paid
Mrs. Vijaya Sampath	55,00,000	9,00,000
Mr. Prashant Gupta	55,00,000	6,75,000
Mr. Rajeev Dalal	30,00,000	6,75,000
Ms. Kalpana Unadkat	35,00,000	9,75,000

- Performance criteria includes the growth, consolidation, Position of the Company in the Indian Pharmaceutical Market (IPM), Compliance Record, comparison with the peer group as assessed/ adjudged along with other criteria as decided by the Board / Committee from time to time.
- There are no separate service agreements executed by the Company and its Directors.

However, the Company has executed the following agreements:

- Managing Director Employment Agreement with Mr. Amit Bakshi,
- Employment Agreement with Mr. Kaushal Shah, Mr. Inderjeet Singh Negi and Mr. Krishnakumar Vaidyanathan

The Non-Executive/Independent Directors are entitled to commission and sitting fees in respect of the meetings of the Board and its committee/ sub-committees attended by them and they are also entitled to reimbursement of all expenses for participation in the Board and other meetings in accordance with the Letter of Appointment issued to them.

Apart from the above agreements and letters of appointments, there are no service agreements/severance fees executed / paid by the Company to the Directors. For all the above mentioned agreements notice period is/ would be 120 days. Non-Executive Directors may resign from his/her position at any time after serving a reasonable written notice to the Board.

Except 65,880 ESOPs granted to Mr. Krishnakumar Vaidyanathan, Executive Director and Chief Operating Officer, under ESOP Plan 2021 of the Company, no ESOPs have been granted to any other Director of the Company.

11. GENERAL BODY MEETINGS:

The date and time of annual general meetings held during last three years and the special resolution(s) passed there at, are as follows:

Meeting No.	Financial Year	Date and Time	Venue	Special Resolution passed
13 th	2018-19	Friday, 27 th September, 2019 At 11:00 A.M.	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	None
14 th	2019-20	Tuesday, 29 th September, 2020 At 11:00 A.M.	Through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) Deemed venue was the Registered office of the Company located at 8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad GJ 380015	Appointment of Mr. Kaushal Kamlesh Shah as a Whole-time Director of the Company
15 th	2020-21	Wednesday, 1 st September, 2021 At 11:00 A.M.	Through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) The Deemed venue was the Registered office of the Company located at 8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad GJ 380015	<ul style="list-style-type: none"> • Re-appointment of Mrs. Vijaya Sampath as an Independent Director of the Company • Re-appointment of Mr. Amit Bakshi as the Managing Director of the Company • Appointment of Mr. Krishnakumar Vaidyanathan as the Whole-Time Director of the Company • Re-appointment of Mr. Inderjeet Singh Negi as the Whole-Time Director of the Company • Approval of Eris Lifesciences Employees Stock Option Plan, 2021 (ESOP-2021)

During the year under review, Postal Ballot was conducted by the Company for seeking the approval of the Members. The details of the Postal Ballot conducted are mentioned below:

- Date of postal ballot notice: 12th June, 2021
- Date of declaration of results: 26th July, 2021
- Voting period: 25th June, 2021 to 24th July, 2021

Name of the resolution	Type of the resolution	No of votes polled	Votes cast in favour		Votes cast against	
			No. of votes in favour	% in favour	No. of votes against	% in against
Approval of the re-classification of shareholder belonging to promoter group category to public category	Ordinary	98165714	98165179	100	535	Negligible

- The Company had appointed Mr. Ravi Kapoor, Practicing Company Secretary (FCS No. 2587; COP No 2407), proprietor of M/s. Ravi Kapoor & Associates, Ahmedabad as Scrutinizer for conducting the E-voting process in a fair and transparent manner.
- As per the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020 and 39/2020 dated 31st December, 2020 issued by the Ministry of Corporate Affairs and on account of the threats posed by the COVID-19 pandemic, physical copies of the Notice, postal ballot forms and pre-paid business reply envelopes were not sent to the members for the postal ballot conducted during the financial year under review. In respect of those shareholders who have not registered their email ids, the Company has provided the mechanism in this notice to register their email ids and a public notice to that effect was published. Members were requested to provide their assent or dissent through e-voting only. A copy of the Notice is available on the website of the Company at www.eris.co.in, website of the stock exchanges where the equity shares of the Company are listed, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively. The result of the Postal Ballot was also displayed at the said address and posted on the Company’s website www.eris.co.in, besides communicating to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited. Voting rights were reckoned on the paid-up value of equity shares registered in the name of members as on the cut-off date. The Scrutinizer’s decision on the validity of the e-voting was final and binding. The Scrutinizer submitted his report to the Chairman after the completion of the scrutiny and the results of the voting by postal ballot were published on the website of the Company and at the registered office of the Company, besides being communicated to the stock exchanges and the e-voting agency.

In the current financial year, no special resolution is proposed to be passed through postal ballot.

12. MEANS OF COMMUNICATION:

Quarterly / Annual Results: The quarterly / half-yearly / annual financial results as required under Regulation 33 of the Listing Regulations have been intimated to the Stock Exchanges and published in the newspaper- 'The Financial Express' (English & Gujarati editions). Further, the said results are also available at the website of the Company i.e. <https://eris.co.in/financials/>

News releases, presentations and others: Official news releases and official media releases are sent to Stock Exchanges and are put on the Company's website.

Information on the website of the Company: The Company is in compliance of Regulation 46 of the Listing Regulations. On the website of the Company (www.eris.co.in), a separate section under 'Investors' tab has been created, where Company disseminates information and various announcements.

Presentations to institutional investors / analysts: The transcript of the conference calls for Results, presentations made to institutional investors and financial analysts are intimated to the Stock Exchanges and are put on the Company's website.

13. GENERAL SHAREHOLDER INFORMATION:

(i)	Annual General Meeting Day, Date, Time and Venue	Day : Thursday Date: 01 st September, 2022 Time: 11:00 a.m. Venue : Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad, Gujarat-380054
(ii)	Financial Year	1 st April, 2021 to 31 st March, 2022
(iv)	Dividend Payment Date	Not Applicable
(V)	ISIN No. for ordinary shares of the Company in Demat form	INE406M01024
(vi)	Registered Office	Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad, Gujarat-380054
(vii)	Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083
(vii)	Investor Correspondence	Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad, Gujarat-380054
(ix)	Plant Location	Plot no. 30 and 31, Brahmaputra Industrial Park, Under Mouza-Sila, Senduri Ghopa, Amingaon, North Guwahati, Guwahati 781 031 Assam, India
(x)	Any Website where it displays official releases	http://www.eris.co.in
(xi)	Any presentation made to the institutional investor and analyst	Displayed on website of the Company.
(xii)	Is half yearly report sent to the shareholders	No
(xiii)	Whether Management Discussion and Analysis is a part of this report	The said report is part of the Annual Report.
(xiv)	Share Transfer System	The work of physical share transfer is presently handled by Registrar and Transfer Agent. The work of electronic transfer of shares is done through the depositories.
(xv)	Auditors for the FY 2021-22 and Proposed Auditors for the FY 2022 – 2023	M/s Deloitte Haskins & Sells LLP
(xvi)	Compliance Officer	Mr. Milind Talegaonkar
(xvii)	Company Secretary	Mr. Milind Talegaonkar
(xviii)	Whether securities are suspended from trading	No

Listing on Stock Exchange(s):

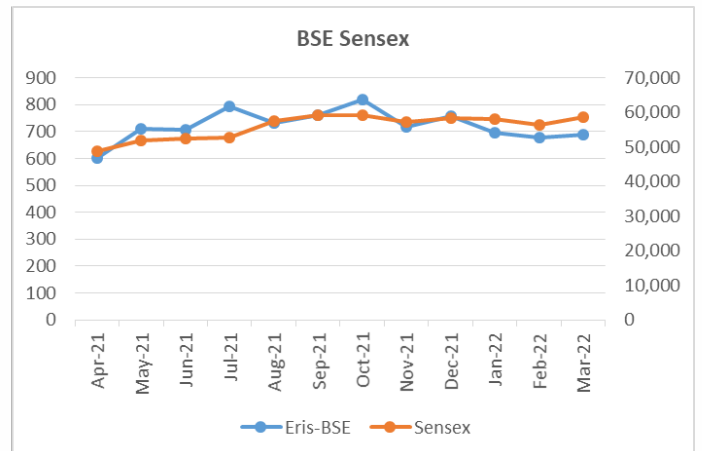
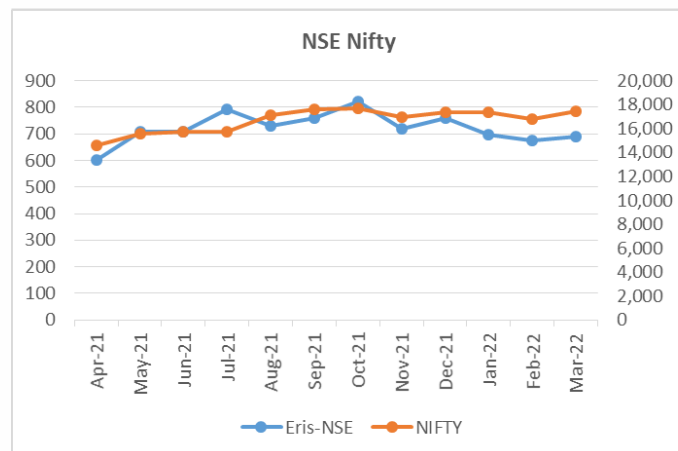
Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock Code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	540596
2	National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai-400051	ERIS

Notes: Annual Listing fees for the Financial Year 2021 -22 has been duly paid to the stock exchanges.

Market price data of the Company:

	BSE Limited		National Stock Exchange of India Limited	
Month	Month's High Price	Month's low Price	Month's High Price	Month's low Price
Apr-21	636.85	576.50	634	576.6
May-21	735	585.75	734.90	586
Jun-21	729	680	730	682.35
Jul-21	818.6	695.75	819.7	696
Aug-21	802	711	802.75	713.45
Sep-21	796	722.45	796.95	722
Oct-21	863.15	736.45	863	737.95
Nov-21	855.9	708.25	835	707.7
Dec-21	782.5	670	774	670
Jan-22	776	690	774	689
Feb-22	740	625.6	725	623.05
Mar-22	744.35	649.1	748	657.25

Performance of the Share price of the Company in comparison to the BSE SENSEX and NSE NIFTY:



14. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN

Distribution schedule: (AS ON 31-03-2022):

Distribution of Shares	No of Share Holders	Percentage to Total No. of Shareholders	No of Shares Held	Percentage to Total Share Capital
1 – 500	56785	98.6313	1786472	1.3143
501 – 1000	420	0.7295	309742	0.2279
1001 – 2000	145	0.2519	204996	0.1508
2001 – 3000	38	0.0660	94733	0.0697
3001 – 4000	29	0.0504	103073	0.0758
4001 – 5000	21	0.0365	94158	0.0693
5001 – 10000	25	0.0434	181715	0.1337
Above 10001	110	0.1911	133155308	97.9586
Grand Total	57573	100	135930197	100

Shareholding Pattern:

CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022:

Sr. No.	Category	No. of Shares Held	% of Holding
1	Promoter & Promoter Group		
	Indian	71583433	52.66
	Foreign	0	0
2	Public		
	Institutions	32375102	23.82
	Central Government/ State Government(s)/ President of India		
	Non-Institutions	31971662	23.52
3	Non Promoter - Non Public		
	Custodian/DR Holder	0	0
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0
Total (1+2+3)		135930197	100

15. DEMATERIALIZATION OF SHARES AND LIQUIDITY.

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). All the shares except 5 Equity shares of the Company have been dematerialised by investors as on 31st March, 2022 and actively traded in normal volume on BSE Limited and National Stock Exchange of India Limited.

16. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

17. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The risk of exchange rate volatility is mitigated by splitting and spreading the foreign exchange payments between the date of issue of import orders and the final payment against receipt of supplies. The Company has obtained the necessary authorisations for covering the foreign exchange exposure. The decision to avail hedging is taken on a case to case basis.

18. CREDIT RATING:

During the year under review no credit rating was required by the Company.

19. OTHER DISCLOSURES:

(a) Materially significant related party transactions:

There were no materially significant related party transactions during the year under review that may have potential conflict with the interests of the Company at large.

(b) Details of noncompliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during the last three years:

During the period under review, the Company had not received any notice regarding non-compliance of the provisions of applicable laws by the Company.

(c) Whistle Blower Policy/Vigil Mechanism:

In accordance with the requirements of the Act, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place the Whistle Blower Policy approved by the Board of Directors. The Company affirms that no personnel has been denied access to the Audit Committee. The said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.

(d) Compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, at present, the Company has not adopted the non-mandatory requirements of Regulation 27 read with Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for Reporting of Internal Auditor to the Audit Committee.

(e) Web link where policy for determining 'material' subsidiaries is available:

The Company has in place the Policy for determining Material subsidiaries and the said policy has been uploaded on the website of the Company- <http://www.eris.co.in/policies>.

(f) Web link where policy on dealing with related party transactions is available: The Company has in place the policy on dealing with related party transactions and the said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.

(g) Commodity Price Risk and Hedging Activities:

The Company purchases Active Pharmaceutical Ingredient (API) and other materials that are used in the manufacturing of drugs. The prices of raw materials generally fluctuate in line with commodity cycles over a short period of time.

Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company also has a Risk Management framework to proactively mitigate the impact through measures like cost based price increases, cost reduction measures, portfolio rationalisation, renegotiating procurement contracts etc. Additionally, the Company also develops on an ongoing basis alternate supply sources for key products subject to economic justification.

Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks. The Company does not use any derivative contracts to hedge exposure to fluctuations in commodity prices.

(h) Details of the utilization of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32 (7A): During the financial year, the Company has not raised any funds through preferential allotment or Qualified Institutions Placement.

(i) The Company has received a certificate from Mr. Ravi Kapoor, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations. Copy of the said certificate appears at "Annexure A" to this report.

(j) There were no instances where the Board of Directors had not accepted any of the recommendation(s) given by any Committee(s) of the Board during the financial year under review.

(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is Rs. 5.06 million.

(l) Disclosure required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of Complaints outstanding at the beginning of the financial year: Nil

Number of complaints filed during the financial year: Nil

Number of complaints disposed of during the financial year: Nil

Number of complaints pending as on the end of the financial year: Nil

There is no non-compliance with any requirement of the Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

20. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT:

The balance in the Demat suspense account or unclaimed suspense account is NIL.

21. DETAILS OF NON-COMPLIANCE

No Penalties have been imposed by any stock exchanges and SEBI, nor has there been any instance of non-compliance with any legal requirements of the corporate governance report other than those mentioned Secretarial Audit Report issued by the Secretarial Auditor of the Company.

22. DISCLOSURE OF COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS:

The Company has complied with the corporate governance requirement as specified in the regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR Regulations.

23. MANAGING DIRECTOR /CFO CERTIFICATION:

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI LODR Regulations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI LODR Regulations. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer appears at **"Annexure B"** to this report.

24. CODE OF CONDUCT:

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior management. The code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

The Code has been uploaded on the website of the Company.

25. DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for the Board of Directors and Senior Management Personnel in respect of the financial year 2021 – 2022.

I, Amit Bakshi, Chairman & Managing Director of Eris Lifesciences Limited, declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company, that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2021 – 2022.

Place: Ahmedabad

Amit Bakshi

Date: 15 June 2022

Chairperson & Managing Director

DIN: 01250925

26. COMPLIANCE CERTIFICATE OF THE PRACTICING COMPANY SECRETARY

A Certificate from the Practicing Company Secretary regarding the compliance of conditions of corporate governance, as stipulated under Regulation 34 of the SEBI Regulations appears at **"Annexure C"** to this report.

Annexure A to the Corporate Governance Report

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 of
ERIS LIFESCIENCES LIMITED
Shivarth Ambit, Plot No 142/2, Ramdas Road,
Off SBR Near Swati Bungalows, Bodakdev,
Ahmedabad – 380 054.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Eris Lifesciences Limited** having CIN **L24232GJ2007PLC049867** and having registered office at Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR Near Swati Bungalows, Bodakdev Ahmedabad – 380 054 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Rajeev Dalal	00222650	19/12/2020
2	Vijaya Sampath	00641110	03/02/2017
3	Kaushal Kamlesh Shah	01229038	04/08/2020
4	Amit Indubhushan Bakshi	01250925	27/01/2007
5	Inderjeet Singh Negi	01255388	25/01/2007
6	Prashant Gupta	08122641	30/04/2018
7	Kalpana Vasantraai Unadkat	02490816	05/01/2021
8	Krishnakumar Vaidyanathan	08976508	20/12/2020

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated above for the Financial Year ending on 31st 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.

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

For, Ravi Kapoor and Associates

Date: 15th June 2022
Place: Ahmedabad

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
CP No. 2407
UDIN: F002587D000608491

Annexure B to the Corporate Governance Report

COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015

To,
The Board of Directors.
Eris Lifesciences Limited

We, Amit Bakshi, DIN: 01250925, Chairperson & Managing Director and Sachin Shah, Chief Financial Officer of Eris Lifesciences Limited ("Company") to the best of our knowledge and belief certify that:

- A. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter/year ended 31st March, 2022 and to the best of their knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 - (1) There has not been any significant changes in internal control over financial reporting during the year;
 - (2) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There has not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: 08.06.2022

Amit Bakshi
Chairperson & Managing Director

Sachin Shah
Chief Financial Officer

Annexure C to the Corporate Governance Report

Compliance Certificate

To,
The Members of
Eris Lifesciences Limited

We have examined the Compliance Conditions of Corporate Governance by **Eris Lifesciences Limited** for the year ended on 31st March, 2022 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2021 to 31st March, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 15th June 2022
Place: Ahmedabad

Ravi Kapoor & Associates

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
COP No.: 2407
UDIN: F002587D000608601

Annexure 6

ERIS LIFESCIENCES LIMITED

Registered Office: Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad, Gujarat-380054

Email: complianceofficer@erislifesciences.com Website: www.eris.co.in

Tel: +91 79 6966 1000 Fax: +91 79 6966 1155

CIN: L24232GJ2007PLC049867

DISCLOSURES WITH RESPECT TO EMPLOYEES' STOCK OPTION PLAN, 2017 OF THE COMPANY PURSUANT TO RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, REGULATION 14 AND PART F OF SCHEDULE I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AS ON MARCH 31, 2022:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by the ICAI or any other relevant accounting standards as prescribed from time to time:

Members may refer to the audited financial statements prepared as per IND AS for the year 2021-2022.

B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33:

Diluted EPS for the year ended March 31, 2022 is Rs. 30.70 calculated in accordance with IND AS 33

C. Details related to Employees' Stock Option Plan, 2017 ("ESOP 2017")

Sr. No.	Description	Details
1	Date of Shareholders' Approval	3rd February, 2017 29th September, 2017 (Ratified)
2	Total Number of Options approved under ESOPs	3,91,599 equity shares
3	Vesting requirements	Options granted under ESOP 2017 would vest not earlier than 1 (One) year and not later than 5 (Five) years from the date of Grant of such Options. The Option would vest on completion of vesting period and the vesting of options would be subject to continued employment/service with the Company. The Nomination and Remuneration Committee of the Company Compensation Committee may specify certain performance parameters subject to which the Options would vest. The Options would vest in a Director only if he continues to remain a Director of the Company on the date of the Vesting of Options. Vesting of Options in case of Employees on long leave: The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board.
4	Exercise Price	The Exercise Price per Option shall be such price as may be determined by the Nomination and Remuneration Committee of the Company/ Compensation Committee being not less than the face value of an equity share of the Company as on the date of grant of Option. The Exercise price of options (as of the date of grant of options) was determined as Rs. 451.04.
5	Pricing Formula	Discount to fair market value of the Equity Shares as on the date of grant.
6	Maximum term of option granted	The options would vest over a maximum period of 5 years from the date of grant of Options.

7	Sources of Shares	Primary
8	Variation in terms of options	Nil
9	Method used to account for ESOPs	Black Scholes Option Pricing Model.
10	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed	NA
11	Option movement during the year as on March 31, 2022	
a.	Number of options outstanding at the beginning of the period	2,73,709
b.	Number of options granted during the year	Nil
c.	Number of options forfeited/ lapsed during the year	16,629
d.	Number of option vested during the year	59,197
e.	Number of options exercised during the year	1,49,544
f.	Number of shares arising as a result of exercise of options	1,49,544
g.	Money realised by exercise of options (INR), if scheme is implemented directly by the company	67.45 million
h.	Loan repaid by the trust during the year from exercise price received	NA
i.	Number of options outstanding at the end of the year	1,07,536
j.	Number of options exercisable at the end of the year	53,826
12	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise prices: Rs. 451.04 Weighted average fair values: Rs 268.77
13	Employee- wise details of options granted during the year to:	NA
	<ul style="list-style-type: none"> i. Senior Managerial Personnel and / or Key Managerial Personnel ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant 	

14. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- a. The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model:

Sr. No	Particular	2021-22
i	weighted average risk free interest rate	6.91%
ii	weighted average expected option life (in Years)	5.50
iii	weighted average expected volatility	20.56%
iv	weighted average expected dividend yield	1.00%
v	weighted average share price	601.38
vi	weighted average exercise price (rounded to nearest decimal)	451.04

- b. The method used and the assumptions made to incorporate the effects of expected early exercise:
Black Scholes Option Pricing Model. The assumptions are as stated in the above table.
- c. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:
The expected volatility has been calculated based on the nearest comparable peers' prices, as the historical data of the Company was not available considering the unlisted status of your Company as of the grant date of stock options.
- d. Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition:
Yes, the features are mentioned below, viz:
- weighted average risk free interest rate
 - weighted average expected volatility
 - weighted average share price

Disclosures in respect of grants made in three years prior to IPO under each ESOP:

- During the year 2016-17, the ESOP scheme 2017 was approved but no grants were made.
- On April 12, 2017 all options under the said scheme i.e. 391,599 options were granted prior to the IPO.

Information regarding options Lapse:

- During the year 2017-18, 23,281 options became unexercisable.
- During the year 2018-19, 11,640 options became unexercisable/Lapsed.
- During the year 2019-20, 14,965 Options became unexercisable/Lapsed.
- During the year 2020-21, 48,221 Options became unexercisable/Lapsed.
- During the year 2021-22, 16,629 Options became unexercisable/Lapsed
- The Company has re-credited total 98,107 options to options reserved till the signing of the report.

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 15th June 2022

Annexure 7

ERIS LIFESCIENCES LIMITED

Registered Office: Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad, Gujarat-380054

Email: complianceofficer@erislifesciences.com Website: www.eris.co.in

Tel: +91 79 6966 1000 Fax: +91 79 6966 1155

CIN: L24232GJ2007PLC049867

DISCLOSURES WITH RESPECT TO EMPLOYEES' STOCK OPTION PLAN, 2021 OF THE COMPANY PURSUANT TO RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, REGULATION 14 AND PART F OF SCHEDULE I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by the ICAI or any other relevant accounting standards as prescribed from time to time:

Members may refer to the audited financial statements prepared as per IND AS for the year 2021-2022.

B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33:

Diluted EPS for the year ended March 31, 2022 is Rs. 30.70 calculated in accordance with IND AS 33

C. Details related to Employees' Stock Option Plan, 2021 ("ESOP 2021")

Sr. No.	Description	Details
1.	Date of Shareholders' Approval	01st September, 2021
2.	Total Number of Options approved under ESOPs	13,58,630 equity shares
3.	Vesting requirements	<p>There shall be a minimum period of one year between grant of Options and vesting of Options.</p> <p>The granted Options shall be vested as per the vesting schedule of 25:25:25:25, i.e., 25% of the grant shall vest at the first anniversary of the grant, 25% of the grant shall vest at the second anniversary of the grant, 25% of the grant shall vest at the third anniversary of the grant and 25% of the grant shall vest at the fourth anniversary of the grant.</p> <p>Unless the Administrator decides otherwise, no amount shall vest, if such Participant carries on or engages in, directly or indirectly, whether through partnership or as a shareholder, joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise, any business which competes directly or indirectly with the whole or any part of the business carried on by the Company and/or its subsidiary(ies) ("Group") or any activity related to the business carried on by the Group.</p>
4.	Exercise Price or Pricing Formula	The exercise price shall be 80% of the closing price (CMP) of the equity shares of the company on the National Stock Exchange of India Limited on the date immediately preceding the date of grant and if such a date is a trading holiday, the earliest such preceding day which is not a trading holiday.
5.	Maximum term of option granted	31st December 2037
6.	Sources of Shares	Primary
7.	Variation in terms of options	Nil

8.	Method used to account for ESOPs	Black Scholes Option Pricing Model.
9.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed	NA
10.	Option movement during the year as on March 31, 2021	
a.	Number of options outstanding at the beginning of the period	NIL
b.	Number of options granted during the year	2,14,102
c.	Number of options forfeited/ lapsed during the year	NIL
d.	Number of option vested during the year	NIL
e.	Number of options exercised during the year	NIL
f.	Number of shares arising as a result of exercise of options	NIL
i.	Money realised by exercise of options (INR), if scheme is implemented directly by the company	NIL
h.	Loan repaid by the trust during the year from exercise price received	NA
i.	Number of options outstanding at the end of the year	2,14,102
j.	Number of options exercisable at the end of the year	NIL
11.	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise prices: Rs. 557.24 Weighted average fair values: Rs 341.62
12.	Employee- wise details of options granted during the year to:	
	i. Senior Managerial Personnel and / or Key Managerial Personnel	Mr. Krishnakumar Vaidyanathan Executive Director & Chief Operating Officer - 65880 Options Mr. Sachin Shah – CFO – 9054 Options Mr. Milind Talegaonkar – Company Secretary – 2884 Options
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Mr. Krishnakumar Vaidyanathan Executive Director & Chief Operating Officer - 65880 Options
	iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL

13. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- a. The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model:

Sr. No	Particular	2021-22
i	weighted average risk free interest rate	6.37%
ii	weighted average expected option life (in Years)	7.50
iii	weighted average expected volatility	33.38%
iv	weighted average expected dividend yield	0.76%
v	weighted average share price	696.55
vi	weighted average exercise price (rounded to nearest decimal)	557.24

- b. The method used and the assumptions made to incorporate the effects of expected early exercise:
Black Scholes Option Pricing Model. The assumptions are as stated in the above table.
- c. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:
The expected volatility has been calculated based on average Underlying Annualized Volatility from listing date to February 10, 2022 of Eris Lifesciences Ltd
- d. Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition:
Yes, the features are mentioned below, viz:
- weighted average risk free interest rate
 - weighted average expected volatility
 - weighted average share price

Disclosures in respect of grants made in three years prior to IPO under each ESOP: NA

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 15th June 2022

Annexure 8

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto. (FY 2021-22)

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022.

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 15th June 2022

Annexure 9

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (“KMP”) AND OTHER EMPLOYEES

Preamble

This Policy on Remuneration of Directors, Key Managerial Personnel (“KMP”) and Other Employees (hereinafter referred as the “Policy”) of Eris Lifesciences Limited (“the Company”) is designed and formulated by the Nomination and Remuneration Committee (“the Committee”) of the Company pursuant to the Companies Act, 2013 (the “Act”) and rules made thereunder and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Board of Directors of the Company adopted this policy at their meeting held on August 17, 2017.

The Policy lays down the criteria with regard to remuneration of Directors, KMP and other employees.

- A. Guiding Principles for remuneration:** The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate with their contributions and shall be sufficient enough to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty, past remuneration, past performance etc.

The level and components of the remuneration shall be such so as to align with the long term interest of the company and its shareholders.

B. Components of Remuneration:

The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

- a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
- b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
- c. Share based payments: The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
- d. Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffer's, share and share price related incentive, reimbursement of electricity and telephone bills etc.
- e. Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- f. Retirement benefits: The Company shall provide retirement benefits applicable in accordance with law.
- g. Sitting Fee and Commission: The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.
- h. Loan/ advances to the Employees: The Company may give loan or advances to the employees in accordance with the provisions of the Companies Act, 2013 and the terms and conditions of the Loan Policy of the Company, as approved by the Board or any Committees thereof, from time to time.

C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Managing Director/ Whole Time Director	The remuneration for the Managing Director/ Whole Time Director is as per the agreement approved by the shareholders on recommendation of the Board of Directors. In case of any change, the same would require the approval of the shareholders on recommendation of the Board of Directors and other applicable compliances required by laws.
Independent Directors*	Board of Directors / Executive Committee
Other Directors	Board of Directors
Senior Management	Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors
Other Employee	Departmental Heads in consultation with Human Resources Head

*Sitting fee payable to the directors shall be in accordance with the provisions of the law.

D. Amendment: The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 15th June 2022

Annexure 10

Information required under Section 197 of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22 and the percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the financial year 2021-22:

Sr. No.	Name of Director & KMP	Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2021-22 (including perquisite value of stock incentive exercised during the year)	% increase/(decrease) in remuneration in the FY 2021-22 * (including perquisite value of stock incentive exercised during the year)
1	Mr. Amit Indubhushan Bakshi	Managing Director	146.53	72%
2	Mr. Inderjeet Singh Negi	Whole time Director	37.20	1%
3	Mr. Kaushal Kamlesh Shah	Whole time Director	20.95	4%
4	Mr. Krishnakumar Vaidyanathan	Executive Director	126.95	12%
5	Mrs. Vijaya Sampath	Independent Director	20.39	313%
6	Mr. Prashant Gupta	Independent Director	19.67	298%
7	Ms. Kalpana Vasantrai Unadkat	Independent Director	14.25	390%
8	Mr. Rajeev Dalal	Independent Director	11.71	240%
9	Sachin Shah	CFO	41.81	18%
10	Milind Talegaonkar	Company Secretary	14.20	43%

* Includes sitting fees paid to Non-Executive Directors.

- The percentage increase in the median remuneration of employees in the financial year: 2.96%
- The number of permanent employees on the rolls of the Company as on 31st March, 2022: 3400
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentile increase in the managerial remuneration has been 21.97% which is higher than the change in the remuneration of employees other than constituting managerial remuneration which register an increase of 8.87%. The change in the remuneration of field staff is made as per their sales performance as per a documented increment structure uniformly applied to the field staff. The managerial function is concerned with more critical issues which influence and determine the survival, continued growth, and the business direction for the company. The managerial talent is scarce and hence its retention is even more important. Managerial personnel form executive management and remain accountable to all the stakeholders of the company for business performance as well as corporate governance and therefore need to demonstrate balance of judgement and mature decision making in the backdrop of fast changing and increasingly complex industry landscape. These reasons justify the higher increase in the managerial remuneration.

- It is hereby affirmed that the remuneration paid is as per the Company's Remuneration Policy.
Details pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Top 10 employees in terms of remuneration drawn during the year:

Name of Employee	Designation	Remuneration received	Qualifications	Experience	Date of commencement of employment	Age (Approx)	Last employment	Percentage of equity shares held by the employee
Amit Bakshi	Managing Director	4,59,99,936	Indian School Certificate examination	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.	January, 2007	47 yrs	Intas Pharmaceuticals Limited	40.28
Krishnakumar Vaidyanathan	Executive Director & COO	3,98,53,015	MBA in finance and B. Tech	He has more than 20 years of professional experience across Lifesciences, Corporate Finance and Management Consulting.	December, 2020	48 yrs	Ernst & Young LLP	0
Alok Mahajan	Vice President	1,32,80,551	PGDM Marketing	He has previously worked in marketing field for more than 20 years	June, 2018	46 yrs	Ruchi Soya	Negligible
Deepak Kapoor	Senior Vice President	1,24,05,956	B.Sc. IIM Amedabad Crash course	He has more than 30 years experience in the Pharmaceutical industry in sales and marketing	February, 2020	58 yrs	Sun Pharma	0
Sachin Shah	CFO	1,31,26,435	Chartered Accountant	He has more than 11 years experience in Investment Banking and pharmaceutical industry.	January, 2013	42 yrs	Aventus Capital Private Limited	Negligible
Inderjeet Singh Negi	Wholetime Director	1,16,77,599	Bachelor's degree in science	He has more than 21 years of experience in the pharmaceutical industry	January, 2007	51 yrs	Intas Pharmaceuticals Limited	4.36
Vijay S. Joshi	President	1,56,65,425	Bachelor's degree in science	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 31 years experience in the pharmaceutical industry.	May, 2010	69 yrs	USV Group	Negligible

Santanu Rudra	Vice President	94,88,241	M Pharm	He has more than 26 years of experience in field of Pharmaceuticals.	August, 2018	52 yrs	Wockhardt Ltd.	0
Sabyasachi Sharma	Vice President	1,01,01,715	MBA (Marketing)	20 Years	3rd Sep 2008	43	ICICI Bank	Negligible
Chetan Doshi	Assistant Vice President	1,02,69,451	Diplomain Civil + Diploma in Marketing	33 Years	16 Aug 2007	54	ORG IMS Research Pvt. Ltd.	Negligible

- Employees mentioned above are neither relatives of any directors or managers of the Company.
- All appointments are/were contractual in accordance with terms and conditions as per Company rules.

2. Other Employee(s) drawing a remuneration of Rs. 1.02 Crore or above:

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employmen	Percentage of equity shares held by the employee	Relation with Director, if any
NIL									

3. Other Employee(s) Employed for part of the year with an average salary above Rs. 8.5 Lakh per month or above;

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age (Approx)	Last employmen	Percentage of equity shares held by the employee	Relation with Director, if any
NIL									

4. Other Employee(s) employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age (Approx)	Last employmen	Percentage of equity shares held by the employee	Relation with Director, if any
NIL									

(All the details of remuneration given above are as per Form 16 as per Income Tax Act, and the ratios are calculated on that basis.)

For Eris Lifesciences Limited

Amit Bakshi

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 15th June 2022

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
Corporate Identity Number of the Company	L24232GJ2007PLC049867
Name of the company	Eris Lifesciences Limited
Registered Address	Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR Near Swati Bungalows, Bodakdev Ahmedabad 380054 IN
Website	https://eris.co.in/
Email id	complianceofficer@erislifesciences.com
Financial Year Reporting	Financial Year 2021-22
Sector(s) that the Company is engaged in (Industrial activity code wise)	Pharmaceuticals NIC Code- 2100
List three Key Products/ services that the Company manufactures/ provides (as in balance sheet).	Three key therapeutic areas in which the company operates are Anti-diabetics, Cardiac, nutritional supplements
Total Number of locations where business activity is undertaken by the Company –International or national	Our sales depots are widely located across the country. Up till now we have consciously chosen to focus on doing business at national level.
Markets served by the Company (Local/ State/ national/ international)	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
Paid-up Capital (Rs. in million)	Rs. 135.93/- As on 31st March, 2022
Total Turnover (Rs. in million)	Please refer to the financials section
Total profit after tax (Rs. in million)	Please refer to the financials section
Total spending on CSR (Rs. in million)	Refer CSR Report
List of activities in which CSR has been spent	<ol style="list-style-type: none"> Preventive medical screening at public places, sanitization, and promotion of vaccination; Education

SECTION C : OTHER DETAILS

DISCLOSURE	INFORMATION/ REFERENCE
Subsidiaries of the Company	<p>The Company has five subsidiaries as on 31st March, 2022:</p> <ol style="list-style-type: none"> Aprica Healthcare Limited (Previously known as UTH Healthcare Limited) Eris M. J. Biopharm Private Limited (Previously known as Kinedex Healthcare Private Limited) Eris Healthcare Private Limited Eris Pharmaceuticals Private Limited Eris Therapeutics Limited
Participation of subsidiaries in the Business Responsibility Initiatives	The Company impresses upon its subsidiaries to follow policies and practices to the extent applicable to it.
Participation of other entities (with which the Company does business) in the Business Responsibility Initiatives	Importance of doing business in a responsible and legally compliant manner is emphasized while dealing with all business partners.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

PART-1

(a) Details of Director/Directors responsible for BR:

DIN	Name	Designation
01255388	Inderjeet Singh Negi	Wholetime Director
01250925	Amit Indubhushan Bakshi	Managing Director
01229038	Kaushal Kamlesh Shah	Wholetime Director
08976508	Krishnakumar Vaidyanathan	Executive Director
00641110	Vijaya Sampath	Independent Director
08122641	Prashant Gupta	Independent Director
00222650	Rajeev Dalal	Independent Director
02490816	Kalpana Unadkat	Independent Director

(b) Details of BR Head:

Name: Inderjeet Singh Negi

DIN: 01255388

Designation: Wholetime Director

Telephone number: 079 6966 1000

E-mail id: Complianceofficer@erislifesciences.com

PART-2

Principle- wise (as per National Voluntary Guidelines) BR Policy (ies)

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

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with relevant stakeholders? Note1	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify? Note2	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Policies are formulated at functional level and recommended to Board or its applicable committee for information and/or approval as the case may be. Signed copies thereof are issued on an 'as needed' basis by the MD or other KMPs.								
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
Indicate the link for the policy to be viewed online? Note3	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formally communicated to all relevant internal and external stakeholders? Note4	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy(ies)	Y	Y	Y	Y	Y	Y	Y	Y	Y
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
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

- Note 1.** The Policies have been formulated in consultation with the applicable stakeholders.
- Note 2.** The Policies are based on and are in compliance with the applicable regulatory requirements.
- Note 3.** The Policies of the Company are available on the website of the Company <http://eris.co.in/policies/> and the internal policies are available on the intranet of the Company.
- Note 4.** The Policies have been communicated to the internal / external stakeholders depending upon their applicability to them.

Principle Wise Policy index:

P1	P2	P3	P4	P5	P6	P7	P8	P9
Code of Conduct Policy for Directors, Senior Management Personnel, Eris Code of Conduct Policy, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Anti Bribery Policy, Policy And Procedure For Inquiry In Case Of Leak Or Suspected Leak of Unpublished Price Sensitive Information	Eris Code of Conduct Policy	Code of Conduct Policy for Directors, Senior Management Personnel, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Eris Code of Conduct Policy, Internal Policies of HR (Loan Policy, Maternity Leave Policy, etc.)	CSR Policy	Whistle Blower Policy, Prevention of Sexual Harassment Policy, CSR Policy	CSR Policy	Anti Bribery Policy	CSR Policy	Eris Code of Conduct Policy

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
The company has not understood the Principles									
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	Not Applicable								
The company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months						Not Applicable			
It is planned to be done within the next 1 year									
Any other reason (please specify)									

PART-3 Governance related to BR

- (a). Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
- The Board of Directors, its Committees, and KMP's assess the BR implications of every company action on a continuing basis.
- (b). Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.eris.co.in

SECTION E : PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1	
Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	No, it extends to all subsidiaries.
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.	Nil
PRINCIPLE 2	
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	All the products and processes of the company are designed with due sensitivity to social and environmental concerns and risks.
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The stated parameters in our case cannot be quantified with certainty.
Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably?	The company accords preference to local procurements. The rate of replenishment of resources are always borne in mind while sourcing all inputs.
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Procurement of services from local providers belonging to the communities surrounding our places of work is always encouraged. Similarly the provider pool is kept wide and new / emerging providers are accorded preference. This preferential treatment in itself generates assurance about continuing business opportunities and encourages entrepreneurship at small/ medium level.
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 10%).	This aspect is regulated by applicable Bio-medical waste management.
PRINCIPLE 3	
Please indicate the Total number of employees	3400
Please indicate the Total number of employees hired on temporary/contractual/casual basis	219
Please indicate the Number of permanent women employees	95
Please indicate the Number of permanent employees with disabilities	Nil
Do you have an employee association that is recognized by management	0
What percentage of your permanent employees is members of this recognized employee association?	0
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	
(a) Permanent Employees	Safety Training 100%, Skill Upgradation Training 70%
(b) Permanent Women Employees	Safety Training 100%, Skill Upgradation Training 70%
(c) Casual/Temporary/Contractual Employees	50%
(d) Employees with Disabilities	0%

PRINCIPLE 4

Has the company mapped its internal and external stakeholders?	Yes
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
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 north-eastern states have by far remained desolate and unconnected from the developments in the rest of the country. The choice of setting up a manufacturing plant in Guwahati was guided, to a large extent, by the desire to bring about improvement in the socio-economic condition of the region.

PRINCIPLE 5

Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The policies of company are applicable to the group.
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

PRINCIPLE 6

Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The said policies extend to the whole group
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	Company endeavors to remain compliant with the letter and spirit of all environmental laws.
Does the company identify and assess potential environmental risks?	Yes
Does the company have any project related to Clean Development Mechanism?	Not applicable for the year under review.
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc	The operations of the Company being not very energy intensive, the point is not applicable to the company for the year under review.
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

PRINCIPLE 7

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, Indian Drug Manufacturers' Association
Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Not yet.

PRINCIPLE 8

Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The choice of location of the company's manufacturing unit in the north eastern state was based to a large extent on this principle.
Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	A mix of both.
Have you done any impact assessment of your initiative?	Not required
What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.	Please refer CSR Report.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Please refer CSR Report.

PRINCIPLE 9

What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
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)	N.A. Claims / information in respect of pharmaceutical products are regulated by applicable laws. Such laws are duly complied with.
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.	Nil
Did your company carry out any consumer survey/ consumer satisfaction trends?	There are specialised agencies which perform this activity. Your company avails their services



STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Eris Lifesciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 March 31, 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Carrying value of investments in subsidiaries</p> <p>Refer note 3 to the Standalone Financial Statements.</p> <p>Investments in subsidiaries of Rs. 2,573.32 million are accounted for at cost less impairment, if any, in the Standalone Balance Sheet as at March 31 2022.</p> <p>Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.</p> <p>Significant Management judgement is required in the area of impairment testing, particularly in assessing:</p> <p>(1) whether an event has occurred that may indicate that the investment values may not be recoverable;</p> <p>(2) whether the carrying value of investments can be supported by the recoverable amount, being the higher of fair value less costs to sell or the net present value of future cash flows which are estimated based on the continued use of the asset in the business;</p>	<p>Principal audit procedures performed:</p> <ol style="list-style-type: none"> Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management's judgement whether any indicators of impairment existed by reviewing financial and other available information / data of the subsidiaries as at March 31, 2022. For those investments where indicators of impairment existed, we have examined management's judgement in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows and retrospective review of the projections.

	<p>(3) the appropriateness of key assumptions to be applied in valuation including whether appropriate revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows.</p> <p>Any change in the basis or assumptions could materially affect the recoverable amount used in the impairment test with a consequent impact on the standalone financial statements of the Company.</p> <p>In view of the foregoing, valuation and allocation of investments in subsidiaries has been identified as a Key Audit Matter.</p>	
2.	Carrying values of acquired intangibles assets	Principal audit procedures performed:
	<p>Refer note 2(b) to the Standalone Financial Statements.</p> <p>As at March 31, 2022, the Company had Rs. 4,691.57 million of carrying value of acquired intangibles.</p> <p>Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.</p> <p>For determination and review of useful life and assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.</p> <p>Any change in the basis or assumptions could materially affect the amortisation and recoverable amount used in the impairment test with a consequent impact on the standalone financial statements of the Company.</p> <p>In view of the foregoing, valuation and allocation of intangibles has been identified as a Key Audit Matter.</p>	<ol style="list-style-type: none"> 1. Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. 2. Our substantive testing procedures included evaluation of appropriateness of management's estimate in determination of useful life and judgement whether any indicators of impairment existed. 3. For those investments where indicators of impairment existed, we have examined management's judgement in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows and retrospective review of the projections.

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report in Annual Report for the year ended March 31, 2022 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.

The 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 (i) in 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were 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 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(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 to standalone financial statements, no funds (which are material either individually or in the aggregate) 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 that has 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 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.
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)

Manoj H. Dama
(Partner)
(Membership No. 107723)
(UDIN: 21107723AAAAHP4546)

Mumbai, June 15, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 Eris Lifesciences Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS 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 Companies Act, 2013.

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 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 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 the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Manoj H. Dama
(Partner)
(Membership No. 107723)
(UDIN: 21107723AAAAHP4546)

Mumbai, June 15, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of use assets.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale 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 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) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (As amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the 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. 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 on the basis of security of current assets. In our opinion and according to the information and explanations given to us, statements comprising stock statements, statements on ageing analysis of the debtors, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarter and no material discrepancies have been observed.
- (iii) The Company has made investments in and granted unsecured loans, to companies or any other parties during the year, in respect of which:
 - (a) The Company has provided loans during the year and details of which are given below:

	Loan (Rs. in millions)
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	605.78
- Others	178.50
B. Balance outstanding as at balance sheet date:*	
- Subsidiaries	311.26
- Others	239.04

* The amounts reported are at gross amounts, without considering provisions made.

The Company has not provided any advances in nature of loan, guarantee or security to Subsidiaries or any other parties during the year.

- (b) The investment made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) During the year loans aggregating to Rs. 41.12 million fell due from certain parties which has been renewed. The details of such loans that fell due and renewed granted during the year are stated below:

	Loan (Rs. in millions)
A. Aggregate amount of dues of existing loans renewed:	
- Subsidiaries	-
- Others	Rs. 41.12 million
B. Percentage of the aggregate to the total loans granted during the year:	
- Subsidiaries	-
- Others	5.24%

- (f) The Company has granted Loans which are repayable on demand details of which are given below:

	(Rs. in millions)		
	All Parties*	Related Parties*	Others*
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	784.28	605.78	178.50
Percentage of loans/advances in nature of loans to the total loans	100%	77.24%	22.76%

* The amounts reported are at gross amounts, without considering provisions made.

- (iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted and investments made, as applicable. The Company has not provided any guarantee or securities that are covered under the provisions of sections 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposit or amounts which are deemed to be Deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act. Hence, reporting under clause (v) of paragraph 3 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 Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, 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) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess 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.
- (b) 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 the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in million)	Amount Unpaid (Rs. in million)
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeal), Ahmedabad	FY 2016-2017	0.80	0.80
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeal), Ahmedabad	FY 2017-2018	0.26	0.26

- (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) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of paragraph 3 of the order is not applicable to the Company.
 - (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 unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of paragraph 3 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) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of paragraph 3 of the order is not applicable.
- (x)
 - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the paragraph 3 of the order is not applicable.
 - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of paragraph 3 of order is not applicable to the Company.
- (xi)
 - (a) To the best of our knowledge and according to the information and explanations given to us, 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 up to the date of report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the 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 issued to the Company during the year and covering the period up to (December 2021) and the internal audit report where issued after the balance sheet date covering the period (January 2022 to March 2022) for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
 - (a) WThe 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 paragraph 3 of the order is not applicable.
 - (b) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of paragraph 3 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 paragraph 3 of the order is not applicable for the year.

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

Manoj H. Dama
(Partner)
(Membership No. 107723)
(UDIN: 21107723AAAAHP4546)

Mumbai, June 15, 2022

STANDALONE BALANCE SHEET

as at March 31, 2022

(₹. In Million)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. ASSETS :			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2(a)	998.30	728.36
(b) Right-of-use asset	2(a)	461.84	23.46
(c) Goodwill	2(b)	166.60	166.60
(d) Other Intangible assets	2(b)	4,793.29	4,924.81
(e) Intangible assets under development	2(b)	29.82	15.55
(f) Financial assets			
Investments	3	6,781.76	4,809.69
Loans	10	28.20	49.49
Other financial asset	5	43.85	450.10
(g) Income tax assets (net)	4(d)	34.67	34.63
(h) Deferred tax assets (net)	4(f)	2,361.11	1,967.47
(i) Other non-current assets	6	4.63	141.55
Total Non Current Assets		15,704.07	13,311.71
(2) Current Assets			
(a) Inventories	7	847.91	648.46
(b) Financial assets			
Investments	3	995.46	503.97
Trade receivables	8	1,375.55	1,137.57
Cash and cash equivalents	9(a)	447.04	313.48
Other bank balances	9(b)	14.01	13.10
Loans	10	522.10	351.60
Other financial asset	5	673.14	464.85
(c) Other current assets	6	924.88	803.30
Total Current Assets		5,800.09	4,236.33
TOTAL- ASSETS		21,504.16	17,548.04
II. EQUITY AND LIABILITIES :			
(1) Equity			
(a) Share capital	11	135.93	135.78
(b) Other Equity	12	19,049.63	15,618.89
Total Equity		19,185.56	15,754.67

(₹. In Million)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
(2) Non Current Liabilities			
(a) Financial Liabilities			
Lease Liabilities	13	345.04	33.03
(b) Long-term provisions	14	288.38	290.86
(c) Other non-current liabilities	15	22.82	24.92
Total Non Current Liabilities		656.24	348.81
(3) Current Liabilities			
(a) Financial Liabilities			
Lease Liabilities	13	36.73	20.39
Trade payables	16		
A) Due to Micro and Small Enterprises		41.49	44.46
B) Due to other than Micro and Small Enterprises		926.21	822.61
Other financial liabilities	13	59.81	74.90
(b) Short-term provisions	14	377.82	268.69
(c) Other current liabilities	15	169.52	138.44
(d) Income tax liabilities (net)	4(e)	50.78	75.07
Total Current Liabilities		1,662.36	1,444.56
Total Liabilities		2,318.60	1,793.37
TOTAL- EQUITY AND LIABILITIES		21,504.16	17,548.04

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 15, 2022

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Milind Talegaonkar
Company Secretary
Membership No-A26493

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
REVENUE:			
Revenue from operations			
Sale of products	17	11,937.73	10,886.45
Other operating income		219.57	201.89
Total Revenue from Operations		12,157.30	11,088.34
Other income	18	289.89	99.98
Total Revenue (I)		12,447.19	11,188.32
EXPENSES:			
(a) Cost of materials consumed	19	1,175.73	994.26
(b) Purchases of stock-in-trade		795.88	1,116.54
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	24.90	(125.69)
(d) Employee benefits expense	21	2,221.82	2,070.16
(e) Other expenses	22	3,099.02	2,859.93
Total (II)		7,317.35	6,915.20
Profit before interest, tax, depreciation and amortisation (I - II)		5,129.84	4,273.12
Finance costs	23	29.91	7.78
Depreciation and amortisation expense	2 & 39	514.55	376.40
Profit before tax		4,585.38	3,888.94
Tax expenses:	4		
(a) Current tax		801.72	701.84
(b) Deferred tax		(388.26)	(318.95)
Total tax expense		413.46	382.89
Profit for the year		4,171.92	3,506.05

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(15.44)	(19.67)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		5.39	6.87
		(10.05)	(12.80)
Total Comprehensive Income for the year		4,161.87	3,493.25
Earnings per equity share of face value ₹1 each			
Basic (₹)	24	30.70	25.82
Diluted (₹)		30.70	25.80

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Manoj H. Dama
Partner

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 15, 2022

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Milind Talegaonkar
Company Secretary
Membership No-A26493

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	4,585.38	3,888.94
Adjustments for:		
Depreciation and amortisation expense	514.55	376.40
Net Loss on property plant and equipment sold/written off	42.54	0.06
Finance costs	29.91	7.78
Interest income	(99.09)	(38.81)
Provision for doubtful debt / other financial assets	(1.52)	65.10
Bad debt written off	0.02	-
Deferred Capital Subsidy	(4.83)	(9.91)
Net gain on sale of investments	(21.73)	(28.55)
Net gain on investments carried at fair value through profit or loss	(144.36)	(21.22)
Gain from termination of lease	(18.68)	(0.98)
Share based payment expense	13.55	11.20
Operating profit before working capital changes	4,895.74	4,250.01
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(237.98)	265.65
Inventories	(199.45)	6.14
Other asset	(140.07)	131.53
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	100.47	(32.15)
Financial Liabilities	(20.60)	42.38
Provisions	91.21	0.98
Other Liabilities	33.80	(30.10)
Cash generated from operations	4,523.12	4,634.44
Net income tax paid	(829.00)	(680.35)
Net cash flow from operating activities (A)	3,694.12	3,954.09

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

	(₹. In Million)	
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including other intangible assets)	(532.83)	(256.16)
Proceeds from sale of property plant and equipment	7.58	0.38
Consideration paid towards investment in subsidiary	(250.08)	-
Investments in mutual funds and fixed deposit	(2,676.49)	(3,720.50)
Proceeds from redemption of mutual funds and Shares	795.87	769.15
Proceeds from redemption of investments in Bonds of subsidiaries	50.00	55.00
Loan given to Subsidiaries	(38.03)	(319.64)
Loan repaid by Subsidiaries	46.41	10.00
Loan to Others repayment received	3.08	1.11
Loan to Others given	(159.15)	(30.00)
Bank balances not considered as cash and cash equivalents-Placed	(0.91)	(12.91)
Interest income	78.19	24.93
Net cash flow used in investing activities (B)	(2,676.36)	(3,478.64)
C. Cash flow from financing activities		
Finance costs	(26.98)	(7.57)
Lease payment	(112.95)	(56.92)
Shares issued on exercise of employees stock options	67.45	-
Share application money	4.51	-
Dividend paid	(816.23)	(746.79)
Net cash used in financing activities (C)	(884.20)	(811.28)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	133.56	(335.83)
Cash and cash equivalents at the beginning of the year	313.48	649.31
Cash and cash equivalents at end of the year {Refer note-9(a)}	447.04	313.48

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

Notes:

- (i) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- (ii) Cash and Cash Equivalents {Refer note-9(a)}

		(₹. In Million)
Cash on hand	0.78	0.43
Balance with banks		
In Current Account	341.10	262.31
Cheque in hand	105.16	50.74
Cash and Cash Equivalents as per Cash flow statement	447.04	313.48

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Manoj H. Dama
Partner

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 15, 2022

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Milind Talegaonkar
Company Secretary
Membership No-A26493

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

A. Equity Share Capital						(₹. In Million)
Particulars (refer note-11)						Amount
As at March 31, 2020						135.78
Change in Equity Share Capital						-
As at March 31, 2021						135.78
Change in Equity Share Capital						0.15
As at March 31, 2022						135.93
B. Other Equity						(₹. In Million)
Particulars (refer note-12)	Retained Earnings	Security Premium	Share based payment reserve	Share application money pending allotment	Capital redemption reserve	Total Other Equity
As at March 31, 2020	12,830.93	-	28.56	-	1.74	12,861.23
Add: Profit for the year	3,506.05	-	-	-	-	3,506.05
Add: Other comprehensive Income for the year	(12.80)	-	-	-	-	(12.80)
Less: Payment of Dividend	(746.79)	-	-	-	-	(746.79)
Add: Share based payments to employees of the company	-	-	11.20	-	-	11.20
As at March 31, 2021	15,577.39	-	39.76	-	1.74	15,618.89
Add: Profit for the year	4,171.92	-	-	-	-	4,171.92
Less: Payment of Dividend	(816.48)	-	-	-	-	(816.48)
Add: Other comprehensive Income for the year	(10.05)	-	-	-	-	(10.05)
Add: Pursuant to Issue of share capital on account of exercise of options	-	67.29	-	-	-	67.29
Add : Share application money pending allotment	-	-	-	4.51	-	4.51
Less: Transfer on account of exercise of options	-	38.84	(38.84)	-	-	-
Add: Share based payments to employees of the company	-	-	13.55	-	-	13.55
As at March 31, 2022	18,922.78	106.13	14.47	4.51	1.74	19,049.63

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Manoj H. Dama
Partner

Place: Mumbai
Date: June 15, 2022

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Milind Talegaonkar
Company Secretary
Membership No-A26493

Corporate Information:

Eris Lifesciences Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at Shivarth Ambit, Plot No. 142/2, Ram Dass Road, Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad-380054, Gujarat, India. The Company is engaged in the manufacture and marketing of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 1: Significant accounting policies

1. Basis of preparation:

(A) Compliance with Ind AS

The financial statements comply in all material aspects 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 and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

(B) Historical Cost Convention

"The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Investments in mutual funds and equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value
- Lease liability is booked based on IND AS 116

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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of

trading, it is due to be settled within twelve months after the reporting date and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Critical Accounting Judgements And Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.3)
- Useful lives of property, plant and equipment (refer note 1.4)
- Useful lives of intangible assets (refer note 1.5)
- Impairment of asset (refer note 1.8)
- Valuation of inventories (refer note 1.9)
- Employee benefits (refer note 1.13)
- Valuation of deferred tax assets (refer note 1.14)
- Provisions & contingent liabilities (refer note 1.15)
- Impact of COVID on Business and Financial statements (refer note 25)

1.3 Revenue recognition:

- a. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

c. Other income:

- i) Dividend income is recognized when the right to receive dividend is established.
- ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
- iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

1.4 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/ construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition/construction of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than freehold land and capital work-in progress) is recognised using the Written Down Value method upto March 31, 2021 and by using Straight-line method w.e.f. April 01, 2021. Depreciation is recognised based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments and some furniture and fixtures, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets were put to use. (Refer note 39)

In case of Lease hold improvement useful life is considered as lower of useful life of the asset or lease term.

The estimated useful lives are mentioned as under

Type of Asset	Useful lives
Freehold Land	Non Depreciable Asset
Building	30 - 60 years
Plant and Machinery	15 years
Vehicles	8 years
Equipment	3 - 6 years
Furniture and Fixtures	3 - 10 years
Electric Installation	10 years
Lease hold improvements	Over the period of lease term
Right of use asset	Over the period of lease term

Depreciation is not considered on capital work in progress until construction and installation are complete and the asset is ready for intended use

1.5 Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

"Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.

For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.

The estimated useful lives of intangibles are as mentioned below (Refer note 39):

Type of intangible assets	Useful life
Trademark/Brands	Upto 50 years - upto March 31, 2021 Upto 20 years from April 01, 2021.
License Fees	From 3 to 10 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

1.6 Business combinations and Goodwill

1.6.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

1.6.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. 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 profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

1.7 Financial Instruments

Financial assets

Initial recognition and measurement

Financial assets are initially measured at 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 financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

- i. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- > The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,
- > Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. Equity investments - The company measures equity investments other than investments in subsidiaries at FVTPL in accordance with the requirements of IND AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per IND AS 27.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised 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 or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.8 Impairment of assets:

Financial Asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence indicating impairment. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised as an expense in the statement of profit and loss, for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

1.9 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST], labour and relevant appropriate overheads. Cost of raw materials and packing material are determined on specific identification basis by taking material cost [net of GST].
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.10 Cash and cash equivalents:

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

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, as they are considered an integral part of the company's cash management.

1.11 Borrowings cost:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.12 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the profit or loss attributable to the owners of the company by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.13 Employee Benefits:

(A) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) Defined benefit obligations plan:

- (i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.
- (ii) The Company also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

(C) Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. which are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.14 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for :

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or

- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.16 Leases:

Effective from April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method.

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.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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. The right-of-use asset is subsequently depreciated using the written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term 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. Subsequently, the lease liability is measured at amortised cost using the effective interest method. (Refer Note 33)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.17 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

1.18 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset.

1.19 Perpetual bond :

The company invests in unsecured subordinated perpetual securities. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

1.20 Share-based payment transactions:

Employees Stock Options Plans (ESOP) : Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, in accordance with IND AS 102 Share based payment, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

1.21 Measurement of Profit before interest, tax, depreciation and amortisation

The Company has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

1.22 Recent Pronouncements for Indian Accounting Standards (Ind AS)

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

March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Amendments to existing Ind AS:

Ind AS 16 – Property Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

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

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 2: Property, Plant and Equipment and Intangible Assets

(a) Property, Plant and Equipment :

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electrical Installation	Lease hold improvements	Total	Right of use asset (Refer note 33)
Gross carrying amount:										
As at March 31, 2020	22.98	325.97	355.68	137.78	332.97	140.44	36.12	-	1,351.94	176.93
Additions during the Year	-	-	0.62	50.74	80.81	29.78	-	-	161.95	5.84
Deductions during the Year	-	-	1.32	-	0.12	-	-	-	1.44	-
As at March 31, 2021	22.98	325.97	354.98	188.52	413.66	170.22	36.12	-	1,512.45	182.77
Additions during the Year	-	-	2.37	3.66	310.76	68.82	-	84.80	470.41	494.61
Deductions during the Year	-	-	-	1.01	212.10	104.41	0.24	-	317.76	172.23
As at March 31, 2022	22.98	325.97	357.35	191.17	512.32	134.63	35.88	84.80	1,665.10	505.15
Accumulated depreciation:										
As at March 31, 2020	-	71.09	132.88	75.26	216.24	61.42	6.04	-	562.93	125.69
Depreciation for the Year	-	23.56	46.86	24.32	84.27	35.37	7.78	-	222.16	33.62
Deductions during the Year	-	-	0.94	-	0.06	-	-	-	1.00	-
As at March 31, 2021	-	94.65	178.80	99.58	300.45	96.79	13.82	-	784.09	159.31
Depreciation for the Year*	-	8.13	16.36	12.75	87.63	19.07	2.54	3.92	150.40	42.41
Deductions during the Year	-	-	-	0.87	177.56	89.02	0.24	-	267.69	158.41
As at March 31, 2022	-	102.78	195.16	111.46	210.52	26.84	16.12	3.92	666.80	43.31
Net carrying amount										
As at March 31, 2021	22.98	231.32	176.18	88.94	113.21	73.43	22.30	-	728.36	23.46
As at March 31, 2022	22.98	223.19	162.19	79.71	301.80	107.79	19.76	80.88	998.30	461.84

* Refer note 39

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			Total
		Trademark/ Brand/ License fees	Non compete fees	Computer Software	
Gross carrying amount:					
As at March 31, 2020	166.60	5,181.10	50.00	29.95	5,261.05
Additions during the year	-	0.01	-	45.87	45.88
Deductions during the Year	-	-	-	-	-
As at March 31, 2021	166.60	5,181.11	50.00	75.82	5,306.93
Additions during the year	-	125.00	-	65.22	190.22
Deductions during the Year	-	-	-	-	-
As at March 31, 2022	166.60	5,306.11	50.00	141.04	5,497.15
Accumulated Amortisation:					
As at March 31, 2020	-	213.38	36.46	11.66	261.50
Amortisation for the Year	-	103.79	10.00	6.83	120.62
As at March 31, 2021	-	317.17	46.46	18.49	382.12
Amortisation for the Year*	-	297.37	3.54	20.83	321.74
As at March 31, 2022	-	614.54	50.00	39.32	703.86
Net carrying amount					
As at March 31, 2021	166.60	4,863.94	3.54	57.33	4,924.81
As at March 31, 2022	166.60	4,691.57	-	101.72	4,793.29
Intangible assets under development					
As at March 31, 2021	-	-	-	15.55	15.55
As at March 31, 2022	-	-	-	29.82	29.82

* Refer note 39

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note:

Capital-Work-in Progress / Intangible Assets under Development:

Ageing Schedule

(₹. In Million)

Intangible assets under development	As on	Amount of Intangibles assets under development for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	March 31,2022	14.27	12.12	3.43	-	29.82
Projects temporarily suspended	March 31,2022	-	-	-	-	-
Total		14.27	12.12	3.43	-	29.82
Projects in Progress	March 31,2021	12.12	3.43	-	-	15.55
Projects temporarily suspended	March 31,2021	-	-	-	-	-
Total		12.12	3.43	-	-	15.55

Capital work in progress / Intangible assets under development - Completion Schedule

(₹. In Million)

Intangible assets under development	As on	Amount of Intangibles assets under development for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	March 31,2022	26.39	-	3.43	-	29.82
Total		26.39	-	3.43	-	29.82
Projects in progress	March 31,2021	-	12.12	-	3.43	15.55
Total		-	12.12	-	3.43	15.55

- The Company tests impairment of goodwill on an annual basis. Based on the annual impairment test no provision towards impairment was required necessary. The recoverable amounts determined based on value-in-use calculations which is calculated as the net present value of forecasted cash flows of the cash generating unit (CGU) to which the goodwill is related.

The key assumptions for CGUs with significant amount of goodwill as follows:

Projected cash flows for five years based on financial budgets/forecasts in line with the past experience. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.

Acquired brands are considered as CGU for testing impairment of goodwill amounting to ₹166.60 million generated on acquisition of brands.

The Management believes that any reasonable possible change in the key assumptions on which a recoverable amount is based would not cause the carrying amount to exceed its recoverable amount of the CGU.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 3: Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Non current investments				
(I) At cost				
(A) Investment in subsidiaries				
(a) In equity instruments of subsidiaries (unquoted) (fully paid up) (Refer note 26)				
Equity shares of ₹10 each held in Eris M. J. Biopharm Private Limited (Formerly Known as Kinedex Healthcare Private Limited) (Refer note 3.3 below)	1,82,504	56.92	1,82,504	56.92
Equity shares of ₹10 each held in Aprica Healthcare Limited (Formerly Known as UTH Healthcare Limited)	73,45,361	1,166.32	73,45,361	1,166.32
Equity shares of ₹10 each held in Eris Healthcare Private Limited	43,33,331	900.00	43,33,331	900.00
Equity shares of ₹10 each held in Eris Therapeutics Limited	10,000	0.10	-	-
(b) In preference shares of subsidiaries (unquoted) (fully paid up)				
0.01% Optionally convertible Non-Cumulative Redeemable Preference shares of ₹1 each at a premium of ₹100 each held in Eris Therapeutics Limited	24,75,000	249.98	-	-
(c) In Unsecured Perpetual Securities of subsidiaries (Refer note 26 & 3.2 below)				
Perpetual securities of ₹10 each held in Aprica Healthcare Limited (Formerly Known as UTH Healthcare Limited)	2,00,00,000	200.00	2,50,00,000	250.00
Sub Total A = (a + b + c)		2,573.32		2,373.24
(B) Investment in Tax Free Bonds (unquoted)				
Rural Electrification Corporation Bond of ₹10,000 each	500	5.29	500	5.00
Sub Total B		5.29		5.00
Sub Total (I) = A + B		2,578.61		2,378.24
(II) At Fair Value through Profit or Loss				
(A) Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
Kotak Floating Rate Fund Direct Growth	3,47,183	426.11	3,47,183	401.71
ABSL Banking PSU Fund Growth Direct	4,07,032	123.87	1,72,981	50.12
HDFC Ultra Short Fund Direct Growth	6,25,59,806	776.54	3,35,59,812	400.68
HDFC Floating Rate Income Fund Direct Plan Growth	99,74,232	399.92	99,74,232	381.92
ABSL Low Duration Fund Growth Direct		-	6,44,241	355.67
ICICI Savings Fund (Low Duration Fund) Direct Plan Growth	8,47,618	371.01	8,47,618	355.74
ABSL Floating Rate Fund -Growth Direct	12,92,840	366.58	-	-
Kotak Savings Fund Direct Plan Growth	1,17,69,499	424.06	-	-
SBI Magnum Ultra Short Duration Fund - Growth Direct	1,64,707	806.58	-	-
IDFC Corporate Bond Fund Direct Plan Growth	2,96,98,080	476.36	2,96,98,080	453.42
		4,171.03		2,399.26

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
(B) Investment in Tax Free Bonds (quoted)				
Rural Electrification Corporation Bond of ₹1,000 each	1,000	1.18	1,000	1.21
Indian Railway Finance Corporation Bond of ₹1,000 each	1,000	1.16	1,000	1.19
Housing and Urban Development Corporation Bond of ₹1,000 each	1,000	1.16	1,000	1.17
		3.50		3.57
(C) Investment in Equity Instruments				
S3V Vascular Technologies Private Limited (Unquoted)	3,81,588	28.62	3,81,588	28.62
		28.62		28.62
Sub Total (II) = A+B+C		4,203.15		2,431.45
Total (I) + (II)		6,781.76		4,809.69
Current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
SBI Premier Liquid Fund Direct Growth	1,71,801	572.63	72,092	232.25
HDFC Liquid Fund Direct Plan Growth Option	1,01,041	422.83	67,165	271.72
Total (I)		995.46		503.97
Aggregate carrying value of quoted investments		3.50		3.57
Aggregate market value of quoted investments		3.50		3.57
Aggregate carrying value of unquoted investments		7,773.72		5,310.09

3.1 Details of pledged securities:

Include ₹350.00 million (31-03-2021 - ₹350.00 million) marked under lien against overdraft facilities availed by the company.

3.2 Details of perpetual securities:

In the financial year 2018-19, the company has invested in unsecured subordinated perpetual securities issued by Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited), its subsidiary company. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

3.3 Lock in period for Eris M. J. Biopharm Private Limited (Formerly Known as Kinedex Healthcare Private Limited)

As per share purchase & shareholders agreement, For a period of 10 (ten) years , Eris Lifesciences Limited and M.J. Biopharm Private Limited shall not, directly or indirectly, transfer or attempt to transfer all or any of the Equity Shares (or any interest therein) held by it to any Person.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 4: Income Taxes

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	801.72	701.84
Deferred tax:		
Deferred tax (benefit) for current year	(388.26)	(318.95)
	413.46	382.89
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains on defined benefit plans	(5.39)	(6.87)
	(5.39)	(6.87)
(c) Reconciliation of tax expense:		
Profit before income taxes	4,585.38	3,888.94
Enacted tax rate in India	34.944%	34.944%
Expected income tax expenses	1,602.32	1,358.95
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	65.48	77.55
Effect of income exempt from taxation	(1.23)	(0.93)
Tax incentives	(1,214.58)	(1,056.82)
Adjustment of current tax of prior year	(9.50)	2.59
Others (net)	(34.42)	(5.32)
Adjusted income tax expense	408.07	376.02
Effective Tax Rate	8.90%	9.67%

(d) Income Tax Assets:

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	34.63	34.47
Less: Prior period adjustment	-	0.51
Add: Tax paid in advance, net of provisions/(Refund) during the year	0.04	0.67
Closing Balance	34.67	34.63

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	75.07	53.42
Add: Prior period adjustment	(6.55)	2.08
Add: Current tax payable for the year	811.22	699.25
Less: Taxes paid	(828.96)	(679.68)
Closing Balance	50.78	75.07

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(f) Deferred tax relates to :		
Deferred tax assets		
Property, plant and equipments (including ROU net of lease liability)	69.87	134.26
Minimum Alternate Tax credit entitlement	3,369.95	2,768.02
Employee benefits	43.55	53.10
Other	23.66	17.32
	3,507.03	2,972.70
Deferred tax liabilities		
Intangible assets	1,092.13	1,000.70
Fair Valuation of Investment	53.79	4.53
	1,145.92	1,005.23
Total	2,361.11	1,967.47

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	Property, plant and equipments	Minimum Alternate Tax credit entitlement	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/(Liabilities) relates to :							
At March 31, 2020	140.63	2,197.76	66.55	(758.97)	(5.58)	1.26	1,641.65
Charged/(Credited)							
- To Profit or Loss	6.37	(570.26)	20.32	241.73	(1.05)	(16.06)	(318.95)
- To other comprehensive Income	-	-	(6.87)	-	-	-	(6.87)
At March 31, 2021	134.26	2,768.02	53.10	(1,000.70)	(4.53)	17.32	1,967.47
Charged/(Credited)							
- To Profit or Loss	64.39	(601.93)	14.94	91.43	49.26	(6.34)	(388.25)
- To other comprehensive Income	-	-	(5.39)	-	-	-	(5.39)
At March 31, 2022	69.87	3,369.95	43.55	(1,092.13)	(53.79)	23.66	2,361.11

Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Security deposits	43.85	27.40
Fixed Deposits	-	422.70
	43.85	450.10
Current		
Insurance claim receivable	0.54	2.09
Fixed Deposits	618.99	412.78
Interest accrued	18.27	7.59
Security deposits	29.59	36.04
Receivable on sale of Investment in subsidiary	-	
- Considered Good		
- Considered doubtful	-	12.00
Less: Allowance for doubtful of recovery	-	(12.00)
Claims and Other receivables		
- Considered Good	5.75	6.35
- Considered doubtful	48.10	48.10
Less: Allowance for doubtful of recovery	(48.10)	(48.10)
	673.14	464.85
	716.99	914.95

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital Advances	4.63	141.55
	4.63	141.55
Current		
Prepaid expenses	185.10	53.59
Balances with government authorities		
Goods and services tax credit receivable	151.22	187.35
Others	4.36	2.14
Advances to supplier	584.00	556.88
Advances to employees	0.20	3.34
	924.88	803.30
Total	929.51	944.85

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Material and Packing Material {including goods-in-transit ₹11.83 million (March 31, 2021 - ₹2.03 million)}	387.84	168.64
Work-in-progress	19.78	26.42
Finished goods	232.51	252.16
Stock-in-trade {including goods-in-transit ₹35.72 million (March 31, 2021- ₹9.59 million)}	199.76	198.37
Stores, spares & consumables	8.02	2.87
Total	847.91	648.46

Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Considered good	-	-
Unsecured Considered good	1,375.55	1,137.57
Trade Receivables which have significant increase in Credit Risk	17.09	17.09
Trade Receivables-credit impaired	8.09	8.09
	1,400.73	1,162.75
Less: Allowance for doubtful debt (expected credit loss)	25.18	25.18
Total	1,375.55	1,137.57

No dues from directors.

For dues from subsidiaries please refer note 29.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Movements in allowance for doubtful trade receivables	As at March 31, 2022	As at March 31, 2021
Opening Balance	25.18	20.18
Add : Provision during the year	-	5.00
Less : Utilisation during the year	-	-
Closing Balance	25.18	25.18

Trade Receivable ageing schedule:

(₹. In Million)

Particulars	As on	Outstanding for following period from due date of payment							Total
		Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	March 31, 2022	-	1,082.89	290.38	2.14	0.14	-	-	1,375.55
	March 31, 2021	-	1,025.73	109.26	2.22	0.36	-	-	1,137.57
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	March 31, 2022	-	-	17.09	-	-	-	-	17.09
	March 31, 2021	-	-	17.09	-	-	-	-	17.09
(iii) Undisputed Trade Receivables - Credit Impaired	March 31, 2022	-	-	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	March 31, 2022	-	-	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	March 31, 2022	-	-	-	-	0.59	5.28	2.22	8.09
	March 31, 2021	-	-	-	-	5.56	0.09	2.44	8.09
(vi) Disputed Trade Receivables - Credit Impaired	March 31, 2022	-	-	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-	-	-
Total	March 31, 2022	-	1,082.89	307.47	2.14	0.73	5.28	2.22	1,400.73
	March 31, 2021	-	1,025.73	126.35	2.22	5.92	0.09	2.44	1,162.75

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Cash and cash equivalents		
Cash on hand	0.78	0.43
Balances with banks in current accounts*	341.10	262.31
Cheque in hand	105.16	50.74
	447.04	313.48
(b) Other bank balances		
In fixed deposit accounts to extent held as security deposit with GST department and Tender Deposit	14.01	13.10
Total	461.05	326.58

*Includes Unclaimed Dividend of ₹0.76 million (Previous year ₹0.45 million).

Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Loans Receivables considered good - Unsecured	28.20	49.49
	28.20	49.49
Current		
Loans Receivables considered good - Unsecured		
To subsidiaries (Refer note 30)	311.26	319.64
To others	210.84	31.96
Loans Receivables from others which have significant increase in Credit Risk	3.67	5.19
Loans Receivables - credit impaired	-	-
	525.77	356.79
Less: Allowance for doubtful loan to others	(3.67)	(5.19)
	522.10	351.60
Total	550.30	401.09

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 11: Share capital

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹1 each	300.00	300.00
Total	300.00	300.00
Issued, Subscribed and Fully Paid-up :		
13,59,30,197 (Previous year 13,57,80,653) Equity Shares of ₹1 each fully paid up	135.93	135.78
Total	135.93	135.78

11.1 : Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	(₹. In Million)
Shares outstanding at March 31, 2020	13,57,80,653	135.78
Issued during the year	-	-
Shares outstanding at March 31, 2021	13,57,80,653	135.78
Issued during the year (persuant to ESOP - refer Note 34)	1,49,544	0.15
Shares outstanding at March 31, 2022	13,59,30,197	135.93

11.2 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,47,59,132	40.28%	5,46,98,423	40.28%
2. Rakeshbhai Bhikhabhai Shah	1,56,84,407	11.54%	1,56,84,407	11.55%
3. Bhikhalal Chimanlal Shah	88,68,689	6.52%	88,92,430	6.55%
4. Emerald Investments Limited	74,77,132	5.50%	74,77,132	5.51%

11.3 Details of promoters share holding in the company as at the end of the year

Name of the shareholder	As at March 31, 2022			As at March 31, 2021	
	No. of equity shares held	% of Shareholding	% Changes during the year	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,47,59,132	40.28%	0.11%	5,46,98,423	40.28%
2. Rajendrakumar Rambhai Patel	59,39,834	4.37%	0.00%	59,39,834	4.37%
3. Inderjeet Singh Negi	59,39,833	4.37%	0.00%	59,39,833	4.37%
4. Kaushal Kamleshkumar Shah	44,68,833	3.29%	0.00%	44,68,833	3.29%
5. Himanshu Jayantbhai Shah	4,75,801	0.35%	-80.63%	24,57,011	1.81%

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

11.4 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

11.5 Share options granted under the Company's employee share option plan:

The Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

11.6 Buy back of shares:

During the financial year 2019-20, as on January 22, 2020, the Company concluded buy-back of 17,39,130 Equity Shares at a price of ₹575 per equity share from eligible shareholders of the Company on a proportionate basis through Tender Offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, as approved by the Board of Directors at their meeting held on July 03, 2019.

11.7 Dividend:

The Board of Directors of the Company has declared and paid an interim dividend of ₹ 6.01/- (at the rate of 601 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2021-22 at its meeting held on July 29, 2021.

Note 12: Other Equity

	(₹. In Million)	
Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings	18,922.77	15,577.39
Securities premium	106.13	-
Share Application Money Pending Allotment	4.51	-
Share based payment reserve	14.48	39.76
Capital redemption reserve	1.74	1.74
Total	19,049.63	15,618.89

Nature and purpose of reserves:

Retained Earnings: Retained Earnings are the profits that the company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

Share based payment reserve: The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

Capital redemption reserve: The Company is required to create capital redemption reserve in accordance with provisions of the Companies Act 2013 for buy back of shares.

Security premium: The amount received in excess of the par value of equity shares has been classified as securities premium.

Interim Dividend: The Board of Directors of the Company has declared and paid an interim dividend of ₹6.01/- (at the rate of 601 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2021-22 at its meeting held on July 29, 2021.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 13: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
(a) Lease Liabilities		
Lease Liabilities	345.04	33.03
	345.04	33.03
Current		
(a) Lease Liabilities		
Lease Liabilities	36.73	20.39
	36.73	20.39
(b) Other financial liabilities		
Book overdraft *	49.63	70.23
Dividend Payable	0.76	0.45
Payable towards purchase of fixed assets	9.42	4.22
	59.81	74.90
	96.54	95.29
Total	441.58	128.32

* Mutual funds are marked as lien against OD Limit (Refer note 3).

Note 14: Provisions

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Long Term		
Provision for employee benefits (Refer note-27)		
Compensated absences	59.55	62.87
Provision for sales returns (Refer note below)	228.83	227.99
	288.38	290.86
Short Term		
Provision for employee benefits (Refer note-27)		
Compensated absences	33.33	35.84
Gratuity	17.28	13.49
Provision for sales returns (Refer note below)	327.21	219.36
	377.82	268.69
Total	666.20	559.55

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Provision for sales returns:

The Company, as a trade practice, accepts returns from market. Provision is made for such sales returns on the basis of historical experience, market conditions and specific contractual terms.

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Provision	447.35	377.02
Add: Provision during the year	355.47	240.40
Less: Utilisation during the year	246.78	170.07
Closing Provision	556.04	447.35
Long Term	228.83	227.99
Short Term	327.21	219.36
Total	556.04	447.35

Note 15: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred Capital Subsidy Non current*	22.82	24.92
	22.82	24.92
Current		
Statutory liabilities	139.49	118.09
Advances from customers	25.18	12.78
Deferred Capital Subsidy Current*	4.85	7.57
	169.52	138.44
Total	192.34	163.36

*Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 16: Trade payables

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to micro and small enterprises (refer note- 35)	41.49	44.46
Due to others	926.21	822.61
Total	967.70	867.07

Trade Payable ageing schedule:

(₹. In Million)

Particulars	As on	Outstanding for following period from due date of payment						Total
		Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	March 31,2022	-	15.59	25.90	-	-	-	41.49
	March 31,2021	-	16.58	27.88	-	-	-	44.46
(ii) Others	March 31,2022	-	640.08	283.64	-	0.04	2.45	926.21
	March 31,2021	-	446.18	372.29	1.41	0.03	2.70	822.61
(iii) Disputed dues - MSME	March 31,2022	-	-	-	-	-	-	-
	March 31,2021	-	-	-	-	-	-	-
(iv) Disputed dues -Others	March 31,2022	-	-	-	-	-	-	-
	March 31,2021	-	-	-	-	-	-	-
Total	March 31,2022	-	655.67	309.54	-	0.04	2.45	967.70
	March 31,2021	-	462.76	400.17	1.41	0.03	2.70	867.07

Note 17: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Sale of products (Refer note 37)	11,937.73	10,886.45
Other operating income		
Goods and Services Tax refund	206.41	189.76
Others	13.16	12.13
	219.57	201.89
Total	12,157.30	11,088.34

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Revenue as per contracted price, net of returns	12,325.62	11,160.49
Less : Provision for sales return	355.47	240.40
Less : Scheme, discount and others	32.42	33.64
Revenue from contracts with customers	11,937.73	10,886.45

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Note 18: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest income	99.09	38.81
Net gain on sale of investments	21.73	28.55
Net (loss) / gain on investments carried at fair value through profit or loss	144.36	21.22
Deferred Capital Subsidy (Refer note 18.1)	4.83	9.91
Gain on termination of lease	18.68	0.98
Miscellaneous income	1.20	0.51
Total	289.89	99.98

18.1 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

Note 19: Cost of material consumed

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Raw materials and packing materials		
Opening stock	168.64	300.47
Add: Purchases during the year	1,394.93	862.43
Less: Closing stock	(387.84)	(168.64)
Total	1,175.73	994.26

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 20: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Inventories at the beginning of the year		
Stock-in-trade	198.37	122.64
Finished goods	252.16	195.85
Work-in-progress	26.42	32.77
	476.95	351.26
Inventories at the end of the year		
Stock-in-trade	199.76	198.37
Finished goods	232.51	252.16
Work-in-progress	19.78	26.42
	452.05	476.95
Net (Increase) / decrease in Stock	24.90	(125.69)

Note 21: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, wages and bonus	1,984.12	1,824.74
Contribution to provident and other funds	113.27	126.29
Share based payments to employees	13.55	11.20
Staff welfare expenses	110.88	107.93
Total	2,221.82	2,070.16

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 22: Other expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Power and fuel	40.08	38.93
Consumption of stores and spares (Indigenous)	20.53	36.03
Labour and security	27.69	22.73
Testing charges	8.97	4.94
Rent	26.49	16.65
Formulation Development Expense	327.38	50.92
Freight and forwarding	151.29	166.46
Commission	164.68	157.62
Advertising, publicity and awareness	64.58	112.23
Repairs and maintenance	54.17	35.54
Selling and distribution	602.88	662.48
Representative Allowance	496.48	436.91
Travelling and conveyance	264.37	187.31
Communication	9.88	10.59
Legal and professional	392.45	353.46
Rates and taxes	70.95	51.84
Insurance	13.96	10.72
Payments to auditors (Refer note below)	4.50	4.59
Royalty Expense	4.30	4.06
Corporate social responsibility expenditure (Refer note 31)	65.43	81.91
Loss on property plant and equipment sold/written off	42.54	0.18
Donations	1.39	0.38
Bank charges	0.60	1.58
Provision for doubtful debt / other financial assets	-	65.10
Bad debt written off	0.02	-
Miscellaneous	243.41	346.77
Total	3,099.02	2,859.93

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Statutory Audit fee	3.00	3.00
Reimbursement of expenses	-	0.09
Certification fees and other services	1.50	1.50
Grand Total	4.50	4.59

Note 23: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest expense	0.01	0.11
Interest on financial liabilities at amortised cost	2.93	1.15
Interest on Lease Liability	26.97	6.52
Total	29.91	7.78

Note 24: Earnings per share

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net profit after tax for the year (₹ in million)	4,171.92	3,506.05
Weighted average number of equity shares outstanding for basic earning per share	13,58,73,030	13,57,80,653
Add : Dilutive share -Employees stock options outstanding	41,464	1,02,609
Weighted average number of equity shares outstanding for diluted earning per share	13,59,14,494	13,58,83,262
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	30.70	25.82
Diluted earnings per share (in ₹)	30.70	25.80

Note 25 : Impact of COVID on Business and Financial statements

The Company continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain, and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Company's financial statements for the year ended March 31, 2022.

Note 26 : Arrangement with M. J. Biopharm Private Limited

During the year, Eris announced the execution of definitive agreements on December 03, 2021 with Mumbai-based M. J. Biopharm Private Limited marking Eris' foray into the field of Biopharmaceuticals. Pursuant to this, the Company's wholly owned subsidiary Eris M.J. Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited) has issued fresh shares to M.J. Biopharm Private Limited, following which Eris is holding a 70% stake in Eris M.J. Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited) and remaining 30% is held by M. J. Biopharm Private Limited. The initial contracted tenure of the arrangement is 10 years. On January 12, 2022, the said transaction has achieved Completion.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 27: EMPLOYEE BENEFIT PLANS

A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹75.83 million (Previous Year ₹75.10 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme. The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹2.89 million (Previous year ₹5.15 million) for ESIC contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹11.71 million (Previous Year ₹23.83 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.6 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at March 31, 2022:

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	161.42	127.49
Current Service Cost	22.70	18.34
Transfer in/(out) obligation	1.03	1.61
Interest Cost	7.25	5.90
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(1.89)	0.90
- Due to change in Demographic Assumptions		-
- Due to experience adjustments	16.96	18.76
Benefits paid	(24.54)	(11.58)
Obligations at the end of the year	182.93	161.42
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	147.93	47.59
Interest Income	7.11	2.03
Return on plan assets excluding interest income	(0.37)	(0.01)
Employer Contributions	35.52	109.90
Benefits paid	(24.54)	(11.58)
Fair Value of plan assets at the end of the year	165.65	147.93

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	182.93	161.42
Less : Fair value of plan assets	(165.65)	(147.93)
Funded status (deficit)	17.28	13.49
Net liability recognised in the financial statement	17.28	13.49

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	22.70	18.34
Interest Cost Net	0.14	3.87
Expense charged to the statement of profit and loss	22.84	22.21
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	0.37	0.01
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(1.89)	0.90
- Due to change in Demographic Assumptions	-	-
- Due to experience adjustments	16.96	18.76
Expense charged to other comprehensive income	15.44	19.67
Assumptions:		
Discount rate	5.65%	5.20%
Estimated rate of return on plan assets	5.65%	5.20%
Annual increase in salary costs	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement age	60 years	60 years

Sensitivity Analysis:

Impact on defined benefit obligation

Increase of 0.5% in discount rate	180.90	159.64
Decrease of 0.5% in discount rate	185.04	163.27
Increase of 0.5% in salary escalation rate	184.88	163.14
Decrease of 0.5% in salary escalation rate	181.04	159.75

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Expected future Cash outflows towards the plan are as follows :		
Year 1	67.04	61.72
Year 2	40.98	33.57
Year 3	30.23	25.70
Year 4	22.07	18.78
Year 5	15.41	13.50
Year 6 to 10	29.40	25.48

Investment details of plan assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Insurer managed funds with Life Insurance Corporation of India	95%	94%
Bank Balance with Eris lifesciences limited employees group gratuity trust	5%	6%

Notes:

1. The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
2. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
4. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
5. The expected contribution to be made by company for gratuity during financial year ending March 31, 2023 is ₹17.28 million (previous year ₹13.49 million).

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 28: Fair Value Measurement

(i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows:

(₹. In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	1,375.55	1,375.55	1,137.57	1,137.57
Cash and cash equivalents	447.04	447.04	313.48	313.48
Other bank balances	14.01	14.01	13.10	13.10
Investment in tax free bonds	5.29	5.29	5.00	5.00
Loans	550.30	550.30	401.09	401.09
Other Financial Asset	716.99	716.99	914.95	914.95
Fair value through profit or loss :				
Investment in mutual funds	5,166.49	5,166.49	2,903.23	2,903.23
Investment in tax free bonds	3.50	3.50	3.57	3.57
Investment in equity instruments (other than investment in subsidiaries)	28.62	28.62	28.62	28.62
Total	8,307.79	8,307.79	5,720.61	5,720.61
Financial Liabilities :				
Amortised cost :				
Trade payables	967.70	967.70	867.07	867.07
Other financial liabilities	59.81	59.81	74.90	74.90
Lease Liability	381.77	381.77	53.42	53.42
Total	1,409.28	1,409.28	995.39	995.39

(ii) Fair value hierarchy :

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	5,166.49	-	-	5,166.49
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.50	-	-	3.50
Total	5,169.99	-	28.62	5,198.61
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	5,169.99	-	28.62	5,198.61

				(₹ in million)
As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	2,903.23	-	-	2,903.23
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.57	-	-	3.57
Total	2,906.80	-	28.62	2,935.42
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	2,906.80	-	28.62	2,935.42

Determination of fair values: The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Investment in mutual funds : The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments : Fair value of Equity investments traded in an active market are determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of an valuer.

(iii) Financial risk management :

The Company's activities are exposed to variety of financial risks. These risks include market risk, credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as equity price risk. The Company is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below:

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Company invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹5,169.99 million and ₹2,906.80 million as at March 31, 2022 and March 31, 2021 respectively.

(b) Credit Risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the companies receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 8,307.79 million and ₹ 5,720.61 million as at March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets, loans and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows:

(₹. In Million)

As at March 31, 2022	Less than 1 year	1-3 years	More than 3 years
Trade payables	967.70	-	-
Other financial liabilities	59.81	-	-
Lease Liability	62.37	128.39	308.91
	1,089.88	128.39	308.91
As at March 31, 2021	Less than 1 year	1-3 years	More than 3 years
Trade payables	867.07	-	-
Other financial liabilities	74.90	-	-
Lease Liability	24.08	23.68	14.49
	966.05	23.68	14.49

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(iv) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using Debt-Equity ratio, which is net debt divided by total equity. Debt is defined as liabilities comprising interest-bearing loans and borrowings, lease liabilities less cash and bank balances. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

(₹. In Million)		
Particulars	As at March 31, 2022	As at March 31, 2021
Total loans and borrowings	381.77	53.42
Less : Cash and bank balances	447.04	313.48
Adjusted net debt	(65.27)	(260.06)
Total equity	19,185.56	15,754.67
Adjusted net debt to adjusted equity ratio	(0.00)	(0.02)
Debt equity considering only borrowings as debt	0.02	0.00

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022; March 31, 2021.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 29: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	Subsidiaries	
		Eris M J Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited)
		Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)
		Eris Healthcare Private Limited
		Eris Therapeutics Limited (w.e.f. June 23, 2021)
		Eris Pharmaceuticals Private Limited (Subsidiary of Eris Healthcare Private Limited w.e.f. June 2, 2020)
2	Key Managerial Personnel	
	Managing Director	Mr. Amit Bakshi
	Whole time director (Upto May 31, 2020)	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Whole time director (From August 04, 2020)	Mr. Kaushal Shah
	Whole time director (From December 20, 2020)	Mr. Krishnakumar Vaidyanathan
	Independent Director (From December 19, 2020)	Mr. Rajeev Dalal
	Independent Director (From January 05, 2021)	Ms. Kalpana Vasanthrai Unadkat
	Independent Director	Mrs. Vijaya Sampath
	Independent Director (Upto September 11, 2020)	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
3	Close family member of Key Management Personnel	
	Brother of Mr. Himanshu Shah (Whole time director) (Upto May 31, 2020)	Mr. Saurabh Shah
	Son of Mr. Amit Indubhushan Bakshi (Managing director) (From June 01, 2021)	Mr. Parv Bakshi
4	Other Related parties	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Entity controlled by relative of Key Managerial Personnel (w.e.f. August 21, 2021)	Tresna Foundation
	Entity controlled by Key Managerial Personnel	Horizon Blue Ventures LLP

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

B) Total Transactions with related parties are as follows:

(₹. In Million)

Particulars	Subsidiaries		Key Management Personnel		Close family member of Key Management Personnel		Other Related parties		Total	
(A) Nature of transactions	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Investment in / (Redemption of) Perpetual bond	(50.00)	(45.00)	-	-	-	-	-	-	(50.00)	(45.00)
Investment in Equity share capital	0.10	-	-	-	-	-	-	-	0.10	-
Investment in Preference share capital	249.98	-	-	-	-	-	-	-	249.98	-
Loans Given	605.78	318.00	-	-	-	-	-	-	605.78	318.00
Loans Received back	604.75	18.00	-	-	-	-	-	-	604.75	18.00
Sales of Finished goods	149.92	208.76	-	-	-	-	-	-	149.92	208.76
Purchases of Stock-in-trade	127.71	47.01	-	-	-	-	-	-	127.71	47.01
Royalty Income	11.05	9.73	-	-	-	-	-	-	11.05	9.73
Interest Income	35.54	15.95	-	-	-	-	-	-	35.54	15.95
Royalty Expense	4.30	4.06	-	-	-	-	-	-	4.30	4.06
Reimbursement of expense incurred	1.03	-	2.17	1.55	-	-	-	-	3.20	1.55
Remuneration	-	-	119.34	93.72	-	-	-	-	119.34	93.72
Sitting fees	-	-	3.23	3.00	-	-	-	-	3.23	3.00
Commission	-	-	17.50	2.69	-	-	-	-	17.50	2.69
Stock Options exercised	-	-	3.77	-	-	-	-	-	3.77	-
Salary expense	-	-	-	-	0.28	0.65	-	-	0.28	0.65
Corporate Social Responsibility	-	-	-	-	2.10	-	-	-	2.10	-
Contribution to Post-employment benefit plan	-	-	-	-	-	-	16.28	41.88	16.28	41.88

(₹. In Million)

(B) Balances at the end of the year	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Perpetual bond	200.00	250.00	-	-	-	-	-	-	200.00	250.00
Trade Receivable	0.88	3.31	-	-	-	-	-	-	0.88	3.31
Advance from Customer	3.81	0.01	-	-	-	-	-	-	3.81	0.01
Advance to Creditor	3.35	-	-	-	-	-	-	-	3.35	-
Trade payable	-	1.54	16.14	5.40	0.03	-	-	-	16.17	6.94
Loans and advances Given	311.26	319.64	-	-	-	-	-	-	311.26	319.64

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

C) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Transaction with Subsidiaries		
	Eris M J Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited) (Refer note 26)		
	Interest Income	0.25	-
	Loans Given	46.18	-
	Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)		
	Purchases of Stock-in-trade	0.02	1.55
	Sales of Finished goods	52.05	63.95
	Investment in / (Redemption of) Perpetual bond	(50.00)	(45.00)
	Loan given	-	1.50
	Loans Received back	-	11.50
	Royalty Income	5.52	5.47
	Reimbursement of expense incurred	1.03	-
	Royalty expense	2.39	2.42
	Interest Income	-	0.40
	Eris Healthcare Private Limited		
	Royalty expense	1.91	1.64
	Sales of Finished goods	97.87	144.81
	Loans given	157.50	316.50
	Loans Received back	202.65	6.50
	Purchases of Stock-in-trade	127.69	45.46
	Interest income	29.66	15.55
	Royalty income	5.53	4.26
	Eris Therapeutics Limited		
	Investment in Equity share capital	0.10	-
	Investment in Preference share capital	249.98	-
	Loans given	402.10	-
	Loans Received back	402.10	-
	Interest Income	5.63	-

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
2	Key Management Personnel compensation		
	Remuneration*	119.34	93.72
	Sitting fees	3.23	3.00
	Reimbursement of expense	2.17	1.55
	Commission	17.50	2.69
	Stock Options exercised	3.77	-
3	Close family member of Key Management Personnel compensation		
	Salary expense	0.28	0.65
	Corporate Social Responsibility	2.10	-
4	Other Related parties		
	Contribution to Post-employment benefit plan	16.28	41.88

* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

D) Balances with related parties at end of the year:

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Eris M J Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited) (Refer note 26)		
	Loans and advances Given	46.41	-
	Trade payable	-	1.54
	Trade Receivable	0.82	1.61
2	Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)		
	Loans and advances Given	-	-
	Perpetual bond	200.00	250.00
	Trade Receivable	-	1.00
	Advance from Customer	3.81	0.01

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
3	Eris Healthcare Private Limited		
	Loans and advances Given	264.85	319.64
	Advance to Creditors	3.35	-
	Trade receivable	-	0.70
4	Eris Therapeutics Limited		
	Trade receivable	0.06	-
5	Key Management Personnel compensation		
	Trade Payable	16.14	5.40
6	Close family member of Key Management Personnel compensation		
	Trade Payable	0.03	-

Note 30: Loans to group Companies

Disclosures pursuant to Regulation 34(3) read with Para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

(₹. In Million)

Name of the Subsidiary	Amount outstanding as at				Maximum balance during the year	
	March 31, 2022		March 31, 2021		2021-22	2020-21
	Amount	% of Total Loan	Amount	% of Total Loan		
Promoters	-	-	-	-		
Directors	-	-	-	-		
KMPs	-	-	-	-		
Related Parties	311.26	56.19%	319.64	78.67%	860.23	331.53
Eris Healthcare Private Limited	264.85	47.81%	319.64	78.67%	419.31	319.64
Eris M.J.Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited)	46.41	8.38%	-	0.00%	46.41	-
Eris Therapeutics Limited	-	0.00%	-	0.00%	394.51	-
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	-	0.00%	-	0.00%	-	11.89

Notes:

- The loanes did not hold any shares in the Share capital of the Company.
- All loans given are for the purposes of the business and repayable on demand hence considered short term.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 31: Corporate Social Responsibility (CSR) expenditure

Disclosures pertaining to corporate social responsibility activities:

(₹. In Million)		
Particulars	As at March 31, 2022	As at March 31, 2021
Corporate Social Responsibility expenses for the year	65.43	81.91
Nature of CSR activities		
Medical	62.46	57.09
Educational	2.97	1.14
Other	-	1.10
Gross amount required to be spent by the company during the year.	65.43	59.04
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	65.43	59.33
Details of related party transactions	2.10	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
The total of previous years' shortfall amounts	-	-
The reason for above shortfalls by way of a note	-	-

Excess amount for set off

(₹. In Million)		
Particulars	As at March 31, 2022	As at March 31, 2021
(i) Two percent of average net profit of the Company as per section 135(5)	65.43	59.04
(ii) Total amount spent for the Financial Year	195.08	59.33
(iii) Excess amount spent for the Financial Year [(ii)-(i)]	129.65	0.29
(iv) Amount available for set off from preceding financial years	0.29	-
(v) Amount available for set off in succeeding financial years [(iii) + (iv)]	129.94	0.29

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 32: Contingent Liability and Capital Commitment

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	173.52	164.62
Notices regarding Income-tax matters	1.06	0.80
Others	68.83	17.74

Note: The Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during earlier years. Management does not expect any cash outflow from this matter.

Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for Nil (Previous year ₹28.92 million).

The Company has given letter of comfort to bank for credit facilities upto ₹1500 million availed by its subsidiary Eris Therapeutics Limited. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

The Company does not expect any outflow of resources in respect of the above.

Note 33: Lease rent IND AS 116

The movement in lease liability and Right of use assets is given as under as per IND AS 116.

(₹. In Million)

Changes [increase/(decrease)]	For Year ended March 31, 2022	For Year ended March 31, 2021
Depreciation and Amortisation	42.41	33.62
Finance costs on lease liability	26.97	6.52
Cash Flow From Lease	(112.95)	(56.92)
Cash Flow From Lease interest	(26.97)	(6.52)

Note 34: ESOP

A. Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan")

The Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 1,14,736 and 98,107 options have lapsed till March 31, 2022 and March 31, 2021 respectively.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method for the financial year 2021-22 is ₹13.55 million and for financial year 2020-21 is ₹11.20 million.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	2,73,709	451.04	3,21,930	451.04
Granted during the year	-	-	-	-
Vested during the year	59,197	451.04	68,176	451.04
Exercised during the year	1,49,544	451.04	-	-
Lapsed during the year	16,629	451.04	48,221	451.04
Options outstanding at the end of the year	1,07,536	451.04	2,73,709	451.04
Options available for grant	98,107	451.04	49,886	451.04
Options exercisable at the end of the year	53,826	451.04	1,56,977	451.04

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.04
Time To Maturity (In years)	5.50
Dividend yield	1.00%
Option Fair Value (₹)	268.77

B. Eris Lifesciences Long Term Incentive Plan, 2021' ("Employee Stock Option Plan"/ "Plan")

The Company has introduced 'Eris Lifesciences Long Term Incentive Plan, 2021' ("Employee Stock Option Plan"/ "Plan") through the resolution passed by the Board of Directors on July 29, 2021 and the same was approved by the shareholders at the annual general meeting held on September 01, 2021. Under the scheme 13,58,630 equity shares have been approved in Annual General Meeting out of which, 2,14,102 (Two lakhs fourteen thousand one hundred two only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹1 each for an exercise price of ₹557.24. Vesting of the options shall take place over a maximum period of 4 years with a minimum vesting period of 1 year from the date of grant i.e. February 10, 2022. The exercise period would be a maximum of 7 years from the date of vesting of options.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method for the financial year 2021-22 is NIL.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2022	
	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	-	-
Granted during the year	2,14,102	557.24
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	2,14,102	557.24
Options available for grant	11,44,528	-
Options exercisable at the end of the year	-	-

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	February 10, 2022
	Weighted average
Stock Price (₹)	696.55
Volatility	33.38%
Risk-free Rate	6.37%
Exercise Price (₹)	557.24
Time To Maturity (In years)	7.50
Dividend yield	0.76%
Option Fair Value (₹)	341.62

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 35: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2022. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

	Particulars	March 31, 2022	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 amount due remaining unpaid	41.49	44.46
	Interest amount due remaining unpaid	-	-
b)	The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act.	-	-

Note 36 (A): Financial Ratio

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance	Remarks for variance
Liquidity Ratio (in times)						
Current Ratio	Current Assets	Current Liabilities	3.49	2.93	18.97%	
Solvency Ratio (in times)						
Debt - Equity Ratio	Total Debt(1)	Shareholder's Equity	0.02	0.00	486.86%	Debt represent Lease Liabilities -Change in solvency ratio is due to new lease agreements entered during FY 2021-22.
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt Service(3)	77.13	61.32	25.77%	
Profitability ratio (in %)						
Net profit ratio	Profit After Tax	Sale of products	34.95%	32.21%	8.51%	
Return on Equity (ROE):	Profit After Tax	Average Shareholder's Equity	23.88%	24.39%	-2.08%	
Return on capital employed (ROCE)	Earning before interest and tax	Capital Employed (4)	31.66%	36.41%	-13.06%	
Return on investment (ROI)	Income generated from investments	Time weighted average investments	4.48%	2.20%	103.56%	In FY 21 investments were done in liquid funds but due to change in investment strategy the investments were then diversified into Debt Mutual funds and FD's to generate higher returns

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance	Remarks for variance
Utilization Ratio (in times)						
Trade receivables turnover ratio	Sale of products	Average Trade Receivables	9.50	8.55	11.08%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.67	3.05	-12.42%	
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.75	4.35	9.22%	
Net capital turnover ratio	Net Sales	Working Capital	2.89	3.90	-26.01%	Higher efficiency on working capital improvement has impacted change in this ratio.

Notes

- (1) Debt represents only lease liabilities.
- (2) Net Profit after tax means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.
Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (3) Lease payments for the current year
- (4) Tangible net worth + deferred tax liabilities + Lease Liabilities

Note 36 (B): Other statutory information

- ii). The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- ii). The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- iii). Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- iv). 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 and capital work-in progress are held in the name of the Company as at the balance sheet date.
- v). The Company does not have any transactions or balances with a Companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act 1956.
- vi). The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- vii). Details of Loan given, Investment made and Guarantee given covered u/s 186 (4) of the Companies Act, 2013:
 - (a) Loan given by the Company to body corporate as at March 31, 2022. (Refer Note 10)
 - (b) Investment made by the Company as at March 31, 2022. (Refer Note 3)
 - (c) No Guarantee has been given by the Company as at March 31, 2022. (Refer note 32)

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 37: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM), in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the managing director and the company has only one reportable business segment i.e. 'pharmaceuticals'.

Note 38: Items included in Financial Activities

(₹. In Million)

	As at March 31, 2021	Cash Flows	Net Additions	Other Changes	As at March 31, 2022
Lease Liability	53.42	(139.92)	473.80	(5.53)	381.77

(₹. In Million)

	As at March 31, 2020	Cash Flows	Net Additions	Other Changes	As at March 31, 2021
Lease Liability	105.48	(63.44)	5.84	5.54	53.42

Note 39: Change in method of Depreciation and Amortisation

During the year, the Management has reassessed the useful life of brands after taking into consideration prevalent industry practices. Based on the said reassessment, useful life of Brands in Intangible assets has been revised to 20 years from 50 years with effect from April 01, 2021.

During the year, the Management has also reassessed the method of providing depreciation on tangible assets after taking into consideration past experience and expected usage. Based on the said reassessment, method of depreciation has been changed to Straight Line Method from Written Down Value Method in case of Property, Plant and Equipment and Right of Use assets with effect from April 01, 2021.

The Company has accounted for these changes in estimate of useful life and depreciation method prospectively and consequently, depreciation and amortisation expense for the year ended March 31, 2022 is higher by ₹1.88 Million.

Note 40: Code of Social Security

The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Milind Talegaonkar
Company Secretary
Membership No-A26493



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ERIS LIFESCIENCES 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 March 31, 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, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries referred to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and 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 Matter 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Carrying value of investments in subsidiaries</p> <p>Refer note 2(b) to the Consolidated Financial Statements.</p> <p>As at 31 March 2022, the Group had Rs. 6,464.41 millions of carrying value of acquired intangibles.</p> <p>Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.</p> <p>For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Group operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired.</p>	<p>Principal audit procedures performed:</p> <ol style="list-style-type: none"> Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of Parent company's management's assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management's estimate and judgement whether any indicators of impairment existed. The Component auditor have reported to us that they have also performed above procedures.

	<p>The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.</p> <p>Any change in the basis or assumptions could materially affect the amortisation and recoverable amount used in the impairment test with a consequent impact on the consolidated financial statements of the Group.</p> <p>In view of the foregoing, valuation and allocation of intangibles has been identified as a Key Audit Matter.</p>	
2.	Carrying values of acquired intangibles assets	Principal audit procedures performed:
	<p>Refer to note 2(b) to the consolidated financial statements.</p> <p>As at 31 March 2022, the Group's carrying value of goodwill is Rs. 934.74 millions.</p> <p>In accordance with Ind AS, goodwill needs to be tested for impairment annually. Recoverability of the carrying value of goodwill is predicated upon appropriate attribution of goodwill to a cash generating unit or group of cash generating units (CGU) and determination of recoverable amount of the underlying CGUs.</p> <p>Significant Management judgement is required in the area of impairment testing, particularly in assessing whether the carrying value of the CGU including the goodwill can be supported by the recoverable amount. Recoverability of the carrying values of goodwill is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations, the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, net profit margin, perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.</p> <p>Any change in the basis or assumptions could materially affect the recoverable amount used in the impairment test with a consequent impact on the consolidated financial statements of the Group.</p> <p>In view of the foregoing, valuation and allocation of goodwill has been identified as a Key Audit Matter.</p>	<ol style="list-style-type: none"> 1. Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's basis for allocation of goodwill to CGUs and determination of recoverable amounts to measure the impairment provision, if any, that needs to be accounted for. 2. As part of our substantive testing procedures, we have examined management's judgement and estimates in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows and retrospective review of the projections. We also assessed the disclosures made by the Company.

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report in Annual Report for the year ended March 31, 2022 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 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 entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the 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 (i) in 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 and such other entities included in the consolidated financial statements of which we are the independent auditors 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 Matter

We did not audit the financial statements/financial information of Five subsidiaries, whose financial statements/financial information reflect total assets of Rs. 2,244.91 Millions as at 31st March, 2022, total revenues of Rs. 1,608.62 Millions and net cash inflows amounting to Rs. 5.99 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information 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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / financial information of the subsidiaries referred to in the Other Matter 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 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 March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
 - 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) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies.
 - iv) (a) The respective Managements of the Parent and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries 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 that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors 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 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.
- 2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "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 CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

Manoj H. Dama
(Partner)
(Membership No. 107723)
(UDIN: 21107723AAAAHP4546)

Mumbai, June 15, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 Ind AS 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 Eris Lifesciences Limited (hereinafter referred to as “Parent”) and its subsidiary companies, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by 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 and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Five subsidiary companies, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

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

Manoj H. Dama
(Partner)
(Membership No. 107723)
(UDIN: 21107723AAAAHP4546)

Mumbai, June 15, 2022

CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(₹. In Million)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
(1) Non current assets			
(a) Property, Plant and Equipment	2(a)	1,212.18	749.95
(b) Right-of-use asset	2(a)	466.35	28.83
(c) Capital Work in progress	2(a)	240.04	-
(d) Goodwill	2(b)	934.74	934.74
(e) Other Intangible assets	2(b)	6,566.16	6,825.21
(f) Intangible assets under development	2(b)	29.82	15.55
(g) Financial assets			
Investments	3	4,208.44	2,436.45
Loans	10	28.20	49.49
Other financial asset	5	44.96	450.91
(h) Income tax assets (net)	4(d)	42.43	38.34
(i) Deferred tax assets (net)	4(f)	2,431.34	2,006.32
(j) Other non-current assets	6	243.43	141.55
Total Non current assets		16,448.09	13,677.34
(2) Current assets			
(a) Inventories	7	1,179.11	944.66
(b) Financial assets			
Investments	3	995.48	503.99
Trade receivables	8	1,609.68	1,404.88
Cash and cash equivalents	9(a)	508.70	369.15
Other bank balances	9(b)	14.57	13.61
Loans	10	230.03	45.45
Other financial asset	5	674.88	466.22
(c) Other current assets	6	1,060.85	922.50
Total Current assets		6,273.30	4,670.46
TOTAL - ASSETS		22,721.39	18,347.80
II. EQUITY AND LIABILITIES:			
(1) Equity			
(a) Share capital	11	135.93	135.78
(b) Other Equity	12	18,947.18	15,628.43
Equity attributable to the owners of the company		19,083.11	15,764.21
Non-controlling interest		(1.08)	0.02
Total Equity		19,082.03	15,764.23

(₹. In Million)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
(2) Non Current Liabilities			
(a) Financial Liabilities			
Long term Borrowings	13	450.00	-
Lease Liabilities	14	353.94	44.47
Other financial liabilities	14	34.06	36.19
(b) Long-term provisions	15	321.14	313.30
(c) Other non-current liabilities	16	22.82	24.92
(d) Deferred tax liabilities (net)	4(f)	460.94	495.38
Total Non Current Liabilities		1,642.90	914.26
(3) Current liabilities			
(a) Financial Liabilities			
Trade payables			
A) Due to Micro and Small Enterprises	17	71.80	72.75
B) Due to other than Micro and Small Enterprises		1,105.94	953.41
Lease Liabilities	14	40.02	23.20
Other financial liabilities	14	122.12	98.51
Short term borrowings	13	0.11	0.10
(b) Short-term provisions	15	390.57	274.87
(c) Other current liabilities	16	195.93	168.96
(d) Income tax liabilities (net)	4(e)	69.97	77.51
Total Current Liabilities		1,996.46	1,669.31
Total Liabilities		3,639.36	2,583.57
TOTAL - EQUITY AND LIABILITIES		22,721.39	18,347.80

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors
Manoj H. Dama
Partner

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 15, 2022
Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022
Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
REVENUE:			
Revenue from operations			
Sale of products	18	13,261.68	11,926.44
Other operating income		208.75	192.19
Total Revenue from Operations		13,470.43	12,118.63
Other income	19	260.94	87.08
Total Revenue (I)		13,731.37	12,205.71
EXPENSES:			
(a) Cost of materials consumed	20	1,175.73	994.26
(b) Purchases of stock-in-trade		1,417.21	1,770.14
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(7.76)	(381.74)
(d) Employee benefits expense	22	2,522.52	2,293.04
(e) Other expenses	23	3,513.18	3,137.17
Total (II)		8,620.88	7,812.87
Profit before interest, tax, depreciation and amortisation (I - II)		5,110.49	4,392.84
Finance costs	24	41.46	18.02
Depreciation and amortisation expense	2 & 39	647.05	429.85
Profit before tax		4,421.98	3,944.97
Tax expenses :	4		
(a) Current tax		818.24	694.02
(b) Deferred tax		(454.15)	(300.40)
Total tax expense		364.09	393.62
Profit for the year		4,057.89	3,551.35
Attributable to :			
- Owners of the company		4,061.13	3,551.35
- Non controlling interest		(3.24)	-
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(15.13)	(22.47)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		5.31	7.58
		(9.82)	(14.89)
Total Comprehensive Income for the year		4,048.07	3,536.46

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Attributable to:			
- Owners of the company		4,051.31	3,536.46
- Non controlling interest		(3.24)	-
Earnings per equity share of face value ₹ 1 each			
	25		
Basic (₹)		29.89	26.16
Diluted (₹)		29.88	26.14

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Manoj H. Dama
Partner

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 15, 2022

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	4,421.98	3,944.97
Adjustments for:		
Depreciation and amortisation expense	647.05	429.85
Net Loss on property plant and equipment sold/written off	42.54	0.06
Finance costs	41.46	18.02
Interest income	(60.98)	(22.85)
Net gain on sale of investments carried at fair value through profit or loss	(21.73)	(28.55)
Net gain on investments carried at fair value through profit or loss	(144.36)	(21.22)
Provision for doubtful debts / Other financial assets	(1.52)	65.10
Bad debt written off	0.02	-
Deferred capital subsidy	(4.83)	(9.91)
Gain From Termination Of Lease Ind As 116	(18.68)	(0.98)
Share based payment expense	13.55	11.20
Operating profit before working capital changes	4,914.50	4,385.69
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(204.80)	158.96
Inventories	(234.45)	(249.91)
Other asset	(146.87)	74.70
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	151.59	25.66
Other liabilities	29.69	(25.53)
Provisions	108.41	3.96
Other Financial Liabilities	(2.58)	65.43
Cash generated from operations	4,615.49	4,438.96
Net income tax paid	(832.85)	(685.35)
Net cash flow from operating activities (A)	3,782.64	3,753.61

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

	(₹. In Million)	
Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets)	(1,210.33)	(257.63)
Proceeds from sale of property plant and equipment	7.58	0.38
Investments in mutual funds and bonds	(2,676.77)	(3,720.50)
Proceeds from redemption of mutual funds and Shares	795.87	774.20
Loan to Others repayment received	4.38	0.37
Loan to Others given	(166.15)	(30.00)
Bank balances not considered as cash and cash equivalents-Placed	(0.96)	(13.42)
Interest income	50.28	13.02
Net cash flow used in investing activities (B)	(3,196.10)	(3,233.58)
C. Cash flow from financing activities		
Proceeds of borrowings	450.01	0.10
Finance costs	(38.50)	(17.81)
Dividend paid	(816.23)	(746.79)
Lease payment	(115.01)	(59.45)
Increase in share capital due to minority share in subsidiary	0.78	-
Share application money	4.51	-
Shares issued on exercise of employees stock options	67.45	-
Net cash used in financing activities (C)	(446.99)	(823.95)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	139.55	(303.92)
Cash and cash equivalents at the beginning of the year	369.15	673.07
Cash and cash equivalents at end of the year {Refer note- 9(a)}	508.70	369.15

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

Notes:

- (i) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- (ii) Cash and Cash Equivalents {Refer note-9(a)}

		(₹. In Million)
Cash on hand	1.19	0.81
Balance with banks		
In Current Account	402.35	317.60
Cheque in hand	105.16	50.74
Cash and Cash Equivalents as per Cash flow statement	508.70	369.15

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Manoj H. Dama
Partner

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 15, 2022

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Milind Talegaonkar
Company Secretary
Membership No-A26493

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹. In Million)

A. Equity Share Capital	
Particulars (refer note-11)	Amount
As at March 31, 2020	135.78
Change in Equity Share Capital	-
As at March 31, 2021	135.78
Change in Equity Share Capital	0.15
As at March 31, 2022	135.93

(₹. In Million)

B. Other Equity							
Particulars (refer note-12)	Retained Earnings	Securities Premium	Share based payment reserve	Capital reserve on amalgamation	Share application money pending allotment	Capital redemption reserve	Total Other Equity
As at March 31, 2020	12,713.46	-	28.54	83.82		1.74	12,827.56
Add: Profit for the year	3,551.35	-	-	-		-	3,551.35
Add: Other comprehensive Income for the year	(14.89)	-	-	-		-	(14.89)
Less: Payment of Dividend	(746.79)	-	-	-		-	(746.79)
Add: share based payments to employees of the Parent company	-	-	11.20	-		-	11.20
As at March 31, 2021	15,503.13	-	39.74	83.82		1.74	15,628.43
Add: Profit for the year	4,061.13	-	-	-	-	-	4,061.13
Add: Other comprehensive Income for the year	(9.82)	-	-	-	-	-	(9.82)
Less: Payment of Dividend	(816.48)	-	-	-	-	-	(816.48)
Less: Change in Non-controlling interest (Refer note 27.2)	(1.43)	-	-	-	-	-	(1.43)
Add: Pursuant to Issue of share capital on account of exercise of options	-	67.29	-	-	-	-	67.29
Add: Share application money pending allotment	-	-	-	-	4.51	-	4.51
Less: Transfer on account of exercise of options	-	38.84	(38.84)	-	-	-	-
Add: share based payments to employees of the Parent company	-	-	13.55	-	-	-	13.55
As at March 31, 2022	18,736.53	106.13	14.45	83.82	4.51	1.74	18,947.18

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Manoj H. Dama
Partner

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Place: Mumbai
Date: June 15, 2022

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Milind Talegaonkar
Company Secretary
Membership No-A26493

Corporate Information:

Eris Lifesciences Limited (“Parent Company”) and its subsidiaries (together referred to as “the group”) are engaged in the manufacture and marketing of pharmaceutical products. The Parent Company has a manufacturing plant located in Guwahati, Assam. The Parent Company’s shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 1: Significant accounting policies

1.1 Basis of preparation:

(A) Compliance with Ind AS

The financial statements comply in all material aspects 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 and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

(B) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Investments in mutual funds and equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value
- Lease liability is booked based on IND AS 116

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a “current/non-current basis”, with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading,

it is due to be settled within twelve months after the reporting date and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, being the entities controlled by the Company, as disclosed in Note 37. Control is established when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity’s returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

1.3 Critical Accounting Judgements And Key Sources of Estimation Uncertainty:

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.4)
- Useful lives of property, plant and equipment (refer note 1.5)
- Useful lives of intangible assets (refer note 1.6)
- Impairment of asset (refer note 1.9)
- Valuation of inventories (refer note 1.10)
- Employee benefits (refer note 1.14)

- Valuation of deferred tax assets (refer note 1.15)
- Provisions & contingent liabilities (refer note 1.16)
- Impact of COVID on Business and Financial statements (refer note 26)

1.4 Revenue recognition:

- Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives discounts.

- Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- Other income:
 - Dividend income is recognized when the right to receive dividend is established.
 - Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
 - Other income is recognised when no significant uncertainty as to its determination or realisation exists.

1.5 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/ construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition/construction of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than freehold land and capital work-in progress) is recognised using the Written Down Value method upto March 31, 2021 and by using Straight-line method w.e.f. April 01, 2021 (Refer Note 39). Depreciation is recognised based on the useful lives as prescribed

under Schedule II of the Companies Act, 2013 except in respect of some equipments and some furniture and fixtures, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/ disposals of the Property, Plant and Equipment during the year is provided on pro-rata basis according to the period during which assets were put to use. (Refer note 39) In case of Lease hold improvement useful life is considered as lower of useful life of the asset or lease term.

The estimated useful lives are mentioned as under

Type of Asset	Useful lives
Freehold Land	Non Depreciable Asset
Building	30 - 60 years
Plant and Machinery	15 years
Vehicles	8 years
Equipment	3 - 6 years
Furniture and Fixtures	3 - 10 years
Electric Installation	10 years
Lease hold improvements	Over the period of lease term
Right of use asset	Over the period of lease term

Depreciation is not considered on capital work in progress until construction and installation are complete and the asset is ready for intended use

Treatment of Expenditure during Construction Period

Expenditure, net of income earned, during construction (Including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress, the same will be allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current assets".

1.6 Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.

For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.

The estimated useful lives of intangibles are as mentioned below: (Refer Note 39)

Type of intangible assets	Useful life
Trademark/Brands	Upto 50 years - upto March 31, 2021 Upto 20 years from April 01, 2021.
License Fees	From 3 to 10 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

1.7 Business combinations and Goodwill

1.7.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

1.7.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that

are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. 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 profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

1.8 Financial Instruments

Financial asset

Initial recognition and measurement

Financial assets are initially measured at 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 financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

- i. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - > The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - > Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
- ii. Equity investments – The Group measures its equity instruments other than investment in subsidiaries at fair value through profit and loss (FVTPL) in accordance with the requirements of Ind AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per Ind AS 27.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method

De-recognition of financial liabilities

A financial liability is de-recognised 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 or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.9 Impairment of assets:

Financial Asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence indicating impairment. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit and loss, for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates

used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

1.10 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST], labour and relevant appropriate overheads. Cost of raw materials and packing material are determined on specific identification basis by taking material cost [net of GST].
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.11 Cash and cash equivalents:

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

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, as they are considered an integral part of the Group's cash management.

1.12 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.13 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the profit or loss attributable to the equity holders of the Parent Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are

deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits, bonus shares and buy back, as appropriate.

1.14 Employee Benefits:

(A) Defined contribution plan: The Group's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) Defined benefit obligations plan:

(i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.

(ii) The Group also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Group recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

(C) Short-term employee benefits
Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.15 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.16 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for :

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.17 Leases:

Effective from April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method.

At inception of a contract, the Group 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.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments

associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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. The right-of-use asset is subsequently depreciated using the written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term 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. Subsequently, the lease liability is measured at amortised cost using the effective interest method. (Refer note 32)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.18 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Group are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

1.19 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset.

1.20 Share-based payment transactions:

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, in accordance with IND AS 102 Share based payment, based on the Parent company's estimate of equity instruments that will eventually

vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

1.21 Measurement of Profit before interest, tax, depreciation and amortisation

The Group has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the period. The Group measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

1.22 Recent Pronouncements for Indian Accounting Standards (Ind AS) Amendments to existing Ind AS:

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

Ind AS 16 – Property Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 2: Property, Plant and Equipment and Intangible Assets

(a) Property, Plant and Equipment:

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electric Installation	Lease hold improvements	Total	Right of use asset (Refer note 32)
Gross carrying amount:										
As at March 31, 2020	22.98	326.00	360.30	140.33	345.52	158.60	36.12	-	1,389.85	193.91
Additions during the Year	-	-	0.62	50.75	82.32	34.28	-	-	167.97	6.67
Deductions during the year	-	-	1.32	-	0.12	-	-	-	1.44	-
As at March 31, 2021	22.98	326.00	359.60	191.08	427.72	192.88	36.12	-	1,556.38	200.58
Additions during the Year	172.35	-	2.37	12.31	325.47	68.82	-	84.80	666.12	495.37
Deductions during the year	-	-	-	1.01	212.18	104.41	0.24	-	317.84	172.23
As at March, 31, 2022	195.33	326.00	361.97	202.38	541.01	157.29	35.88	84.80	1,904.66	523.72
Accumulated depreciation:										
As at March 31, 2020	-	71.10	132.95	75.34	226.40	65.51	6.04	-	577.34	133.63
Additions during the Year	-	23.56	47.68	25.11	86.18	39.78	7.78	-	230.09	38.12
Deductions during the year	-	-	0.94	-	0.06	-	-	-	1.00	-
As at March 31, 2021	-	94.66	179.69	100.45	312.52	105.29	13.82	-	806.43	171.75
Additions during the Year*	-	8.13	16.61	13.38	88.56	20.60	2.54	3.92	153.74	44.03
Deductions during the year	-	-	-	0.87	177.56	89.02	0.24	-	267.69	158.41
As at March, 31, 2022	-	102.79	196.30	112.96	223.52	36.87	16.12	3.92	692.48	57.37
Net carrying amount										
As at March 31, 2021	22.98	231.34	179.91	90.63	115.20	87.59	22.30	-	749.95	28.83
As at March, 31, 2022	195.33	223.21	165.67	89.42	317.49	120.42	19.76	80.88	1,212.18	466.35
Capital work in progress										
As at March 31, 2021										-
As at March 31, 2022									240.04	

* Refer note 39

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note:
Capital-Work-in Progress:
Ageing Schedule

(₹. In Million)

Capital-Work-in Progress	As on	Amount of Capital-Work-in Progress for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	March 31,2022	240.04	-	-	-	240.04
Projects temporarily suspended	March 31,2022	-	-	-	-	-
Total		240.04	-	-	-	240.04
Projects in Progress	March 31,2021	-	-	-	-	-
Projects temporarily suspended	March 31,2021	-	-	-	-	-
Total		-	-	-	-	-

Capital work in progress - Completion Schedule

(₹. In Million)

Capital-Work-in Progress	As on	To be completed in				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	March 31,2022	240.04	-	-	-	240.04
Total		240.04	-	-	-	240.04
Projects in progress	March 31,2021	-	-	-	-	-
Total		-	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			
		Trademark/ Brand	Non compete fees	Computer Software	Total
Gross carrying amount:					
As at March 31, 2020	934.74	7,240.40	50.00	29.96	7,320.36
Additions during the Year	-	0.01	-	45.88	45.89
Deductions during the year	-	-	-	-	-
As at March 31, 2021	934.74	7,240.41	50.00	75.84	7,366.25
Additions during the Year	-	125.00	-	65.23	190.23
Deductions during the year	-	-	-	-	-
As at March, 31, 2022	934.74	7,365.41	50.00	141.07	7,556.48
Accumulated depreciation:					
As at March 31, 2020	-	331.29	36.46	11.65	379.40
Additions during the Year	-	144.81	10.00	6.83	161.64
Deductions during the year	-	-	-	-	-
As at March 31, 2021	-	476.10	46.46	18.48	541.04
Additions during the Year*	-	424.90	3.54	20.84	449.28
Deductions during the year	-	-	-	-	-
As at March, 31, 2022	-	901.00	50.00	39.32	990.32
Net carrying amount					
As at March 31, 2021	934.74	6,764.31	3.54	57.36	6,825.21
As at March, 31, 2022	934.74	6,464.41	-	101.75	6,566.16
Intangible assets under development					
As at March 31, 2021				15.55	15.55
As at March 31, 2022				29.82	29.82

*Refer note 39

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note: Intangible Assets under Development: Ageing Schedule

(₹. In Million)

Intangible assets under development	As on	Amount of Intangibles assets under development for a period of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	March 31,2022	14.27	12.12	3.43	-	29.82
Projects temporarily suspended	March 31,2022	-	-	-	-	-
Total		14.27	12.12	3.43	-	29.82
Projects in Progress	March 31,2021	12.12	3.43	-	-	15.55
Projects temporarily suspended	March 31,2021	-	-	-	-	-
Total		12.12	3.43	-	-	15.55

Intangible assets under development - Completion Schedule

(₹. In Million)

Intangible assets under development	As on	To be completed in				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	March 31,2022	26.39	-	3.43	-	29.82
Total		26.39	-	3.43	-	29.82
Projects in progress	March 31,2021	-	12.12	-	3.43	15.55
Total		-	12.12	-	3.43	15.55

- The Group test impairment of goodwill on an annual basis. Based on the annual impairment test no provision towards impairment was required necessary. The recoverable amounts determined based on value-in-use calculations which is calculated as the net present value of forecasted cash flows of the cash generating unit (CGU) to which the goodwill is related.

The key assumptions for CGUs with significant amount of goodwill as follows:

Projected cash flows for five years based on financial budgets/forecasts in line with the past experience. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.

Acquired brands are considered as CGU for testing impairment of goodwill amounting to ₹934.74 millions generated on acquisition of brands.

The Management believes that any reasonable possible change in the key assumptions on which a recoverable amount is based would not cause the carrying amount to exceed its recoverable amount of the CGU.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 3: Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Non current investments				
(I) At Amortised Cost				
Investment in Tax Free Bonds (unquoted)				
Rural Electrification Corporation Bond of Rs. 10,000 each	500	5.29	500	5.00
Sub-total (I)		5.29		5.00
(II) At Fair Value through Profit or Loss				
(A) Investment in Mutual Funds (unquoted)(Refer note 3.1 below)				
Kotak Floating Rate Fund Direct Growth	3,47,183	426.11	3,47,183	401.71
ABSL Banking PSU Fund Growth Direct	4,07,032	123.87	1,72,981	50.12
HDFC Ultra Short Fund Direct Growth	6,25,59,806	776.54	3,35,59,812	400.68
HDFC Floating Rate Income Fund Direct Plan Growth	99,74,232	399.92	99,74,232	381.92
ABSL Floating Rate Fund -Growth Direct	12,92,840	366.58	-	-
ICICI Savings Fund (Low Duration Fund) Direct Plan Growth	8,47,618	371.01	8,47,618	355.74
ABSL Low Duration Fund Growth Direct	-	-	6,44,241	355.67
Kotak Savings Fund Direct Plan Growth	1,17,69,499	424.06	-	-
SBI Magnum Ultra Short Duration Fund - Growth Direct	1,64,707	806.58	-	-
IDFC Corporate Bond Fund Direct Plan Growth	2,96,98,080	476.36	2,96,98,080	453.42
		4,171.03		2,399.26
(B) Investment in Tax Free Bonds (quoted)				
Rural Electrification Corporation Bond of Rs. 1,000 each	1,000	1.18	1,000	1.21
Indian Railway Finance Corporation Bond of Rs. 1,000 each	1,000	1.16	1,000	1.19
Housing and Urban Development Corporation Bond of Rs. 1,000 each	1,000	1.16	1,000	1.17
		3.50		3.57
(C) Investment in Equity Instruments				
S3V Vascular Technologies Private Limited (Unquoted)	3,81,588	28.62	3,81,588	28.62
		28.62		28.62
Sub-total (II=A+B+C)		4,203.15		2,431.45
Total (I)+(II)		4,208.44		2,436.45

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Aggregate carrying value of quoted investments		3.50		3.57
Aggregate market value of quoted investments		3.50		3.57
Aggregate carrying value of unquoted investments		4,204.94		2,432.88
Current investments				
(I) At Amortised Cost				
Investment in NSC (unquoted)	-	0.02	-	0.02
Sub-total (I)		0.02		0.02
(II) At Fair Value through Profit or Loss				
Investment in Mutual funds (unquoted)(Refer note 3.1 below)				
SBI Premier Liquid Fund Direct Growth	1,71,801	572.63	72,092	232.25
HDFC Liquid Fund Direct Plan Growth Option	1,01,041	422.83	67,165	271.72
Sub-total (II)		995.46		503.97
Total (I) + (II)		995.48		503.99

3.1 Details of pledged securities:

Include ₹350.00 million (March 31, 2021 - ₹350.00 million) marked under lien against overdraft facilities availed by the Parent company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 4: Income Taxes

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	818.24	694.02
Deferred tax:		
Deferred tax (benefit) / expense for current year	(454.15)	(300.40)
	364.09	393.62
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains / (losses) on defined benefit plans	(5.31)	(7.58)
	(5.31)	(7.58)
(c) Reconciliation of Effective Tax Rate :		
Profit before income taxes	4,421.98	3,944.97
Enacted tax rate in India	34.944%	34.944%
Expected income tax expenses	1,561.05	1,373.05
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	65.48	80.23
Effect of income exempt from taxation	(1.23)	(0.93)
Tax incentives	(1,214.58)	(1,056.82)
Adjustment of current tax of prior period	(11.17)	2.59
Others (net)	(40.77)	(12.08)
Adjusted income tax expense	358.78	386.04
Group's weighted average tax rate	8.11%	9.79%

(d) Income Tax Assets :

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	38.34	39.48
Less: Income tax refund	-	(0.09)
Less: Prior period adjustment	(0.41)	(1.32)
Add: Tax paid in advance, net of provisions / (Refund) during the year	4.50	0.27
Closing Balance	42.43	38.34

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	77.51	69.99
Add: Prior period adjustment	(8.60)	2.08
Add: Current tax payable for the year	829.41	690.62
Less: Taxes paid	(828.35)	(685.18)
Closing Balance	69.97	77.51

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(f) Deferred tax relates to :		
Deferred tax assets		
Property, plant and equipments (including ROU net of lease liability)	69.87	135.57
Minimum Alternate Tax credit entitlement	3,380.04	2,779.46
Carry forward tax losses and accumulated depreciation	72.19	40.97
Employee benefits	48.93	55.90
Other	25.70	19.72
	3,596.73	3,031.62
Deferred tax liabilities		
Intangible Assets	1,572.54	1,516.15
Fair Valuation of Investment	53.79	4.53
	1,626.33	1,520.68
Total	1,970.40	1,510.94

The deferred tax liabilities / assets are off-set, where the Group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

Deferred tax assets	2,431.34	2,006.32
Deferred tax liabilities	460.94	495.38
Net Deferred Tax	1,970.40	1,510.94

The Group is virtually certain that future taxable income will be available against which deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Carry Forward Losses and accumulated depreciation	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/(Liabilities) relates to :								
At March 31, 2020	143.16	2,208.74	65.12	67.81	(1,279.26)	(5.60)	2.99	1,202.96
Charged/(Credited)								
- To Profit or Loss	7.59	(570.72)	24.15	19.49	236.89	(1.07)	(16.73)	(300.40)
- To other comprehensive Income	-	-	-	(7.58)	-	-	-	(7.58)
At March 31, 2021	135.57	2,779.46	40.97	55.90	(1,516.15)	(4.53)	19.72	1,510.94
Charged/(Credited)								
- To Profit or Loss	65.70	(600.58)	(31.22)	12.28	56.39	49.26	(5.98)	(454.15)
- To other comprehensive Income	-	-	-	(5.31)	-	-	-	(5.31)
At March 31, 2022	69.87	3,380.04	72.19	48.93	(1,572.54)	(53.79)	25.70	1,970.40

Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current (Considered Good)		
Security deposits	44.96	28.21
Fixed Deposits	-	422.70
	44.96	450.91
Current (Considered Good, unless otherwise stated)		
Insurance claim receivable	0.54	2.09
Fixed Deposits	618.99	412.78
Interest accrued	18.27	7.59
Security deposits	29.91	36.36
Receivable on sale of Investment in subsidiary		
- Considered doubtful	-	12.00
Less: Allowance for doubtful of recovery	-	(12.00)
Claims and Other receivables		
- Considered Good	7.17	7.40
- Considered doubtful	48.10	48.10
Less: Allowance for doubtful of recovery	(48.10)	(48.10)
	674.88	466.22
Total	719.84	917.13

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital Advances	243.43	141.55
	243.43	141.55
Current		
Prepaid expenses	214.39	79.90
Balances with government authorities		
Goods and Services Tax / Cenvat credit receivable	218.71	265.40
Others	4.36	2.14
Advance to supplier	618.42	568.27
Advances to employees	4.97	6.79
	1,060.85	922.50
Total	1,304.28	1,064.05

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Material and Packing Material {including goods-in-transit ₹11.83 million (March 31, 2021 - ₹2.03 million)}	387.84	168.64
Work-in-progress	19.78	26.42
Finished goods	232.51	252.16
Stock-in-trade {including goods-in-transit ₹ 35.72 million (March 31, 2021 - ₹ 9.59 million)}	528.62	494.57
Stores, spares & consumables	10.36	2.87
Total	1,179.11	944.66

Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Considered good	-	-
Unsecured Considered good	1,609.68	1,404.88
Considered doubtful	27.09	27.09
Trade Receivables-credit impaired	8.09	8.09
	1,644.86	1,440.06
Less: Allowance for doubtful debt (expected credit loss)	35.18	35.18
Total	1,609.68	1,404.88

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	35.18	30.18
Add : Provision during the year	-	5.00
Less : Utilisation during the year	-	-
Closing Balance	35.18	35.18

Trade Receivable ageing schedule:

(₹. In Million)

Particulars	As on	Outstanding for following period from due date of payment							Total
		Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	March 31, 2022	-	1,266.02	318.40	14.87	9.99	0.14	0.26	1,609.68
	March 31, 2021	-	1,221.18	152.65	14.95	7.73	7.16	1.21	1,404.88
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	March 31, 2022	-	-	17.09	-	10.00	-	-	27.09
	March 31, 2021	-	-	17.09	10.00	-	-	-	27.09
(iii) Undisputed Trade Receivables - Credit Impaired	March 31, 2022	-	-	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	March 31, 2022	-	-	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	March 31, 2022	-	-	-	-	0.59	5.28	2.22	8.09
	March 31, 2021	-	-	-	-	5.56	0.09	2.44	8.09
(vi) Disputed Trade Receivables - Credit Impaired	March 31, 2022	-	-	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-	-	-
Total	March 31, 2022	-	1,266.02	335.49	14.87	20.58	5.42	2.48	1,644.86
	March 31, 2021	-	1,221.18	169.74	24.95	13.29	7.25	3.65	1,440.06

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Cash and cash equivalents		
Cash on hand		
Balances with banks in current accounts*	1.19	0.81
Cheque in hand	402.35	317.60
	105.16	50.74
	508.70	369.15
(b) Other bank balances		
In fixed deposit accounts to extent held as security deposit with GST department and Tender deposit		
	14.57	13.61
Total	523.27	382.76

*Includes Unclaimed Dividend of ₹ 0.76 million (Previous year ₹ 0.45 million).

Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Loans Receivables considered good - Unsecured	28.20	49.49
	28.20	49.49
Current		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	230.03	45.45
Loans Receivables which have significant increase in Credit Risk	3.67	5.19
Loans Receivables - credit impaired	-	-
	233.70	50.64
Less: Allowance for doubtful loan	(3.67)	(5.19)
	230.03	45.45
Total	258.23	94.94

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 11: Share capital

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹1 each	300.00	300.00
Total	300.00	300.00
Issued, Subscribed and Fully Paid-up:		
13,59,30,197 (Previous year 13,57,80,653) Equity Shares of ₹1 each, fully paid up	135.93	135.78
Total	135.93	135.78

11.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Equity Shares	No. of equity shares	(₹. In Million)
Shares outstanding at March 31, 2020	13,57,80,653	135.78
Issued during the year	-	-
Shares outstanding at March 31, 2021	13,57,80,653	135.78
Issued during the year (persuant to ESOP - refer Note 33)	1,49,544	0.15
Shares outstanding at March 31, 2022	13,59,30,197	135.93

11.2 Details of shareholders holding more than 5 % equity shares in the Parent company as at the end of the year

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,47,59,132	40.28%	5,46,98,423	40.28%
2. Rakeshbhai Bhikhabhai Shah	1,56,84,407	11.54%	1,56,84,407	11.55%
3. Bhikhalal Chimanlal Shah	88,68,689	6.52%	88,92,430	6.55%
4. Emerald Investments Limited	74,77,132	5.50%	74,77,132	5.51%

11.3 Details of promoters share holding in the company as at the end of the year

Name of the shareholder	As at March 31, 2022			As at March 31, 2021	
	No. of equity shares held	% of Shareholding	% Changes during the year	No. of equity shares held	% of Shareholding
1. Amit Indubhusan Bakshi	5,47,59,132	40.28%	0.11%	5,46,98,423	40.28%
2. Rajendrakumar Rambhai Patel	59,39,834	4.37%	0.00%	59,39,834	4.37%
3. Inderjeet Singh Negi	59,39,833	4.37%	0.00%	59,39,833	4.37%
4. Kaushal Kamleshkumar Shah	44,68,833	3.29%	0.00%	44,68,833	3.29%
5. Himanshu Jayantbhai Shah	4,75,801	0.35%	-80.63%	24,57,011	1.81%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

11.4 Terms / Rights attached to the equity shares:

The Parent Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Parent Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

11.5 Share options granted under the Parent Company's employee share option plan:

The Parent Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

11.6 Buyback of equity shares:

As on January 22, 2020, the Parent Company concluded buy-back of 17,39,130 Equity Shares at a price of ₹ 575 per equity share from eligible shareholders of the Company on a proportionate basis through Tender Offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, as approved by the Board of Directors at their meeting held on July 03, 2019.

11.7 Dividend:

The Board of Directors of the Parent Company has declared and paid an interim dividend of ₹ 6.01/- (at the rate of 601 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2021-22 at its meeting held on July 29, 2021.

Note 12: Other Equity

	(₹. In Million)	
Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings	18,736.53	15,503.13
Capital Reserve on amalgamation of subsidiaries	83.82	83.82
Securities Premium	106.13	-
Share Application Money Pending Allotment	4.51	-
Share based payment reserve	14.45	39.74
Capital redemption reserve	1.74	1.74
Total	18,947.18	15,628.43

Nature and purpose of reserves:

Retained Earnings: Retained Earnings are the profits that the group has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

Share based payment reserve: The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

Capital redemption reserve: The Parent Company is required to create capital redemption reserve in accordance with provisions of the Companies Act 2013 for buy back of shares.

Capital reserve on Amalgamation of subsidiaries: Capital reserve on amalgamation of subsidiaries is created pursuant to a scheme of amalgamation and shall not be considered to be a reserve created by company.

Security premium: The amount received in excess of the par value of equity shares has been classified as securities premium.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 13: Borrowings

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Secured Loan from bank	450.00	-
	450.00	-
Current		
Unsecured loan from Others	0.11	0.10
	0.11	0.10
Total	450.11	0.10

A loan of ₹ 450 million was obtained in Eris Therapeutics Limited (Wholly owned subsidiary) and same is repayable in 16 quarterly instalments starting from June 2023. The loan is secured by Pledge over land and building and hypothecation over Eris Therapeutics Limited's tangible fixed assets and Parent Company has given letter of comfort to bank for credit facilities upto ₹ 1500 million availed by its subsidiary Eris Therapeutics Limited. As per the terms of letter of comfort, the Parent Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary. The loan carries interest rate linked to treasury rates. Interest on loan is payable on monthly basis.

Note 14: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
(a) Lease Liabilities		
Lease liabilities	353.94	44.47
	353.94	44.47
(b) Other financial liabilities		
Trade deposits	34.06	36.19
	34.06	36.19
	388.00	80.66
Current		
(a) Lease Liabilities		
Lease liabilities	40.02	23.20
	40.02	23.20
(b) Other financial liabilities		
Trade deposits	0.80	0.80
Book overdraft *	92.59	93.04
Dividend Payable	0.76	0.45
Payable towards purchase of fixed assets	27.97	4.22

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
	122.12	98.51
	162.14	121.71
Total	550.14	202.37

* Mutual funds are marked as lien against OD Limit (Refer note 3).

Note 15: Provisions

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Long Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	65.06	63.66
Gratuity	8.92	7.66
Provision for sales returns (Refer note below)	247.16	241.98
	321.14	313.30
Short Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	36.18	36.02
Gratuity	21.10	15.99
Provision for sales returns (Refer note below)	333.29	222.86
	390.57	274.87
Total	711.71	588.17

Provision for sales returns:

The Group, as a trade practice, accepts returns from market. Provision is made for such sales returns on the basis of historical experience, market conditions and specific contractual terms.

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Provision	464.84	394.75
Add: Provision during the year	369.86	251.96
Less: Utilisation during the year	254.25	181.87
Closing Provision	580.45	464.84
Long Term	247.16	241.98
Short Term	333.29	222.86
Total	580.45	464.84

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 16: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred Capital Subsidy Non Current*	22.82	24.92
	22.82	24.92
Current		
Statutory liabilities	152.37	132.46
Advances from customers	38.71	28.93
Deferred Capital Subsidy Current*	4.85	7.57
	195.93	168.96
Total	218.75	193.88

*Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under the North East Industrial & Investment Promotion Policy (NEIIPP)

Note 17: Trade payables

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to micro and small enterprises (refer note-34)	71.80	72.75
Due to others	1,105.94	953.41
Total	1,177.74	1,026.16

Trade Payable ageing schedule:

(₹. In Million)

Particulars	As on	Outstanding for following period from due date of payment						Total
		Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	March 31,2022	-	38.71	33.09	-	-	-	71.80
	March 31,2021	-	19.00	53.75	-	-	-	72.75
(ii) Others	March 31,2022	-	745.31	357.20	0.94	0.04	2.45	1,105.94
	March 31,2021	-	501.73	447.54	1.41	0.03	2.70	953.41
(iii) Disputed dues - MSME	March 31,2022	-	-	-	-	-	-	-
	March 31,2021	-	-	-	-	-	-	-
(iv) Disputed dues -Others	March 31,2022	-	-	-	-	-	-	-
	March 31,2021	-	-	-	-	-	-	-
Total	March 31,2022	-	784.02	390.29	0.94	0.04	2.45	1,177.74
	March 31,2021	-	520.73	501.29	1.41	0.03	2.70	1,026.16

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 18: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Sale of products	13,261.68	11,926.44
Other operating income		
Goods And Services Tax refund	206.41	189.76
Others	2.34	2.43
	208.75	192.19
Total	13,470.43	12,118.63
Revenue as per contracted price, net of returns	13,740.80	12,257.11
Less: Provision for sales return	369.86	251.96
Less: Scheme, discount and others	109.26	78.71
Revenue from contracts with customers	13,261.68	11,926.44

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

Note 19: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest income	60.98	22.85
Net gain on sale of investments	21.73	28.55
Net gain on investments carried at fair value through profit or loss	144.36	21.22
Deferred Capital Subsidy (Refer note 19.1)	4.83	9.91
Gain on termination of lease	18.68	-
Miscellaneous income	10.36	4.55
Total	260.94	87.08

19.1 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under North East Industrial & Investment Promotion Policy (NEIIPP).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 20: Cost of material consumed

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Raw materials and packing materials		
Opening stock	168.64	300.47
Add: Purchases during the year	1,394.93	862.43
Less: Closing stock	(387.84)	(168.64)
Total	1,175.73	994.26

Note 21: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Inventories at the beginning of the year		
Stock-in-trade	494.57	162.79
Finished goods	252.16	195.85
Work-in-progress	26.42	32.77
	773.15	391.41
Inventories at the end of the year		
Stock-in-trade	528.62	494.57
Finished goods	232.51	252.16
Work-in-progress	19.78	26.42
	780.91	773.15
Net (increase) / decrease in stocks	(7.76)	(381.74)

Note 22: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, wages and bonus	2,253.93	2,028.30
Contribution to provident and other funds	137.41	139.10
Share based payments to employees (Refer note 33)	13.55	11.20
Staff welfare expenses	117.63	114.44
Total	2,522.52	2,293.04

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 23: Other expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Power and fuel	41.64	39.53
Consumption of stores and spares (Indigenous)	22.88	36.03
Labour and security	27.69	22.73
Testing charges	10.17	5.41
Rent (Refer note 32)	32.45	21.08
Formulation Development Expense	327.38	50.92
Freight and forwarding	194.55	198.38
Commission	197.37	206.16
Advertising, publicity and awareness	87.47	125.05
Repairs and maintenance	55.14	36.67
Selling and distribution	734.51	757.38
Representative Allowance & Incentives	505.14	436.91
Travelling and conveyance	343.72	234.57
Communication	10.19	10.87
Legal and professional	473.64	402.86
Rates and taxes	80.87	57.38
Insurance	15.20	11.46
Payments to auditors (Refer note below)	5.06	5.16
Loss on property plant and equipment sold/written off	42.54	0.18
Corporate social responsibility expenditure	66.39	83.50
Donations	1.39	0.38
Bank charges	0.73	1.73
Royalty Expense	-	-
Provision for doubtful debt / other financial assets	-	65.10
Bad debt written off	0.02	-
Miscellaneous	237.04	327.73
Total	3,513.18	3,137.17

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Statutory Audit fee	3.56	3.57
Reimbursement of expenses	-	0.09
Certification fees and other services	1.50	1.50
Total	5.06	5.16

Note 24: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest expense	10.30	8.94
Interest on financial liabilities at amortised cost	2.93	1.15
Interest on Lease liability	28.23	7.93
Total	41.46	18.02

Note 25: Earnings per share

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net profit after tax for the year (₹ in million)	4,061.13	3,551.35
Weighted average number of equity shares outstanding for basic earning per share	13,58,73,030	13,57,80,653
Add: Dilutive share -Employees stock options outstanding	41,464	1,02,609
Weighted average number of equity shares outstanding for diluted earning per share	13,59,14,494	13,58,83,262
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	29.89	26.16
Diluted earnings per share (in ₹)	29.88	26.14

Note 26: Impact of COVID on Business and Financial statements

The Group continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain, and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Group's financial statements for the year ended March 31, 2022.

Note 27: Arrangement with M. J. Biopharm Private Limited

During the year, Eris announced the execution of definitive agreements on December 03, 2021 with Mumbai-based M. J. Biopharm Private Limited marking Eris' foray into the field of Biopharmaceuticals. Pursuant to this, the Company's wholly owned subsidiary Eris M.J. Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited) has issued fresh shares to M.J. Biopharm Private Limited, following which Eris is holding a 70% stake in Eris M.J. Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited) and remaining 30% is held by M. J. Biopharm Private Limited. The initial contracted tenure of the arrangement is 10 years. On January 12, 2022, the said transaction has achieved completion.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 28: Employee Benefit Plans

A) Defined contribution plans:

The Group makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Group recognized ₹86.93 million (Previous Year ₹82.62 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the scheme.

The Group made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Group recognized ₹3.90 million (Previous year ₹5.62 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Group rules with corresponding charge to the Statement of Profit and Loss amounting to ₹20.01 million (Previous Year ₹24.79 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The Parent Company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.6 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Group's financial statements as at March 31, 2022:

	(₹. In Million)	
Particulars	As at March 31, 2022	As at March 31, 2021
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	171.59	132.59
Current Service Cost	26.06	21.95
Transfer in/(out) obligation	-	1.61
Past Service Cost	-	-
Interest Cost	7.79	6.17
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(2.17)	0.98
- Due to change in Demographic Assumptions	-	-
- Due to experience adjustments	16.93	21.49
Benefits paid	(24.54)	(13.20)
Obligations at the end of the year	195.66	171.59
(b) Reconciliation of opening and closing balances of the fair value of plan assets:		
Fair value of plan assets at the beginning of the year	147.92	47.58
Interest Income	7.11	2.03
Expected returns on plan assets	(0.37)	(0.01)
Employer Contributions	35.52	109.90
Benefits paid	(24.54)	(11.58)
Fair Value of plan assets at the end of the year	165.64	147.92

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets:		
Present value of the defined benefit obligation at the end of the year	195.66	171.59
Less : Fair value of plan assets	(165.64)	(147.92)
Funded status (deficit)	30.02	23.67
Net liability recognised in the financial statement	30.02	23.67
(d) Expense recognised in the statement of profit and loss for the year:		
Service Cost	26.06	21.95
Interest Cost	0.68	4.14
Expense charged to the statement of profit and loss	26.74	26.09
(e) Expense recognised in other comprehensive income for the year:		
Return on plan assets excluding amounts included in net interest expense	0.37	0.01
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(2.17)	0.98
- Due to change in Demographic Assumptions	-	-
- Due to experience adjustments	16.93	21.49
Expense charged to other comprehensive income	15.13	22.48
Assumptions:		
Discount rate	5.65% to 6.85%	5.20% to 6.05%
Estimated rate of return on plan assets	5.65% to 6.85%	5.20% to 6.05%
Annual increase in salary costs	5% to 6%	5% to 6%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement age	60 years	60 years
Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of 0.5% in discount rate	193.37	173.17
Decrease of 0.5% in discount rate	198.06	177.45
Increase of 0.5% in salary escalation rate	197.85	175.48
Decrease of 0.5% in salary escalation rate	193.54	171.60

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Expected future Cash outflows towards the plan are as follows:		
Year 1	70.86	64.22
Year 2	43.07	35.45
Year 3	31.96	27.13
Year 4	23.34	19.98
Year 5	16.46	14.39
Year 6 to 10	32.38	28.12

Investment details of plan assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Insurer managed funds with Life Insurance Corporation of India	95%	94%
Bank Balance with Eris lifesciences limited employees group gratuity trust	5%	6%

Notes:

1. The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
2. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
4. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
5. The expected contribution to be made by Group for gratuity during financial year ending March 31, 2023 is ₹17.28 million (previous year ₹13.49 million).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 29: Fair Value Measurement

Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows:

(₹. In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :				
Amortised cost :				
Trade receivables	1,609.68	1,609.68	1,404.88	1,404.88
Cash and cash equivalents	508.70	508.70	369.15	369.15
Other bank balances	14.57	14.57	13.61	13.61
Investment in tax free bonds	5.29	5.29	5.00	5.00
Loans	258.23	258.23	94.94	94.94
Other Financial Asset	719.84	719.84	917.13	917.13
Investment in NSC	0.02	0.02	0.02	0.02
Fair value through profit or loss :				
Investment in mutual funds	5,166.49	5,166.49	2,903.23	2,903.23
Investment in equity instruments	28.62	28.62	28.62	28.62
Investment in tax free bonds	3.50	3.50	3.57	3.57
Total	8,314.94	8,314.94	5,740.15	5,740.15
Financial Liabilities :				
Amortised cost :				
Borrowings	450.11	450.11	0.10	0.10
Trade payables	1,177.74	1,177.74	1,026.16	1,026.16
Lease Liabilities	393.96	393.96	67.67	67.67
Other financial liabilities	156.18	156.18	134.70	134.70
Total	2,177.99	2,177.99	1,228.63	1,228.63

(ii) Fair value hierarchy :

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(₹. In Million)

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual funds	5,166.49	-	-	5,166.49
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.50	-	-	3.50
Total	5,169.99	-	28.62	5,198.61
Financial Liabilities:	-	-	-	-
Net Assets/(Liabilities)	5,169.99	-	28.62	5,198.61

(₹. In Million)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual funds	2,903.23	-	-	2,903.23
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.57	-	-	3.57
Total	2,906.80	-	28.62	2,935.42
Financial Liabilities:	-	-	-	-
Net Assets/(Liabilities)	2,906.80	-	28.62	2,935.42

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis.

Investment in mutual funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments: Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of an valuer.

Financial risk management:

The Group activities are exposed to variety of financial risks. These risks include market risk, credit risks and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as equity price risk. Group is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Group invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹5,170.01 million and ₹2,906.82 million as at March 31, 2022 and March 31, 2021 respectively.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(b) Credit Risk

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations, and arises principally from the Group receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Group manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹8,314.94 million and ₹ 5,740.15 million as at March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, loan, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the group could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Group generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below:

(₹. In Million)			
As at March 31, 2022	Less than 1 year	1-3 years	More than 3 years
Borrowings	0.11	225.00	225.00
Trade payables	1,177.74	-	-
Lease Liabilities	66.58	135.82	310.53
Other financial liabilities	122.12	-	34.06
	1,366.55	360.82	569.59

(₹. In Million)			
As at March 31, 2021	Less than 1 year	1-3 years	More than 3 years
Borrowings	0.10	-	-
Trade payables	1,026.16	-	-
Lease Liabilities	26.77	30.11	20.25
Other financial liabilities	98.51	-	36.19
	1,151.54	30.11	56.44

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(iv) Capital management

The capital structure of the Group consists of equity, debt, cash and cash equivalents. The Group objective for capital management is to maintain the capital structure which will support the Group strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Group.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using Debt-Equity ratio, which is net debt divided by total equity. Debt is defined as liabilities comprising interest-bearing loans and borrowings, lease liabilities less cash and bank balances. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio was as follows.

(₹. In Million)			
	Particulars	As at March 31, 2022	As at March 31, 2021
	Total loans and borrowings	844.07	67.77
	Less : Cash and bank balances	508.70	369.15
	Adjusted net debt	335.37	(301.38)
	Total equity	19,083.11	15,764.21
	Adjusted net debt to adjusted equity ratio	0.02	(0.02)
	Debt equity considering only borrowings as debt	0.04	0.00

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022; March 31, 2021.

Note 30: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	Key Managerial Personnel	
	Managing Director	Mr. Amit Bakshi
	Whole time director (Upto May 31, 2020)	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Whole time director (From August 04, 2020)	Mr. Kaushal Shah
	Whole time director (From December 20, 2020)	Mr. Krishnakumar Vaidyanathan
	Independent Director (From December 19, 2020)	Mr. Rajeev Dalal
	Independent Director (From January 05, 2021)	Ms. Kalpana Vasantraai Unadkat
	Independent Director	Mrs. Vijaya Sampath
	Independent Director (Upto September 11, 2020)	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Sr. No.	Nature of Relationship	Name of the entity
2	Close family member of Key Management Personnel	
	Brother of Mr. Himanshu Shah (Whole time director) (Upto May 31, 2020)	Mr. Saurabh Shah
	Son of Mr. Amit Indubhushan Bakshi (Managing director) (From June 01, 2021)	Mr. Parv Bakshi
3	Other Related parties	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Entity controlled by relative of Key Managerial Personnel	Tresna Foundation
	Entity controlled by Key Managerial Personnel	Horizon Blue Ventures LLP

B) Total Transactions with related parties are as follows:

(₹. In Million)

Particulars	Key Management Personnel		Close family member of Key Management Personnel		Other Related parties		Total	
(A) Nature of transactions	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Remuneration	119.34	93.72	-	-	-	-	119.34	93.72
Sitting fees	3.23	3.00	-	-	-	-	3.23	3.00
Reimbursement of expense incurred	2.17	1.55					2.17	1.55
Commission	17.50	2.69					17.50	2.69
Stock Options exercised	3.77	-	-	-	-	-	3.77	-
Salary expense	-	-	0.28	0.65	-	-	0.28	0.65
Corporate Social Responsibility	-	-	2.10	-	-	-	2.10	-
Contribution to Post-employment benefit plan	-	-	-	-	16.28	41.88	16.28	41.88
(B) Balances at the end of the year	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Trade Payable	16.14	5.40	0.03	-	-	-	16.17	5.40

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

C) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Key Management Personnel compensation		
	Remuneration*	119.34	93.72
	Sitting fees	3.23	3.00
	Reimbursement of expense	2.17	1.55
	Commission	17.50	2.69
	Stock Options exercised	3.77	-
2	Close family member of Key Management Personnel compensation		
	Salary expense	0.28	0.65
	Corporate Social Responsibility	2.10	-
3	Other Related parties		
	Contribution to Post-employment benefit plan	16.28	41.88

* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

D) Balances with related parties at end of the year:

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Key Management Personnel compensation		
	Trade payable	16.14	5.40
2	Close family member of Key Management Personnel compensation		
	Trade payable	0.03	-

Note 31: Contingent Liability and Capital Commitment:

(₹. In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	173.52	164.62
Notices regarding Income-tax matters and from sales tax department	2.74	13.68
Others	68.83	17.74

Note: The Parent Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during earlier year. Management does not expect any cash outflow from this matter.

Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for Nil (Previous year ₹28.92 million).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

The Parent Company has given letter of comfort to bank for credit facilities upto ₹1,500 million availed by its subsidiary Eris Therapeutics Limited. As per the terms of letter of comfort, the Parent Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

The Parent Company does not expect any outflow of resources in respect of the above.

Note 32: Leases Rent Ind AS 116:

The movement in lease liability and Right of use assets is given as under as per IND AS 116.

	(₹. In Million)	
Changes [increase/(decrease)]	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation and Amortisation	44.03	38.12
Finance costs on lease liability	28.23	7.93
Cash Flow From Lease	(115.66)	(59.44)
Cash Flow From Lease interest	(28.23)	(7.93)

Note 33: Employee Stock Option Plan (ESOP)

A. Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan")

The Parent Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹1 each for an exercise price of ₹451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 1,14,736 and 98,107 options have lapsed till March 31, 2022 and March 31, 2021 respectively.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

Pricing formula

Discount to fair market value of the Equity Shares as on the date of grant.

"Method used for accounting of share-based payment plans"

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method is ₹13.55 million (Previous year ₹11.20 million).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	2,73,709	451.04	3,21,930	451.04
Granted during the year	-	-	-	-
Vested during the year	59,197	451.04	68,176	451.04
Exercised during the year	1,49,544	451.04	-	-
Lapsed during the year	16,629	451.04	48,221	451.04
Options outstanding at the end of the year	1,07,536	451.04	2,73,709	451.04
Options available for grant	98,107	451.04	49,886	451.04
Options exercisable at the end of the year	53,826	451.04	1,56,977	451.04

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.00
Time To Maturity (In years)	5.50
Dividend yield	1.00%
Option Fair Value (₹)	268.77

B. Eris Lifesciences Long Term Incentive Plan, 2021' ("Employee Stock Option Plan"/ "Plan")

The Parent Company has introduced 'Eris Lifesciences Long Term Incentive Plan, 2021' ("Employee Stock Option Plan"/ "Plan") through the resolution passed by the Board of Directors on July 29, 2021 and the same was approved by the shareholders at the annual general meeting held on September 01, 2021. Under the scheme 13,58,630 equity shares have been approved in Annual General Meeting out of which, 2,14,102 (Two lakhs fourteen thousand one hundred two only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹1 each for an exercise price of ₹557.24. Vesting of the options shall take place over a maximum period of 4 years with a minimum vesting period of 1 year from the date of grant i.e. February 10, 2022. The exercise period would be a maximum of 7 years from the date of vesting of options.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

Pricing formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method for the financial year 2021-22 is NIL.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2022	
	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	-	-
Granted during the year	2,14,102	557.24
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	2,14,102	557.24
Options available for grant	11,44,528	-
Options exercisable at the end of the year	0	-

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	February 10, 2022
	Weighted average
Stock Price (₹)	696.55
Volatility	33.38%
Risk-free Rate	6.37%
Exercise Price (₹)	557.24
Time To Maturity (In years)	7.50
Dividend yield	0.76%
Option Fair Value(₹)	341.62

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 34: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2022. This information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by auditors.

Particulars	March 31, 2022	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 amount due remaining unpaid	71.80	72.75
Interest amount due remaining unpaid	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Note 35: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group chief operating decision maker is the managing director and the group has only one reportable business segment i.e. 'pharmaceuticals'.

Note 36: Regrouping

Previous year figures have been regrouped wherever necessary, so as to make them comparable with those of the current year.

Note 37 (A): Additional information as required by Paragraph 2 of the general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Details of entities consolidated-

Name	Nature	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2022	Proportion of Ownership Interest as on March 31, 2021
Eris M J Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited)	Subsidiary	India	70.00%	100.00%
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	Subsidiary	India	100.00%	100.00%
Eris Pharmaceuticals Private Limited*	Subsidiary	India	76.00%	76.00%
Eris Healthcare Private Limited	Subsidiary	India	100.00%	100.00%
Eris Therapeutics Limited#	Subsidiary	India	100.00%	NA

*Became subsidiary of Eris Healthcare Private Limited w.e.f. June 2, 2020

Incorporated on June 23, 2021

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at March 31, 2022)		Share in Profit or (Loss) 2021-22		Share in Other Comprehensive Income (OCI) 2021-22		Share in Total Comprehensive Income (TCI) 2021-22	
	As % of consolidated net Assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated OCI	₹ in million	As % of consolidated TCI	₹ in million
Parent								
Eris Lifesciences Limited	100.5%	19,185.56	102.8%	4,171.92	102.3%	(10.05)	102.8%	4,161.87
Subsidiaries								
Eris M J Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited)	0.0%	(3.58)	-0.5%	(19.62)	0.0%	-	-0.5%	(19.62)
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	1.2%	235.01	2.0%	79.65	-0.5%	0.05	2.0%	79.70
Eris Pharmaceuticals Private Limited	0.0%	0.01	0.0%	(0.04)	0.0%	-	0.0%	(0.04)
Eris Healthcare Private Limited	2.3%	442.17	-2.5%	(100.60)	-1.8%	0.18	-2.5%	(100.42)
Eris Therapeutics Limited	1.3%	250.08	0.0%	-	0.0%	-	0.0%	-
Adjustments arising out of consolidation	-5.4%	(1,027.22)	-1.8%	(73.42)	0.0%	-	-1.8%	(73.42)
Total	100.0%	19,082.03	100.0%	4,057.89	100.0%	(9.82)	100.0%	4,048.07
Non controlling Interest in subsidiaries		(1.08)		3.24		-		3.24
Total		19,083.11		4,061.13		(9.82)		4,051.31

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at March 31, 2021)		Share in Profit or (Loss) 2020-21		Share in Other Comprehensive Income (OCI) 2020-21		Share in Total Comprehensive Income (TCI) 2020-21	
	As % of consolidated net Assets	₹ in million	As % of consolidated profit or loss	₹ in million	As % of consolidated OCI	₹ in million	As % of consolidated TCI	₹ in million
Parent								
Eris Lifesciences Limited	99.9%	15,754.67	98.7%	3,506.05	86.0%	(12.80)	98.8%	3,493.25
Subsidiaries								
Eris M J Biopharm Private Limited (Formerly known as Kinedex Healthcare Private Limited)	0.1%	15.26	0.1%	3.34	0.0%	-	0.1%	3.34
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	1.3%	205.30	2.3%	82.17	14.1%	(2.10)	2.3%	80.07
Eris Pharmaceuticals Private Limited	0.0%	0.05	0.0%	(0.05)	0.0%	-	0.0%	(0.05)
Eris Healthcare Private Limited	3.4%	542.59	-0.7%	(24.27)	-0.1%	0.01	-0.7%	(24.26)
Adjustments arising out of consolidation	-4.8%	(753.65)	-0.4%	(15.89)	0.0%	-	-0.4%	(15.89)
Total	100.0%	15,764.23	100.0%	3,551.35	100.0%	(14.89)	100.0%	3,536.46
Non controlling Interest in subsidiaries		0.02		-		-		-
Total		15,764.21		3,551.35		(14.89)		3,536.46

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 37 (B): Other statutory information

- i). The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- ii). The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- iii). Quarterly returns or statements of current assets filed by the Parent Company with banks or financial institutions are in agreement with the books of accounts.
- iv). The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Group as at the balance sheet date.
- v). The Group does not have any transactions or balances with a Companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act 1956.
- vi). The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- vii). Details of Loan given, Investment made and Guarantee given covered u/s 186 (4) of the Companies Act, 2013:
 - (a) Loan given by the Company to body corporate as at March 31, 2022. (Refer Note 10)
 - (b) Investment made by the Company as at March 31, 2022. (Refer Note 3)
 - (c) No Guarantee has been given by the Company as at March 31, 2022. (Refer note 31)

Note 38: Items included in Financial Activities

(₹. In Million)

	As at March 31,2021	Cash Flows	Net Additions	Other Changes	As at March 31, 2022
Lease Liability	67.67	(143.89)	474.45	(4.27)	393.96
Borrowing	0.10	-	450.00	0.01	450.11

(₹. In Million)

	As at March 31,2020	Cash Flows	Net Additions	Other Changes	As at March 31, 2021
Lease Liability	121.43	(67.37)	6.67	6.94	67.67
Borrowing	-	-	0.10	-	0.10

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

Note 39: Change in method of Depreciation and Amortisation

During the year, the Management has reassessed the useful life of brands after taking into consideration prevalent industry practices. Based on the said reassessment, useful life of Brands in Intangible assets has been revised to 20 years from 50 years with effect from April 01, 2021.

During the year, the Management has also reassessed the method of providing depreciation on tangible assets after taking into consideration past experience and expected usage. Based on the said reassessment, method of depreciation has been changed to Straight Line Method from Written Down Value Method in case of Property, Plant and Equipment and Right of Use assets with effect from April 01, 2021.

The Company has accounted for these changes in estimate of useful life and depreciation method prospectively and consequently, depreciation and amortisation expense for the year ended March 31, 2022 is higher by ₹64.41 Million.

Note 40: Code of Social Security

The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post employment. The Code has been published in the Gazette of India. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Inderjeet Singh Negi
Whole Time Director
DIN: 01255388

Sachin Shah
Chief Financial Officer
Place: Ahmedabad
Date: June 15, 2022

Milind Talegaonkar
Company Secretary
Membership No-A26493

NOTICE

NOTICE IS HEREBY given that the sixteenth Annual General Meeting (AGM) of the Members of Eris Lifesciences Limited will be held on Thursday, 01st September 2022 at 11:00 A.M. IST, through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements including Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2022 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Amit Bakshi, (DIN: 01250925) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditors for the Financial Year ending March 31, 2023 and in this regard, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT subject to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof), the Company hereby ratifies the remuneration to be paid as set out in the Explanatory Statement annexed to the Notice convening the sixteenth annual general meeting to M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad, appointed as the Cost Auditors by the Board of Directors to conduct the audit of cost records maintained by the Company for the Financial Year 2022-23.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

4. To re-appoint Mr. Prashant Gupta as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as a **Special Resolution**;

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Prashant Gupta (DIN: 08122641) who was appointed as an Independent Director of the Company commencing April 30, 2018 and holds office as an independent director up to April 29, 2023 and who is eligible for re-appointment and who meets the criteria for Independence as provided under section 149 (6) of the Act along with rules framed thereunder and Regulation 16 (1) (b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee and the Board of Directors of the Company along with a notice in writing by the member of the Company proposing his candidature for office of Independent Director be and is hereby re-appointed as an independent director, not liable to retire by rotation, for a second term of five years with effect from April 30, 2023 up to April 29, 2028.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby severally authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

5. To appoint Mr. Sujesh Vasudevan as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as an **Special Resolution**;

“RESOLVED THAT Mr. Sujesh Vasudevan (DIN: 08240092), who was appointed as an additional and independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and whose term of office expires at this Annual General Meeting and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee and the Board of Directors of the Company along with a notice in writing by the member of the Company proposing his candidature for the office of Director, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of five years up to July 24, 2027.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby severally authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

By order of the Board of Directors

Date: 5th August 2022
Place: Ahmedabad

Milind Talegaonkar
Company Secretary
Mem. No. A26493

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 10/2021 dated June 23, 2021, Circular No. 20/2021 dated December 8, 2021 and Circular No. 2/2022 dated May 5, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

MCA by Circular No. 2/2022 dated 5th May, 2022 and SEBI vide its Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May, 2022 have extended the above exemptions till 31st December, 2022 and accordingly in compliance with applicable provisions of the Companies Act, 2013 and the said Circulars the:
 - a. Notice of the AGM along with Annual Report for the Financial Year 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories.
 - b. 16th AGM of the Members will be held through VC / OAVM.
2. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad, Gujarat-380054.
3. The Company has engaged the services of National Securities Depository Limited (NSDL), as the authorized agency for conducting the AGM, providing remote e-voting and e-voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
4. Corporate members intending to authorize their representatives to attend the Meeting are requested to submit to the Company, a certified copy of the Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of business under Item Item No. 3 to 5 of the Notice, are annexed hereto. All documents referred to in the accompanying Notice and the Registers under the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed on August 25, 2022.
7. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website <https://eris.co.in/>. The Notice and the Annual Report can also be accessed from the website of NSDL www.evoting.nsdl.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The information required to be given for the Director(s) seeking appointment/ reappointment at the AGM as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 issued by the Institute of Company Secretary of India and notified by the Ministry of Corporate Affairs forms part of the Notice as "Annexure".
10. Notice of the sixteenth Annual General Meeting of the Company, inter alia, indicating the process and manner of remote e-voting and e-voting during the meeting is being sent to the members, whose email addresses are registered with the Company or Depository Participant[s] for communication purposes.
11. Members who have not registered their e-mail address with the Company may temporarily register the same with the Company's Registrar and Share Transfer Agent i.e. M/s Link Intime India Private Limited as per the process described below:
 - Members holding shares in electronic/demat form, please update your email address with your depository participants. However, Members may temporarily register the same with the Company's Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited at https://web.linkintime.co.in/EmailReg/Email_Register.html on their website <https://linkintime.co.in/> in the Investor Services tab by providing details such as Name, DP ID, Client ID, PAN mobile number and e-mail address.
 - Members holding shares in physical form and who have not registered their email address may register the same with the Company's Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited at https://web.linkintime.co.in/EmailReg/Email_Register.html on their website <https://linkintime.co.in/> in Investor Services tab by providing details such as Name, Folio number, Certificate number, PAN mobile number and email address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB)

On submission of the above member detail, One Time Password (OTP) will be received by the Member which needs to be entered in the link for verification.

12. The aforementioned mechanism of registration of email ids for the purpose of e-voting will be also given by the Company in the Public Notice. Further, the date of completion of sending of the Notice and the Explanatory Statement will be announced through advertisement in newspapers having wide circulation in the district where the Registered Office of Company is situated.
13. The certificate from the Auditors relating to the Company's Stock Options regarding implementation of ESOP, under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection at the Annual General Meeting.
14. At the 15th AGM held on September 01, 2021, the members approved the appointment of M/s Deloitte Haskin & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company to hold office for a period of four years from the conclusion of that AGM till the conclusion of the Nineteenth AGM,. The requirement to place the matter relating to the appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of the appointment of statutory auditors at the sixteenth AGM.
15. The attention of the Shareholders is invited to the Notice of Annual General Meeting of the Company dated 29th July 2021 ("AGM Notice-2021"), wherein item no.12, grouped under special business, together with the explanatory statement thereto dealt with the consideration and approval of Eris Lifesciences Employees Stock Option Plan, 2021 ("ESOP-2021") vide a special resolution. The said resolution was duly approved by the shareholders. The said resolution and its applicable explanatory statement had reference to the erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Subsequent to the issue of the AGM Notice-2021, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 were notified on 13th August, 2021 ("ESOP Regulations-2021").

In terms of the review carried out by the Company and also the review carried out by the Merchant Bankers, and the Secretarial Auditors the Scheme formulated on the basis of erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is found to be aligned with the provisions of ESOP Regulation -2021 and accordingly all actions to be taken in terms of ESOP-2021 shall be in conformity with the provisions of ESOP Regulations-2021 (as amended from time to time).

16. Members holding shares in single name and physical form are advised to make a nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
17. Non-resident Indian shareholders are requested to inform about the change in the residential status on return to India for permanent settlement, immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be.
18. The Board of Directors has appointed Mr. Ravi Kapoor, Practicing Company Secretary (FCS No. 2587; COP No 2407) to act as Scrutinizer for conducting the e-voting and remote e-voting process in a fair and transparent manner.
19. The Scrutinizer will submit his report to the Chairman or any other Director/person of the Company as authorised by the Board, if any, after completion of the scrutiny of the e-votes submitted. The Scrutinizer's decision on the validity of the e-votes shall be final. The results of the postal ballot through e-voting will be announced on or before Saturday, September 03, 2022 at the Registered Office of the Company. The results, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Company and on the Company's website viz., www.eris.co.in, besides being communicated to BSE Limited and the National Stock Exchange of India Limited.
20. **Voting through electronic means:**
 - a) The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with NSDL to facilitate the members to cast their votes from a place other than the venue of the AGM [remote e-voting].
 - b) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
 - c) The Notice will be displayed on the website of the Company www.eris.co.in and on the website of NSDL i.e www.evoting.nsdl.com.

- d) The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again.
- e) The remote e-voting period will commence at 9:00 a.m. (IST) on Monday, August 29, 2022 and will end at 5:00 p.m. (IST) on Wednesday, August 31, 2022. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, August 25, 2022 may cast their vote by remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter.

21. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

22. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Monday, August 29, 2022 at 09:00 A.M. and ends on Wednesday, August 31, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, August 25, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, August 25, 2022.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ravi@ravics.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Matre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to complianceofficer@erislifesciences.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID+CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to complianceofficer@erislifesciences.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at complianceofficer@erislifesciences.com. The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 4 (four) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at complianceofficer@erislifesciences.com.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts related to Special Businesses mentioned in the accompanying notice:

Item No. 3

In accordance with the provisions of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to the applicable products manufactured by the Company. On the recommendation of the Audit Committee, the Board of Directors have approved the re-appointment of M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2022-2023, at a remuneration of Rs. 1,75,000/-.

M/s. Kiran J Mehta & Co. Cost Accountants have furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. As per the provisions of the Act read with the Rules, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

Accordingly, consent of the members is sought by way of an Ordinary Resolution respectively as set out in Item No. 3 of the Notice. The Board recommends the Resolution for your approval and ratification.

Item no. 4

Mr. Prashant Gupta was appointed as an Independent Director on the Board of the Company through Circular resolution passed by the Board of Directors of the Company on 30th April, 2018, to hold office upto 29th April, 2023 ("first term").

The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considered his professional background, expertise and experience and contributions made by him towards the Company during his tenure and found that the continued association of Mr. Prashant Gupta would be beneficial to the Company. Hence, it is desirable to re-appoint him in order to avail his services as an Independent Director without any disruption.

Accordingly, it is proposed to approve the re-appointment of Mr. Prashant Gupta as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 30th April, 2023 upto 29th April, 2028.

Mr. Prashant Gupta is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given his consent to act as a Director. The Company has also received a declaration from Mr. Prashant Gupta that he meets the criteria of independence as prescribed in under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Details of Mr. Prashant Gupta are provided in Annexure to this Notice, pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. The terms and conditions of his appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

Brief profile: Mr. Prashant Gupta holds a degree of Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor of Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California. He is a Partner in the corporate department of Shardul Amarchand Mangaldas.

Mr. Prashant has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal 500 and other legal industry publications as one of the leading capital markets practitioners in India. He has also been selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017. Considering his experience, the Board recommends the said re-appointment.

Mr. Prashant Gupta is interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. Relatives of Mr. Prashant Gupta may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of a Special Resolution respectively as set out in Item No. 4 of the Notice.
The Board recommends the Resolution for your approval

Item no. 5

The Board of Directors had appointed Mr. Sujesh Vasudevan (DIN: 08240092), as an Additional Director of the Company classified as an Independent Director, for a term of five years commencing from July 25, 2022, subject to the approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Sujesh Vasudevan shall hold office upto the date of this AGM and is eligible to be appointed as an Independent Director.

The Company has, in terms of Section 160(1) of the Act, received a recommendation of Nomination and Remuneration Committee of the Company, recommending his candidature for the office as an Independent Director.

Accordingly, it is proposed to approve the appointment of Mr. Sujesh Vasudevan as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 25 July 2022 upto 24 July 2027.

Mr. Sujesh Vasudevan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given his consent to act as an Independent Director.

The Company has also received a declaration from Mr. Sujesh Vasudevan that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Details of Mr. Sujesh Vasudevan are provided in Annexure to this Notice, pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. The terms and conditions of his appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

Brief profile: Mr. Sujesh Vasudevan, a Harvard alumnus, brings 31+ years of experience in the pharma industry across leading Indian and global companies such as Glenmark, Abbott, and Torrent in the areas of Sales & Marketing and Business Development. He has built and led international businesses for some of these companies. Mr. Sujesh is a Senior Advisor to the Boston Consulting Group (BCG) and a Consultant to Warburg Pincus.

Mr. Sujesh Vasudevan is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. Relatives of Mr. Sujesh Vasudevan may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of an Special Resolution as set out in Item No. 5 of the Notice.

The Board recommends the Resolution for your approval.

By order of the Board of Directors

Date: 5th August, 2022
Place: Ahmedabad

Milind Talegaonkar
Company Secretary
Mem. No. A26493

ANNEXURE TO THE NOTICE

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SS-2 are as under:

Mr. Prashant Gupta	
Age	42 Years
Qualifications	Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England.
Nationality	Indian
Experience	Mr. Prashant Gupta holds a degree of Bachelor of Arts in Jurisprudence and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor of Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California. He is a Partner in the corporate department of Shardul Amarchand Mangaldas.
Expertise in specific functional areas	
Date of first appointment on the Board	30 April 2018
Shareholding in the Company as on March 31, 2022	NIL
Remuneration last drawn (FY 2021-22)	6.15 Million
Remuneration proposed to be paid	Fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2022 (Other than Eris Lifesciences Limited)	None
Names of Listed entities from which the person has resigned in the past three years	None
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2022	1
Number of Board Meetings attended for the Financial Year 2021-22	4
Justification for choosing the appointees for appointment as Independent Directors shall be disclosed	Demonstrated proficiency and Independence during the meetings of the Board and Committees attended since his last appointment.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Financial expertise, legal expertise and out of industry perspective

Mr. Sujesh Vasudevan	
Age	~56 Years
Qualifications	<ul style="list-style-type: none"> Mr. Sujesh Vasudevan is a Harvard Alumni He holds a degree of Masters in Management Studies, Mumbai Bachelor of Pharmacy, Mumbai
Nationality	Indian
Experience	Mr. Sujesh Vasudevan, a Harvard alumnus, brings 31+ years of experience in the pharma industry across leading Indian and global companies such as Glenmark, Abbott, and Torrent in the areas of Sales & Marketing and Business Development. He has built and led international businesses for some of these companies. Mr. Sujesh is a Senior Advisor to the Boston Consulting Group (BCG) and a Consultant to Warburg Pincus.
Expertise in specific functional areas	
Date of first appointment on the Board	25 July 2022
Shareholding in the Company as on March 31, 2022	NIL
Remuneration last drawn (FY 2021-22)	NIL
Remuneration proposed to be paid	Fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2022 (Other than Eris Lifesciences Limited)	None
Names of Listed entities from which the person has resigned in the past three years	None
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2022	NA
Number of Board Meetings attended for the Financial Year 2021-22	NA
Justification for choosing the appointees for appointment as Independent Directors shall be disclosed	He brings with him a blend of core pharmaceutical experiences across functions like business development, marketing, and sales
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Pharmaceutical Industry expertise and Marketing of bands in the Pharma Market

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