

B S R & Co. LLP

Chartered Accountants

8th floor, Business Plaza,
Westin Hotel Campus,
36/3-8, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone: +91 20 6747 7300
Fax: +91 20 6747 7310

INDEPENDENT AUDITORS' REPORT

To the Members of Emcure Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Emcure Pharmaceuticals Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

1. We draw attention to Note 41 to the standalone financial statements, which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Company has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Company and hence no provision has been recognised in these standalone financial statements as at 31 March 2022. Though the Company has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.



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Emcure Pharmaceuticals Limited

Independent Auditor's Report – 31 March 2022 (Continued)

Emphasis of Matter (Continued)

2. We draw attention to Note 53 to the standalone financial statements regarding the Scheme of Demerger between Emcure Pharmaceuticals Limited, Avet Lifesciences Limited and their respective Shareholders ('Scheme') which has been described in the aforesaid note. The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 4 June 2021 with appointed date of 1 April 2021 and a certified copy has been filed by the Company with the Registrar of Companies, Maharashtra, on 25 July 2021. In accordance with the scheme approved by NCLT, the Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 1 April 2021 which overrides the relevant requirements of Ind AS 103 (according to which the scheme would have been accounted for from 25 July 2021 which is the date of acquisition as per the aforesaid standard). The financial impact of the aforesaid treatment has been disclosed in the aforesaid note.
3. We draw attention to Note 41 to the standalone financial statements which describes the uncertainty related to the ultimate outcome of the lawsuit filed against the Company by HDT Bio Corp. ("HDT") in the United States District Court – Seattle Division in the matter relating to the COVID vaccine being developed by Gennova Biopharmaceuticals Limited (a subsidiary of the Company). While the case is still in an early procedural phase, the merits of HDT's claims cannot be fully assessed at this time and hence no provision has been recognised in these standalone financial statements as at 31 March 2022.

Our opinion is not modified in respect of these matters.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the 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 and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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



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Independent Auditor's Report – 31 March 2022 (Continued)

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements (Continued)

the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 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 with reference to financial statements 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 and Board of Directors.



Emcure Pharmaceuticals Limited

Independent Auditor's Report – 31 March 2022 (Continued)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.



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Emcure Pharmaceuticals Limited

Independent Auditor's Report – 31 March 2022 (Continued)

Report on Other Legal and Regulatory Requirements (continued)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43 to the Standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.



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**Emcure Pharmaceuticals Limited
Independent Auditor's Report – 31 March 2022 (Continued)**

Report on Other Legal and Regulatory Requirements (continued)

- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

abhishek
Abhishek

Partner

Membership No. 062343
UDIN: 22062343AIWMKN7695

Place: Pune
Date: 12 May 2022

Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, and as represented to us by the management there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations from major parties have been obtained and for goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:



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Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Whether return/statement subsequently rectified
30 June 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Inventory	6,879.24	6,631.26	247.98	No
30 June 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Receivables	10,885.99	9,295.00	1,590.99	No
30 June 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Payables	4,223.53	2,565.39	1,658.14	No
30 September 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Inventory	7,548.00	7,527.34	20.66	No
30 September 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Receivables	9,073.17	9,502.73	(429.56)	No
30 September 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Payables	5,844.70	3,375.69	2,469.01	No
31 December 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Inventory	7,461.27	7,257.16	204.11	No
31 December 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Receivables	8,433.57	8,810.07	(376.50)	No
31 December 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Payables	5,659.42	3,606.96	2,052.46	No
31 March 2022	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Inventory	7,304.42	7,031.34	273.08	No
31 March 2022	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Receivables	10,090.92	10,512.99	(422.07)	No
31 March 2022	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Payables	6,013.69	3,798.82	2,214.87	No

Also refer note 47 to the standalone financial statements for details of the reasons for the differences.



Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security and granted loans, unsecured to Companies during the year, in respect of which the requisite information is as below. The Company has neither granted advances in the nature of loans during the year nor did it have opening balance with respect to the same.

(A) (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans, or stood guarantee to subsidiaries as given below:

Particulars	Guarantees (Rs. In Millions)	Security (Rs. In Millions)	Loans (Rs. In Millions)
Aggregate amount during the year - Subsidiaries*	5,550.88	Nil	1,355.31
Balance outstanding as at balance sheet date - Subsidiaries*	4,301.81	Nil	1,066.18

(b) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans, or stood guarantee to any other entity as given below:

Particulars	Guarantees (Rs. In Millions)	Security (Rs. In Millions)	Loans (Rs. In Millions)
Aggregate amount during the year - Others	4,875.00	Nil	10.65
Balance outstanding as at balance sheet date - Others	4,355.41	Nil	Nil

*As per Companies Act, 2013

(B) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions of the grant of loans and guarantees provided are, prima facie, not prejudicial to the interest of the company.

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Emcure Pharmaceuticals Limited**Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)**

- (C) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has neither granted any advances in the nature of loans during the year nor did it have any opening balance with respect to the same.
- (D) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has neither granted any advances in the nature of loans during the year nor did it have any opening balance with respect to the same.
- (E) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has neither granted any advances in the nature of loans during the year nor did it have any opening balance with respect to the same.
- (F) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013:

	All Parties (Rs, in Millions)	Promoters (Rs, in Millions)	Related Parties (Rs, in Millions)
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	1,316.07	Nil	1,316.07
- Agreement does not specify any terms or period of Repayment (B)	Nil	Nil	Nil
Total (A+B)	1,316.07	-	1,316.07
Percentage of loans/advances in nature of loan to the total loans	100.00%		100.00%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not provided any security as specified under Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.



Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Income Tax Deducted at source and Labour Welfare Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us, details of statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are given in Appendix – 1.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.



Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013. The Company does not have any associates or joint ventures
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under Companies Act, 2013). The Company does not have any associates or joint ventures
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.



Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)

- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have a CIC. Accordingly, the requirements of clause 3(vi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For BSR & Co. LLP

Chartered Accountants

Firm Registration No: 101248W /W-100022

Abhishek

Abhishek

Partner

Place: Pune

Date: 12 May 2022

Membership No.: 062343

UDIN: 22062343AIWMKN7695

Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)

Appendix -1

Details of amount unpaid on account of disputes:

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	AY 2014-15 **	10.11	-	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2015-16**	7.54	-	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	AY 2016-17	3.61	0.72	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	AY 2018-19	21.04	-	Commissioner of Income Tax (Appeals)
Orissa Entry Tax Act, 1999	Entry Tax	2005-06 and 2006-07	1.15	0.34	Cuttack Sales Tax Tribunal
The Telangana Value Added Tax Act, 2005	Value added tax	June 2014 to March 2016	0.20	0.11	Telangana Appellate Tribunal
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2014-15	28.65	-	Tamil Nadu Sales Tax Appellate Tribunal
The Tamil Nadu Value Added Tax, Act 2006	Value added tax	FY 2015-16	48.46	-	Tamil Nadu Sales Tax Appellate Tribunal
The Gujarat Value Added Tax Act, 2003	Value added tax	FY 2017-18	0.09	0.02	Deputy Commissioner (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	FY 2017-18	0.38	0.08	Deputy Commissioner (Appeals)



Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Standalone financial statements – 31 March 2022 (continued)

Appendix -1 (Continued)

Name of statute	Nature of the dues	Period to which the amount relates*	Amount (Rs. In million)	Amounts paid under protest (Rs. In million)	Forum where dispute is pending
Maharashtra Value added Tax Act, 2002	Value added tax	FY 2016-17	17.65	17.65	Joint Commissioner of State Tax
Central Sales Tax Act, 1956	Central Sales Tax	FY 2016-17	1.70	1.70	Joint Commissioner of State Tax
Maharashtra Value added Tax Act, 2002	Value added tax	FY 2017-18	1.95	-	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	FY 2017-18	0.41	-	Deputy Commissioner of Sales Tax

* AY stands for Assessment Year and FY stands for Financial Year

** Income tax department has gone into appeal against the favourable order of Commissioner of Income Tax (Appeals).



B S R & Co. LLP

Annexure B to the Independent Auditor's report on the Standalone financial statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Emcure Pharmaceuticals Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.



Annexure B to the Independent Auditors' report on the Standalone financial statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2022 (continued)

Auditors' Responsibility (continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants

Firm Registration No: 01248W/W-100022


Abhishek

Partner

Membership No.: 062343

UDIN : 22062343AIWMKN7695

Place: Pune

Date: 12 May 2022

EMCURE PHARMACEUTICALS LIMITED
Standalone Balance Sheet as at March 31, 2022

Particulars	Note	Rs. in million	
		As at 31-Mar-22	As at 31-Mar-21
Assets			
Non-current assets			
Property, plant and equipment	2A	10,999.32	10,859.95
Capital work-in-progress	2B	2,392.48	1,920.94
Right-of-use assets	3	1,558.79	1,306.56
Intangible assets	4	515.51	612.49
Financial assets			
i) Investments	5	5,633.59	8,637.31
ii) Loans	6	245.29	2,659.70
iii) Other non-current financial assets	7	269.55	264.41
Income tax assets (net)	36	55.78	46.34
Other non-current assets	8	201.02	169.67
Total non-current assets		21,871.33	26,477.37
Current assets			
Inventories	9	7,304.42	6,217.74
Financial assets			
i) Trade receivables	10	10,090.92	9,994.25
ii) Cash and cash equivalents	11A	309.23	2,455.58
iii) Bank balances other than (ii) above	11B	165.99	151.67
iv) Other current financial assets	12	1,834.48	2,080.49
Other current assets	13	1,655.45	1,127.06
Assets classified as held for sale	14	-	127.80
Total current assets		21,360.49	22,154.59
Total assets		43,231.82	48,631.96
Equity and liabilities			
Equity			
Equity share capital	15	1,808.52	1,808.52
Other equity	16	15,316.77	21,209.20
Total equity		17,125.29	23,017.72
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	5,123.96	6,459.74
ii) Lease Liabilities	3	828.50	531.14
iii) Other non-current financial liabilities	18	304.06	273.44
Provisions	19	212.35	178.03
Deferred tax liabilities (net)	35	297.02	280.09
Total non-current liabilities		6,765.89	7,722.44
Current liabilities			
Financial liabilities			
i) Borrowings	20	10,613.93	9,574.11
ii) Lease Liabilities	3	86.58	80.19
iii) Trade payables	21		
Total outstanding dues of micro and small enterprises		216.46	17.35
Total outstanding dues to others		5,797.23	5,725.51
iv) Other current financial liabilities	22	1,798.02	1,544.95
Provisions	23	232.55	192.75
Income tax liabilities (net)	36	357.65	341.58
Other current liabilities	24	238.22	415.36
Total current liabilities		19,340.64	17,891.80
Total liabilities		26,106.53	25,614.24
Total equity and liabilities		43,231.82	48,631.96

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN: U24231PN1981P024251

Berjis Desai
Director and Chairman
DIN: 00153675

B. Venkatesh
Company Secretary
Membership No. F2922

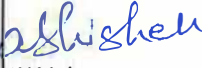




Satish Mehta
Managing Director
DIN: 00118691

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: 12-May-2022

Place: Pune
Date: 04-May-2022

EMCURE PHARMACEUTICALS LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note	Rs. in million	
		Year Ended 31-Mar-22	Year Ended 31-Mar-21
CONTINUING OPERATIONS			
Revenue:			
Revenue from operations	25	33,872.42	31,074.13
Other income	26	1,326.81	965.21
Total income		35,199.23	32,039.34
Expenses:			
Cost of materials consumed	27	10,720.90	10,426.33
Purchases of stock-in-trade		2,829.01	3,032.21
Changes in inventories of finished goods, work-in-progress and stock in trade	28	(361.00)	(1,079.63)
Employee benefit expenses	29	6,039.45	5,439.18
Depreciation and amortisation expense	31	1,657.92	1,542.08
Finance cost	32	1,451.37	1,182.83
Other expenses	30	6,697.35	5,855.92
Total expenses		29,035.00	26,398.92
Profit before exceptional items and tax		6,164.23	5,640.42
Exceptional items	33	-	45.25
Profit before tax		6,164.23	5,595.17
Tax expense			
Current tax	34	1,687.18	1,416.48
Deferred tax		8.94	(42.26)
Total tax expenses		1,696.12	1,374.22
Profit for the year from continuing operations		4,468.11	4,220.95
DISCONTINUED OPERATIONS			
Loss from discontinued operations	53	-	(20.69)
Tax expense/(credit) of discontinued operations	53	-	(4.49)
Loss after tax from discontinued operations		-	(16.20)
Profit for the year		4,468.11	4,204.75
Other comprehensive income			
(a) In respect of continuing operations			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	44	(10.56)	1.47
Income tax relating to these items	34	2.66	(0.37)
		(7.90)	1.10
(b) In respect of discontinued operations			
<i>Items that will not be reclassified to profit or loss</i>			
		-	-
		-	-
Other comprehensive income for the year		(7.90)	1.10
Total comprehensive income for the year		4,460.21	4,205.85
Earnings per share:			
For continuing operations			
Basic	37	24.71	23.34
Diluted	37	24.71	23.34
For discontinued operations			
Basic	37	-	(0.09)
Diluted	37	-	(0.09)
For continuing and discontinued operations			
Basic	37	24.71	23.25
Diluted	37	24.71	23.25
[Face value per share: Rs.10 (Previous year: Rs.10)]			
The notes referred to above form an integral part of the standalone financial statements.			
As per our report of even date attached.			
For B S R & Co. LLP Firm Registration: 101248W/W-100022 Chartered Accountants  Abhishek Partner Membership No. 062343		For and on behalf of the Board of Directors Emcure Pharmaceuticals Limited CIN: U24231PW1981PLC024251  Berjis Desa Director and Chairman DIN: 0015675  B Renganathan Company Secretary Membership No. F2922	
Place: Pune Date: 12-May-2022		 Satish Mehta Managing Director DIN: 00118691  Tajuddin Shaikh Chief Financial Officer	
Place: Pune Date: 04-May-2022			

EMCURE PHARMACEUTICALS LIMITED
Statement of Changes in Equity for the year ended March 31, 2022

Equity share capital	Note	Rs. in million
As at April 1, 2020		1,808.52
Changes in equity share capital	15	-
As at March 31, 2021		1,808.52

Equity share capital	Note	Rs. in million
As at April 1, 2021		1,808.52
Changes in equity share capital	15	-
As at March 31, 2022		1,808.52

Other equity	Note	Reserves and Surplus					Foreign currency monetary item translation reserve	Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings		
As at April 1, 2020		12.92	840.37	269.10	1,414.18	14,746.09	54.32	17,336.98
Profit for the year		-	-	-	-	4,204.75	-	4,204.75
Remeasurements of post-employment benefit obligations (net of tax)	16	-	-	-	-	1.10	-	1.10
		-	-	-	-	4,205.85	-	4,205.85
Transactions with owners, recorded directly in equity		-	-	-	-	-	-	-
Final dividend on equity shares	16	-	-	-	-	(180.85)	-	(180.85)
Others		-	-	-	-	(180.85)	-	(180.85)
Employee share based expense	45	-	-	34.20	-	-	-	34.20
Changes in foreign currency monetary item translation reserve	16	-	-	-	-	-	(33.25)	(33.25)
Options forfeited	16	-	-	(186.06)	32.84	-	-	(153.22)
Income tax on above	34	-	-	-	(8.88)	-	8.37	(0.51)
		-	-	(151.86)	23.96	-	(24.88)	(152.78)
As at March 31, 2021		12.92	840.37	117.24	1,438.14	18,771.09	29.44	21,209.20

Other equity	Note	Reserves and Surplus					Foreign currency monetary item translation reserve	Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings		
As at April 1, 2021		12.92	840.37	117.24	1,438.14	18,771.09	29.44	21,209.20
Profit for the year		-	-	-	-	4,468.11	-	4,468.11
Remeasurements of post-employment benefit obligations (net of tax)	16	-	-	-	-	(7.90)	-	(7.90)
		-	-	-	-	4,460.21	-	4,460.21
Transactions with owners, recorded directly in equity		-	-	-	-	-	-	-
Interim dividend on equity Shares	16	-	-	-	-	(361.70)	-	(361.70)
Final dividend on equity shares	16	-	-	-	-	(180.85)	-	(180.85)
Others		-	-	-	-	(542.55)	-	(542.55)
Employee share based expense	45	-	-	57.18	-	-	-	57.18
Transfer to Avet Lifesciences Limited pursuant to demerger	53	(11.52)	(840.37)	-	(964.72)	(8,029.87)	-	(9,846.48)
Cancellation of Investments and Loan given to Avet Lifesciences Limited pursuant to demerger	53	(1.40)	-	-	-	-	-	(1.40)
Changes in foreign currency monetary item translation reserve	16	-	-	-	-	-	(20.81)	(20.81)
Options forfeited	16	-	-	(15.19)	15.19	-	-	-
Income tax on above	34	-	-	-	(3.82)	-	5.24	1.42
		(12.92)	(840.37)	41.99	(953.35)	(8,029.87)	(15.57)	(9,810.09)
As at March 31, 2022		-	-	159.23	484.79	19,658.88	13.87	15,316.77

Note:

For description of nature and purpose of reserves refer note 16.

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 12-May-2022

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN: U24231PN1811PLC024251

Berjis Desai
Berjis Desai
Director and Chairman
DIN: 00153475

B. Ranganathan
B. Ranganathan
Company Secretary
Membership No. F2922

Place: Pune
Date: 04-May-2022

Satish Mehta
Satish Mehta
Managing Director
DIN: 00118691

Tajuddin Shaikh
Tajuddin Shaikh
Chief Financial Officer

EMCURE PHARMACEUTICALS LIMITED
Standalone Cash Flow Statement for the year ended March 31, 2022

Rs. in million

Particulars	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Cash flows from operating activities:		
Profit before tax from continuing operations	6,164.23	5,595.17
Profit/(Loss) before tax from discontinued operations	-	(20.69)
Adjustment for:		
Depreciation and amortisation	1,657.92	1,562.35
Unrealised exchange gain	(58.49)	(30.04)
Finance costs	1,451.37	1,233.41
Employee share-based expense	32.63	26.05
Interest income from banks and others	(13.14)	(53.28)
Interest income from intercorporate loans	(77.94)	(105.41)
Net gain on loans given to subsidiaries measured at amortised cost	(21.74)	-
Gain on disposal of property, plant and equipment	(1.30)	(6.15)
Gain on termination of leases	(0.12)	(0.18)
Dividend income	(319.20)	(159.60)
	8,814.22	8,041.63
Working capital adjustments:		
- Increase in inventories	(1,086.68)	(1,781.12)
- (Increase) / decrease in trade receivables	(1,684.04)	1,388.68
- Increase in other financial assets	(12.83)	(600.20)
- (Increase) / decrease in other assets	(466.01)	144.95
- Increase in trade payables	367.13	1,356.62
- Increase / (decrease) in other financial liabilities	34.17	18.59
- Increase / (decrease) in other liabilities	(48.21)	271.30
- Increase in provisions	66.08	44.99
	(2,830.39)	843.81
Cash generated from operating activities	5,983.83	8,885.44
Income tax paid (net of refunds)	(1,706.71)	(1,136.73)
Net cash generated from operating activities (A)	4,277.12	7,748.71
Cash flows from investing activities		
Acquisition of property, plant and equipment, and capital work-in-progress	(1,740.72)	(878.55)
Acquisition of intangible assets	(133.62)	(122.37)
Proceeds from sale of property, plant and equipment and assets held for sale	31.95	23.05
Purchase of shares of subsidiary	(28.52)	(4,705.28)
Capital contribution in LLP	(250.00)	-
Intercorporate loans given to subsidiaries	(1,365.96)	(3,130.60)
Repayment of intercorporate loans by subsidiaries	1,147.46	230.65
Interest received from banks and others	10.64	52.30
Interest received on loans to subsidiaries	131.69	119.12
Dividend received	319.20	159.60
Term deposit placed	(16.19)	(530.21)
Term deposit matured	4.10	470.65
	(1,889.97)	(8,311.64)
Cash flows from financing activities		
Repayment of long-term borrowings (refer footnote 1 below)	(3,005.04)	(2,479.17)
Proceeds from long-term borrowings	722.52	5,748.07
Proceeds / (repayment) of short-term borrowings (net)	870.35	(1,464.35)
Repayment of Lease Liabilities	(161.17)	(127.02)
Interest paid (refer footnote 2 below)	(1,313.72)	(1,186.96)
Interim dividend paid	(361.70)	-
Final dividend paid	(180.85)	(180.85)
	(3,429.61)	309.72
Net cash generated from / (used in) financing activities (C)	(3,429.61)	309.72
Net increase in cash and cash equivalents (A+B+C)	(1,042.46)	(253.21)
Cash and cash equivalent as at 1 April (refer below)	(842.86)	(543.48)
Transferred pursuant to composite scheme of arrangement (refer note 53)	(2,050.00)	-
Effect of exchange rate fluctuations on cash and cash equivalent	1.86	(46.17)
Cash and cash equivalent as at year end	(3,933.46)	(842.86)



EMCURE PHARMACEUTICALS LIMITED
Standalone Cash Flow Statement for the year ended March 31, 2022 (continued)

Rs. in million

Components of cash and cash equivalent:	31-Mar-22	31-Mar-21
Cash on hand	0.35	0.48
Balances with bank in current accounts	308.88	2,449.02
Demand deposits (with original maturity of less than 3 months)	-	6.08
Bank overdrafts used for cash management purpose	(4,242.69)	(3,298.44)
Total cash and cash equivalent*	(3,933.46)	(842.86)

* Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Changes in liabilities arising from financing activities	Year Ended 31-Mar-22	Year Ended 31-Mar-21
Borrowings:		
Opening balance	12,925.94	11,159.16
Amount borrowed during the year	722.52	5,748.07
Amount repaid during the year	(2,134.69)	(3,943.52)
Others (includes unrealised foreign exchange differences)	151.12	(37.77)
Closing balance (refer note 17 & 20)	11,664.89	12,925.94
Interest accrued on borrowings:		
Opening balance	78.04	60.52
Finance cost incurred during the year [^]	1,451.37	1,233.41
Amount paid during the year	(1,313.72)	(1,186.96)
Others (includes borrowing cost capitalised during the year)	(163.89)	(28.93)
Closing balance (refer note 22)	51.80	78.04

[^] represents amount in respect of continuing and discontinued operations.

Footnotes to the cash flow statement:

1. This includes prepayment of term loan amounting to Rs. Nil (March 31, 2021: Rs. 659.30 million).
2. Includes interest expense of Rs. 91.93 million (March 31, 2021: Rs. 124.91 million) which has been capitalised in accordance with Ind AS 23, Borrowing Costs.
3. Refer note 3 for movement in lease liabilities.
4. Refer note 52 for corporate social responsibility expenditure paid in cash during the year.
5. Standalone Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP

Firm Registration: 101248W/W-100022
Chartered Accountants



Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 12-May-2022

For and on behalf of the Board of Directors

Emcure Pharmaceuticals Limited
CIN: U24231PN1981PLC024251



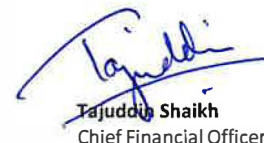
Berjis Desai
Director and Chairman
DIN: 00153675



Satish Mehta
Managing Director
DIN: 00118691



B Renganathan
Company Secretary
Membership No. F2922



Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: 04-May-2022

EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

1A. General information:

Emcure Pharmaceuticals Limited (hereinafter referred to as "Company") is a Public Limited Company, incorporated and domiciled in India. The Company has its registered office in Pune and is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. The Company's core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which are commercialised through Company's marketing infrastructure across geographies and business relationships with multi-national pharmaceutical companies.

The Composite Scheme of Arrangement ("Composite Scheme") for demerger of the Company's United States of America ('US') market business into Avet Lifesciences Limited, the Resulting entity, was approved by Honourable National Company Law Tribunal ("NCLT"), Mumbai Bench vide its order dated June 04, 2021, formal order received on July 15, 2021. The said NCLT order was filed with the Registrar of Companies by the Company and Avet Lifesciences Limited on July 25, 2021, thereby making the Composite Scheme effective. Accordingly, all assets and liabilities of the US market business stand transferred and vested into Avet Lifesciences Limited on April 01, 2021, being the Appointed date as per the Composite Scheme for the demerger of US market business. Both the entities are controlled by same promoters.

1B. Basis of preparation

a) Basis of preparation

i. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

The Company has considered the amendments to Schedule III of the Companies Act 2013 notified by Ministry of Corporate Affairs ("MCA") via notification dated March 24, 2021 in the standalone financial statements disclosures, wherever applicable.

Details of the Company's accounting policies are included in Note 1C. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest million, unless otherwise indicated.

c) Basis of Measurement

The standalone financial statements are prepared under the historical cost convention except for the following items:

Items	Measurement Basis
Investment in LLP	Fair value
Equity settled shared based payment options	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



EMCURE PHARMACEUTICALS LIMITED

Notes to the standalone financial statements (continued)

For the year ended March 31, 2022

Assumptions and estimation uncertainties

Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ended 31 March 2022 is included in following notes:

Note 1C. c) Useful lives of property, plant, equipment;

Note 1C. d) Useful lives of intangible assets;

Note 3 - measurement of discount rate for initial recognition of ROU and Lease Liability as per IND AS 116

Note 5 - Impairment of investments in subsidiaries

Note 9 - Valuation of inventories

Note 19 & 22 - recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;

Note 35 - recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;

Note 39 - Impairment of financial instruments

Note 43 - measurement of loans to related parties at amortised cost and interest accrued on these loans; key assumptions for discount rate

Note 44 - measurement of defined benefit obligations: key actuarial assumptions;

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Head of Treasury.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 40: Fair value measurements;

- Note 45: Employees stock option plan; and



f) Current versus non current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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.

All assets and liabilities are classified into current and non-current.

Assets

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

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Company does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Company is less than 12 months.

1C. Significant accounting policies

a) Foreign Currency Translation

Transaction in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of the following item which are recognised directly in other equity:

Translation of long term foreign currency monetary items pertaining to period prior to transition to Ind AS and which are not related to purchase of property, plant and equipment and intangible assets (refer note 16).



1C. Significant accounting policies (continued)

b) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- Fair value [either through profit and loss (FVTPL) or through other comprehensive income (FVOCI)]

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policy and objectives for the portfolio and the operation of those policies in practice.
These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;
- How the performance of portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.



1C. Significant accounting policies (continued)

b) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is significant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Fair value changes are recognised in other comprehensive income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. When such asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income / expenses.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



EMCURE PHARMACEUTICALS LIMITED

Notes to the standalone financial statements (continued)

For the year ended March 31, 2022

1C. Significant accounting policies (continued)

b) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

1C. Significant accounting policies (continued)

c) Property, plant and equipment (continued)

i. Recognition and measurement (continued)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimated useful life	Useful life as per schedule II
Leasehold improvements	As per lease term	NA
Building	30 years	30 years
Plant and machinery	15 years	15 years
Electrical installation	10 years	10 years
Air handling equipment	15 years	15 years
Computers	3-6 years	3-6 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8-10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).



1C. Significant accounting policies (continued)

d) Intangible assets

i. Initial recognition:

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Company.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method, as is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Intangible Asset	Management estimated useful life
Brands acquired	5 to 10 years
Software, license rights	2 to 10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Intangible Assets under Development

Intangible assets under development are initially recognized at cost. Such intangible assets are subsequently capitalized only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

v. Impairment

The Company irrespective of whether there is any indication of impairment, tests an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of the intangible asset not yet available for use exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost on inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.



1C. Significant accounting policies (continued)

e) Inventories (continued)

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

f) Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observed data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;
- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganization;
- the disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) is recognized in the statement of profit and loss.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The Company considers financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
- The financial asset is 360 days or more past due.



1C. Significant accounting policies (continued)

f) Impairment (continued)

i. Impairment of financial instruments (continued)

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

ii. Impairment of non-financial asset

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss on goodwill is not subsequently reversed.



1C. Significant accounting policies (continued)

g) Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

Share-based payment are provided to employees of the Group via the Company's Employees Stock Option Plan ("Emcure ESOS 2013").

The company accounts for the share-based payment transactions as equity settled.

The grant date fair value of equity settled share-based payment awards granted to employees of the Company is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

The Company also grants the options to the employees of its subsidiaries for which subsidiary does not have an obligation to settle the share based payment transaction. Total expense for such options issued to employees of subsidiary is recognised as investment in the nature of employee stock options issued to employees of subsidiary and corresponding increase in share options outstanding account.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation result is a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss:



1C. Significant accounting policies (continued)

g) Employee benefits (continued)

iv. Defined benefit plan (continued)

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

v. *Other long term employee benefit*

The Company's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

h) *Provisions (other than for employee benefits), Contingent liabilities and contingent assets*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. *Contingencies*

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

ii. *Contingent liabilities and contingent assets*

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

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 entity. Contingent assets are not recognized in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

j) *Revenue*

Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.



1C. Significant accounting policies (continued)

i) Revenue (continued)

Sale of goods (continued)

The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to a customer. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price). The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The provision on account of the expected amount of returns is included in provisions and the right to recover returned goods is included in inventory.

Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Company has recognised an allowance for returns. The allowance is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Company has an obligation to accept the goods which will expire. The Company has recognised an allowance for the returns due to expiry. The allowance is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

Rendering of services (other than sale of technology / know-how, rights and licenses)

Revenue from rendering of services is recognised in statement of profit and loss by reference to percentage completion method. The Company is involved in rendering services related to its products to its customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Rendering of services - sale of technology / know-how, rights, licenses and other intangibles

Income from sale of technology / know-how, rights and licenses is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when control is transferred, as applicable.

Profit share revenues

From time to time the Company enters into marketing arrangements with business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a price agreed upon in the arrangement and is also entitled to a profit share which is over and above the agreed price. The profit share is dependent on the business partner's ultimate net sale proceeds or net profit, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue amount equal to the base purchase price is recognized in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, the Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Profit share revenue is measured as per the percentage of profit share and computation method, specified in the agreement with business partner.



1C. Significant accounting policies (continued)

j) Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

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

k) Leases

i. The Company as a lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both 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. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.



1C. Significant accounting policies (continued)

k) Leases(continued)

ii. The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

l) Recognition of dividend income, interest income or expenses

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



1C. Significant accounting policies (continued)

m) Income tax (continued)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

n) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the Company has made accounting policy choice of recognising fair value of such financial guarantee as finance cost.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



1C. Significant accounting policies (continued)

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company are identified as Chief operating decision maker. Refer note 48 for segment information.

r) Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

s) Exceptional item

In certain instances, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financials statements.

t) Cash flow statement

Cash flow from operations are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. For the purpose of cash flow statement bank overdraft that are repayable on demand are considered as cash and cash equivalent as it form an integral part of the company's cash management.

u) Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

v) Discontinued operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (a) Represents a separate major line of business or geographical area of operations or
- (b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit or loss as Profit after tax from discontinued operations.



1C. Significant accounting policies (continued)

v) Regroupings

Appropriate regroupings have been made in the standalone Balance Sheet and standalone Statement of Profit and Loss (including Other Comprehensive Income), wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the accounting policies and classification as per the standalone Ind AS financial information of the Company for the year ended March 31, 2022 prepared in accordance with Revised Schedule III of Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles. The Company has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassified as required. As a result of amendment to Schedule III, deposits have been reclassified to other financial assets which was earlier forming part of loans and current maturities of long-term borrowing are now presented as current borrowings which was earlier forming part of other financial liabilities.

w) Rounding of amounts

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

Note 1D. Recent accounting pronouncements

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 1, 2022. The Company has evaluated the amendment and the impact is not expected to be material.

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.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 2A - Property, plant and equipment	Gross book value			Accumulated depreciation			Rs. in million			
	As at 01-Apr-21	Additions during the year	Disposals during the year	Other adjustments (refer note 53)	As at 31-Mar-22	Charge for the year	Disposals during the year	Other adjustments (refer note 53)	As at 31-Mar-22	As at 31-Mar-22
Freehold land	29.25	-	-	-	29.25	-	-	-	-	29.25
Leasehold improvements	229.65	2.43	-	-	232.08	145.70	12.04	-	157.74	74.34
Building	3,414.86	28.95	-	-	3,443.81	531.79	128.65	-	660.44	2,783.37
Plant and machinery	10,709.56	1,068.78	(95.84)	-	11,682.50	4,133.50	900.08	(65.61)	4,967.97	6,714.53
Electrical installation	712.40	59.65	(0.58)	-	771.47	383.43	54.80	(0.58)	437.65	333.82
Air handling equipment	1,001.24	80.73	(1.81)	-	1,080.16	419.62	74.70	(0.70)	493.62	586.54
Computers	441.91	102.58	(1.83)	(5.43)	537.23	316.33	59.42	(1.78)	370.76	166.47
Office equipments	116.50	6.26	-	-	122.76	87.94	11.96	-	99.90	22.86
Furniture and fixtures	309.54	39.58	(0.06)	-	349.06	125.93	29.57	(0.06)	155.44	193.62
Vehicles	151.39	81.92	(8.13)	-	225.18	112.11	26.29	(7.74)	130.66	94.52
Total	17,116.30	1,470.88	(108.25)	(5.43)	18,473.50	6,256.35	1,297.51	(76.47)	7,474.18	10,999.32

Note 2A - Property, plant and equipment	Gross book value			Accumulated depreciation			Rs. in million			
	As at 01-Apr-20	Additions during the year	Disposals during the year	Other adjustments (refer note 14)	As at 31-Mar-21	Charge for the year ^	Disposals during the year	Other adjustments (refer note 14)	As at 31-Mar-21	As at 31-Mar-21
Freehold land	14.42	14.83	-	-	29.25	-	-	-	-	29.25
Leasehold improvements	229.06	0.59	-	-	229.65	115.04	30.66	-	145.70	83.95
Building	3,188.82	226.04	-	-	3,414.86	407.65	124.14	-	531.79	2,883.07
Plant and machinery	8,916.19	1,928.39	(30.25)	(104.77)	10,709.56	3,341.94	838.83	(15.91)	4,133.50	6,576.06
Electrical installation	639.20	73.20	-	-	712.40	327.04	56.39	-	383.43	328.97
Air handling equipment	877.38	123.88	(0.02)	-	1,001.24	343.76	75.87	(0.01)	419.62	581.62
Computers	393.16	48.96	(0.21)	-	441.91	259.10	57.41	(0.18)	316.33	125.58
Office equipments	110.66	6.23	(0.39)	-	116.50	75.27	12.80	(0.13)	87.94	28.56
Furniture and fixtures	260.29	49.61	(0.36)	-	309.54	99.87	26.11	(0.05)	125.93	183.61
Vehicles	144.45	19.29	(12.35)	-	151.39	102.42	20.09	(10.40)	112.11	39.28
Total	14,773.63	2,491.02	(43.58)	(104.77)	17,116.30	5,072.09	1,242.30	(26.68)	6,256.35	10,859.95

^ represents amount in respect of continuing and discontinued operations.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

	Rs. in million					
Note 2B - Capital work-in-progress	As at the beginning	Additions during the year	Capitalised during the year	Disposals during the year	Other adjustments (refer note 14)	As at the end
Year ended March 31, 2022	1,920.94	1,392.48	(920.94)	-	-	2,392.48
Year ended March 31, 2021	3,260.59	831.83	(2,116.55)	(0.53)	(54.40)	1,920.94

Capital work-in-progress ageing schedule

	Rs. in million				
March 31, 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	1,115.45	381.18	178.75	478.12	2,153.50
Projects overdue from original planned completion date	60.68	86.52	51.94	39.84	238.98

	Rs. in million				
March 31, 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	750.62	326.83	324.74	518.75	1,920.94
Projects overdue from original planned completion date	-	-	-	-	-

Capital work-in-progress completion schedule

	Rs. in million				
March 31, 2022	To be completed in			Total	
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
New line at Hinjewadi Plant III	-	189.29	-	-	189.29
Central testing Lab at Pimpri	49.69	-	-	-	49.69

Footnotes for note 2A and 2B:

- The capital work in progress at the year end mainly consists of plant and machinery, building and other assets pertaining to various projects / plants, expansion of existing facilities, etc.
- The borrowing cost capitalised on qualifying assets amounting to Rs. 91.93 million (March 31, 2021: Rs. 124.91 million) have been added to the cost of assets during the year (refer note 32).
- The capitalisation rate used to determine the amount of borrowing costs to be capitalised is @ 6.95% p.a. (March 31, 2021 : 8.50% p.a.).
- Refer note 47 for information on Property, plant and equipment and Capital work-in-progress pledged as security by the company.
- The company does not have any CWIP projects which are suspended or which have exceeded its cost compared to its original plan.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 4 - Intangible assets	Gross book value			Accumulated amortisation			Rs. in million			
	As at 01-Apr-21	Additions during the year	Disposals during the year	Other adjustments	As at 31-Mar-22	Charge for the year	Disposals during the year	Other adjustments	As at 31-Mar-22	As at 31-Mar-22
Brands	1,027.38	-	-	-	1,027.38	115.45	-	-	769.67	257.71
Software	564.25	57.07	(4.67)	-	616.65	91.30	(4.67)	-	501.61	115.04
Licensing rights	118.92	76.55	-	-	195.47	23.85	-	-	52.71	142.76
Total	1,710.55	133.62	(4.67)	-	1,839.50	230.60	(4.67)	-	1,323.99	515.51

Note 4 - Intangible assets	As at 01-Apr-20			As at 31-Mar-21			Rs. in million			
	As at 01-Apr-20	Additions during the year	Disposals during the year	Other adjustments	As at 31-Mar-21	Charge for the year ^	Disposals during the year	Other adjustments	As at 31-Mar-21	As at 31-Mar-21
Brands	1,027.38	-	-	-	1,027.38	115.45	-	-	654.22	373.16
Software	441.88	122.37	-	-	564.25	86.48	-	-	414.98	149.27
Licensing rights	118.92	-	-	-	118.92	10.55	-	-	28.86	90.06
Total	1,588.18	122.37	-	-	1,710.55	212.48	-	-	1,098.06	612.49

^ represents amount in respect of continuing and discontinued operations.

Footnote for note 4:

Refer note 47 for information on Intangible assets pledged as security by the company.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 3: Leases - 116

Lease contracts entered by the Company majorly pertains for Land & buildings taken on lease to conduct its business in the ordinary course. Information about leases for which the company is lessee is presented as below:

Right-of-use assets

Particulars	Rs. in million				
	Land	Land & Building	Plant & Machinery	Computers	Total
Balance as at April 1, 2021	756.13	497.05	-	53.38	1,306.56
Additions for new leases entered	98.83	165.10	119.44	-	383.37
Deletions for leases terminated	-	(1.33)	-	-	(1.33)
Depreciation charge for the year	(14.98)	(95.45)	(7.30)	(12.08)	(129.81)
Balance as at March 31, 2022	839.98	565.37	112.14	41.30	1,558.79

Particulars	Rs. in million				
	Land	Land & Building	Plant & Machinery	Computers	Total
Balance as at April 1, 2020	765.10	491.34	-	-	1,256.44
Additions for new leases entered	-	102.72	-	60.38	163.10
Deletions for leases terminated	-	(5.41)	-	-	(5.41)
Depreciation charge for the year ^	(8.97)	(91.60)	-	(7.00)	(107.57)
Balance as at March 31, 2021	756.13	497.05	-	53.38	1,306.56

^ represents amount in respect of continuing and discontinued operations.

Lease Liabilities

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Balance as at the beginning	611.33	525.87
Additions for new leases entered	383.37	163.10
Deletions for leases terminated	(1.45)	(5.59)
Interest on lease liabilities ^	83.00	54.97
Repayment of lease liabilities	(161.17)	(127.02)
Balance as at the end	915.08	611.33
Current	86.58	80.19
Non-current	828.50	531.14

^ represents amount in respect of continuing and discontinued operations.

Maturity analysis - contractual undiscounted cash flows-

Particulars	31-Mar-22	31-Mar-21
Less than one year	167.26	130.97
One to five years	469.01	367.67
More than five years	916.65	471.65
Total undiscounted lease liabilities as at year end	1,552.92	970.29

Amount recognised in statement of Profit or Loss ^

Particulars	31-Mar-22	31-Mar-21
Interest on lease liabilities	83.00	54.97
Depreciation on ROU	129.81	107.57
Expenses relating to short term leases	2.45	0.09
Expenses relating to leases of low value assets, excluding leases of low value assets	2.97	2.90
Total	218.23	165.53

^ represents amount in respect of continuing and discontinued operations.

Amounts recognised in statement of cash flow

Particulars	31-Mar-22	31-Mar-21
Cash flow from financing activities		
Repayment of Lease Liabilities	(161.17)	(127.02)

The weighted average incremental borrowing rate of 9.49% p.a (March 31, 2021 : 9.36% p.a) has been applied to lease liabilities recognised in the balance sheet.



EMCURE PHARMACEUTICALS LIMITED
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For the year ended March 31, 2022

Note 5	Number of shares/ units		Rs. in million	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Non-current investments				
Investment in equity instruments:				
Unquoted (Valued at cost unless otherwise stated)				
Investments in subsidiaries				
<i>Investments in Zuventus Healthcare Limited</i>				
Fully paid equity shares of Rs. 10 each	1,59,60,000	1,59,60,000	71.82	71.82
Equity contribution in the nature of employee stock options issued to employees of subsidiary			1.83	1.83
			73.65	73.65
<i>Investments in Gennova Biopharmaceuticals Limited</i>				
Fully paid equity shares of Rs. 10 each	48,47,500	48,47,500	48.48	48.48
Equity contribution in the nature of employee stock options issued to employees of subsidiary			10.54	8.59
			59.02	57.07
<i>Investments in Emcure Nigeria Limited</i>				
Fully paid equity shares of Naira 1 each	58,36,841	58,36,841	1.90	1.90
			1.90	1.90
<i>Investments in Emcure Pharmaceuticals Mena FZ-LLC</i>				
Fully paid equity shares of AED 1000 each	16,100	16,100	322.44	322.44
Equity contribution in the nature of employee stock options issued to employees of subsidiary			34.12	34.12
			356.56	356.56
<i>Investments in Emcure Pharmaceuticals South Africa (Pty) Ltd</i>				
Fully paid equity shares of ZAR 1 each	3,61,00,100	3,61,00,100	178.76	178.76
			178.76	178.76
<i>Investments in Heritage Pharma Holdings Inc.</i>				
Fully paid equity shares of USD 1 each	-	3,119	-	3,277.10
Equity contribution in the nature of employee stock options issued to employees of subsidiary			-	-
			-	3,277.10
<i>Investments in Emcure Pharma UK Ltd.*</i>				
Fully paid equity shares of GBP 1 each	3,27,65,000	3,27,65,000	3,110.08	3,110.08
Equity contribution in the nature of employee stock options issued to employees of subsidiary			3.67	3.67
			3,113.75	3,113.75
<i>Investments in Emcure Brasil Farmaceutica LTDA</i>				
Fully paid equity shares of Real 1 each	46,42,499	46,42,499	122.55	122.55
Equity contribution in the nature of employee stock options issued to employees of subsidiary			1.18	1.18
			123.73	123.73
<i>Investments in Emcure Pharma Mexico S.A. De C.V.</i>				
Fully paid equity shares	49,999	49,999	0.21	0.21
			0.21	0.21
<i>Investments in Emcure Pharma Peru S.A.C</i>				
Fully paid equity shares of Sol 1 each	19,74,717	19,74,717	41.07	41.07
			41.07	41.07
<i>Investments in Marcan Pharmaceuticals Inc.</i>				
Fully paid equity shares of CAD 1 each	2,44,80,001	2,43,80,001	1,308.44	1,302.48
Equity contribution in the nature of employee stock options issued to employees of subsidiary			29.68	17.00
			1,338.12	1,319.48
<i>Investments in Emcure Pharmaceuticals Pty Ltd</i>				
Fully paid equity shares of AUD 1 each	10,00,000	10,00,000	48.72	48.72
			48.72	48.72
<i>Investments in Avet Lifesciences Private Limited (formerly known as Avet Lifesciences Limited)</i>				
Fully paid equity shares of INR 10 each	-	1,00,000	-	0.10
			-	0.10
<i>Investments in Emcure Pharma Chile SpA</i>				
Fully paid equity shares	15,50,00,000	15,50,00,000	3.66	3.66
			3.66	3.66

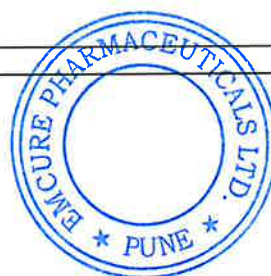


EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 5 Non-current investments (continued)	Number of shares/ units		Rs. in million	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Investment in equity instruments: Unquoted (Valued at cost unless otherwise stated) Investments in subsidiaries (continued)				
<i>Investments in Lazor Pharmaceuticals Ltd., Kenya</i> Fully paid ordinary shares of KES 100 each	1,08,950	-	7.45	-
			7.45	-
<i>Investments in Emcure Pharma Philippines Inc</i> Fully paid equity shares of Peso 100 each	96,775	-	15.11	-
			15.11	-
Investment in step down subsidiaries <i>Investments in Heritage Pharma Labs Inc.</i> Equity contribution in the nature of employee stock options issued to employees of subsidiary			-	14.88
			-	14.88
<i>Investments in Heritage Pharmaceuticals Inc.</i> Equity contribution in the nature of employee stock options issued to employees of subsidiary			-	14.70
			-	14.70
<i>Investments in Tillomed Laboratories Limited</i> Equity contribution in the nature of employee stock options issued to employees of subsidiary			18.96	11.97
			18.96	11.97
<i>Investments in Tillomed Italia S.R.L</i> Equity contribution in the nature of employee stock options issued to employees of subsidiary			2.92	-
			2.92	-
			5,383.59	8,637.31
Investment in LLP: Unquoted (Valued at FVOCI)				
ABCD Technologies LLP			250.00	-
			250.00	-
			250.00	-
Aggregate amount of unquoted Investments			5,633.59	8,637.31

* Pledged to the banks for loan facilities availed (refer note 47).

Note 6 Loans	Rs. in million	
	31-Mar-22	31-Mar-21
Unsecured considered good, unless otherwise specified: Loans to related parties (refer note 43)	245.29	2,659.70
Total	245.29	2,659.70
Break-up of security details	31-Mar-22	31-Mar-21
Loans considered good - Secured	-	-
Loans considered good - Unsecured	245.29	2,659.70
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	245.29	2,659.70
Less: Loss allowance	-	-
Total	245.29	2,659.70



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 7		
Other non-current financial assets		
Unsecured considered good, unless otherwise specified:		
Term deposits with banks having remaining maturity period of more than 12 months (refer note below)	19.51	21.74
Interest accrued on loans to related parties (refer note 43)	118.83	121.85
Security deposits	131.21	120.82
Total	269.55	264.41

Footnote: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees & others (refer note 47).

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 8		
Other non-current assets		
Unsecured considered good, unless otherwise specified:		
Capital Advances	186.75	93.02
Prepaid expenses	0.84	2.37
Balances with government authorities	13.43	74.28
Total	201.02	169.67

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 9		
Inventories (valued at lower of cost or net realisable value)		
Raw materials [Includes in transit Rs. 33.40 million (31-Mar-21: Rs. 202.07 million)]	3,112.92	2,578.65
Packing materials [Includes in transit Rs. 8.15 million (31-Mar-21: Rs. 14.57 million)]	539.96	473.27
Work-in-process	1,183.87	1,144.83
Finished goods	1,448.01	1,179.89
Stock in trade [Includes in transit Rs. Nil (31-Mar-21: Rs. 1.04 million)]	545.82	491.98
Stores and spares [Includes in transit Rs. 2.93 million (31-Mar-21: Rs. 3.44 million)]	473.84	349.12
Total	7,304.42	6,217.74

Footnotes:

1. Amounts recognised in standalone statement of profit or loss

Write-downs of inventories as at the year end amounted to Rs. 375.28 million (March 31, 2021: Rs. 271.35 million). Increase/decrease in write-down provision is recognised as an expense during the year and included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and traded goods in statement of profit and loss.

2. Refer note 47 for information on Inventories pledged as security by the Company.

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 10		
Trade receivables		
Unsecured		
Undisputed receivables - considered good	10,383.69	10,316.77
Disputed receivables - which have significant increase in credit risk	29.46	29.46
Less: Loss allowance	(322.23)	(351.98)
Total	10,090.92	9,994.25

Of the above, trade receivables from related parties are as below

	Rs. in million	
Particulars	31-Mar-22	31-Mar-21
Total trade receivables from related parties (refer note 43)	5,921.30	6,079.13
Less: Loss allowance	(112.54)	(157.82)
Net trade receivables	5,808.76	5,921.31

Refer note 47 for information on trade receivables pledged as security by the company.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 39.



Break-up of security details and ageing schedule;

Rs. in million

As at March 31, 2022	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	4,610.64	3,986.89	1,129.70	266.45	162.31	227.70	10,383.69
Undisputed receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - considered good	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	29.46	29.46
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	4,610.64	3,986.89	1,129.70	266.45	162.31	257.16	10,413.15
Less: Loss allowance							(322.23)
Total	4,610.64	3,986.89	1,129.70	266.45	162.31	257.16	10,090.92

Rs. in million

As at March 31, 2021	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	4,001.71	4,386.12	1,447.83	228.87	43.11	209.13	10,316.77
Undisputed receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - considered good	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	29.46	29.46
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	4,001.71	4,386.12	1,447.83	228.87	43.11	238.59	10,346.23
Less: Loss allowance							(351.98)
Total	4,001.71	4,386.12	1,447.83	228.87	43.11	238.59	9,994.25

Rs. in million

Note 11A	31-Mar-22	31-Mar-21
Cash and cash equivalents		
Cash on hand	0.35	0.48
Balances with bank in current accounts	308.88	2,449.02
Demand deposits (with original maturity of less than 3 months)	-	6.08
Total	309.23	2,455.58

Rs. in million

Note 11B	31-Mar-22	31-Mar-21
Bank balances other than cash and cash equivalents		
Term deposits with banks having initial maturity of more than 3 months but remaining maturity of less than 12 months (refer footnote below)	165.99	151.67
Total	165.99	151.67

Footnote: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees & others (refer note 47).



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Rs. in million

Note 12	31-Mar-22	31-Mar-21
Other current financial assets		
Unsecured considered good, unless otherwise specified:		
Interest accrued on deposits with bank	3.59	2.08
Interest accrued on deposits with others	2.41	1.42
Interest accrued on loans to related parties (refer note 43)	-	75.77
Current maturities of loans to related parties (refer note 43)	1,032.07	830.04
Financial guarantee fees receivable from related parties (refer note 43)	59.06	228.63
Other amount due from related parties (refer note 43)	729.05	865.93
Other receivable	8.30	76.62
Total	1,834.48	2,080.49

Rs. in million

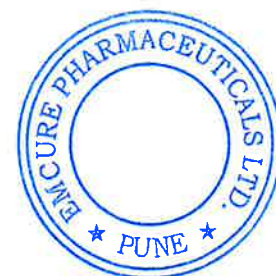
Note 13	31-Mar-22	31-Mar-21
Other current assets		
Unsecured considered good, unless otherwise specified:		
Advances for supply of goods and services	666.62	238.92
Balances with government authorities	723.32	835.82
Advance to employees	3.13	1.97
Prepaid expenses	262.38	50.35
Total	1,655.45	1,127.06

Rs. in million

Note 14	31-Mar-22	31-Mar-21
Assets classified as held for sale		
Plant and machinery	-	127.80
Total	-	127.80

Footnote:

Plant and machinery classified as held for sale during the year ended March 31, 2021 was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. Resultant gain/(loss) on reclassification was Rs. Nil. The fair value of the assets was determined based on firm commitment orders received from interested party.



Note 15 Equity share capital	31-Mar-22		31-Mar-21	
	Number of shares	Value	Number of shares	Value
a. Authorised share capital Equity Shares of Rs. 10 each	25,00,00,000	2,500.00	20,00,00,000	2,000.00
b. Issued, subscribed and paid up capital* Equity Shares of Rs. 10 each	18,08,52,116	1,808.52	18,08,52,116	1,808.52

* All issued shares are fully paid up.

c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the year

Particulars	31-Mar-22		31-Mar-21	
	Number of shares	Value	Number of shares	Value
Equity Shares outstanding at the beginning and at the end of the year	18,08,52,116	1,808.52	18,08,52,116	1,808.52

The Company has also issued share options to its employees and employees of the subsidiaries, refer note 45.

d. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e. Employee stock options

Terms attached to stock options granted to employees of the Company and subsidiaries are described in note 45 regarding share-based payments.

f. Information regarding shares in the last five years

No shares were issued for consideration other than cash during the period of five years immediately preceding the year ended March 31, 2022. Further the Company has not undertaken any buy back of shares during the period of five years immediately preceding the year ended March 31, 2022.

g. Details of equity shareholders holding shares more than 5%

Particulars	31-Mar-22		31-Mar-21	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters				
Satish Mehta	7,58,16,748	41.92%	7,57,78,176	41.90%
Sunil Mehta	1,10,85,012	6.13%	1,10,85,012	6.13%
Others				
BC Investments IV Limited	2,36,73,544	13.09%	2,36,73,544	13.09%
Sanjay Mehta	1,57,64,028	8.72%	1,57,64,028	8.72%
Samit Mehta	1,35,47,632	7.49%	1,35,47,632	7.49%
Bhavana Mehta	93,88,288	5.19%	93,88,288	5.19%
Total	14,92,75,252	82.54%	14,92,36,680	82.52%

h. Percentage change in shares held by promoters

Particulars	31-Mar-22	31-Mar-21
Satish Mehta	0.02%	0.02%
Sunil Mehta	-	-

i. Shares reserved for issue under ESOS, 2013:

Particulars	31-Mar-22		31-Mar-21	
	Number of shares	Value	Number of shares	Value
Equity shares with face value of Rs. 10 each (refer note 45)				
a. At an exercise price of Rs. 165.07 per share (31-Mar-21: Rs. 221.25 per share)	7,30,000	7.30	9,00,000	9.00
b. At an exercise price of Rs. 452.57 per share (31-Mar-21: Rs. 508.75 per share)	60,000	0.60	60,000	0.60
c. At an exercise price of Rs. 465.82 per share (31-Mar-21: Rs. 522 per share)	1,60,000	1.60	1,60,000	1.60
d. At an exercise price of Rs. 523.82 per share (31-Mar-21: Rs. 580 per share)	1,95,000	1.95	2,55,000	2.55
e. At an exercise price of Rs. 563.82 per share (31-Mar-21: Rs. 620 per share)	2,20,000	2.20	2,20,000	2.20
f. At an exercise price of Rs. 862.07 per share	3,40,000	3.40	-	-
g. At an exercise price of Rs. 1000.05 per share	1,10,000	1.10	-	-
Total	18,15,000	18.15	15,95,000	15.95



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Rs. in million			
Note 16	Note	31-Mar-22	31-Mar-21
Other equity			
Capital reserve	(i)	-	12.92
Securities premium	(ii)	-	840.37
Share options outstanding account	(iii)	159.23	117.24
General reserve	(iv)	484.79	1,438.14
Foreign currency monetary item translation reserve	(v)	13.87	29.44
Retained earnings	(vi)	14,658.88	18,771.09
Total		15,316.77	21,209.20

Rs. in million		
Note to other equity	31-Mar-22	31-Mar-21
i. Capital reserve		
Balance as at the beginning and end of the year	12.92	12.92
Transfer to Avet Lifesciences Limited pursuant to demerger (Refer note 53)	(11.52)	-
Cancellation of Investments and Loan given to Avet Lifesciences Limited pursuant to demerger (Refer note 53)	(1.40)	-
Balance as at the end of the year	-	12.92
ii. Securities premium		
Balance as at the beginning of the year	840.37	840.37
Transfer to Avet Lifesciences Limited pursuant to demerger (Refer note 53)	(840.37)	-
Balance as at the end of the year	-	840.37
iii. Share options outstanding account		
Balance as at the beginning of the year	117.24	269.10
Equity contribution in the nature of employee stock options issued to employees of subsidiary	24.55	8.15
Employee share - based expense recognised in statement of profit and loss	32.63	26.05
Options forfeited, transferred to general reserve	(15.19)	(32.84)
Options forfeited, cancellation of equity contribution in the nature of ESOP issued	-	(153.22)
Balance as at the end of the year	159.23	117.24
iv. General reserve		
Balance as at the beginning of the year	1,438.14	1,414.18
Options forfeited, transferred from share options outstanding account	15.19	32.84
Income tax on above items	(3.82)	(8.88)
Transfer to Avet Lifesciences Limited pursuant to demerger (Refer note 53)	(964.72)	-
Balance as at end of the year	484.79	1,438.14
v. Foreign currency monetary item translation reserve		
Balance as at the beginning of the year	29.44	54.32
Reclassified to statement of profit and loss during the year	(20.81)	(33.25)
Income tax on above items	5.24	8.37
Balance as at the end of the year	13.87	29.44
vi. Retained earnings		
Balance as at the beginning of the year	18,771.09	14,746.09
Profit for the year	4,468.11	4,204.75
Items of other comprehensive income recognised directly in retained earnings	(7.90)	1.10
Dividend (including dividend distribution tax) (refer note below)	(542.55)	(180.85)
Transfer to Avet Lifesciences Limited pursuant to demerger (Refer note 53)	(8,029.87)	-
Balance as at the end of the year	14,658.88	18,771.09
Total	15,316.77	21,209.20



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

The following dividends were declared and paid by the Company during the year:

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Interim dividend on equity shares (March 31, 2022: Rs. 2.00 per share, March 31, 2021: Nil)	(361.70)	-
Final dividend on equity shares* (March 31, 2022: Rs. 1.00 per share, March 31, 2021: Rs. 1.00 per share)	(180.85)	(180.85)
Total	(542.55)	(180.85)

* Final dividend paid during the year ended March 31, 2022 is related to dividend proposed for the year ended March 31, 2021. Final dividend paid during the year ended March 31, 2021 is related to dividend proposed for the year ended March 31, 2020.

After the reporting dates the following dividend were proposed by the directors; the dividends have not been recognised as liabilities.

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Final Dividend : Rs. 1 per equity share (March 31, 2021 : Rs. 1 per equity share) subject to approval at the annual general meeting	180.85	180.85

Nature and purpose of other reserves

Capital reserve

Capital reserve was created on account of amalgamation of companies prior to 2001.

Securities premium

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

Share options outstanding account

The Company has established equity-settled share-based payment plans for certain categories of employees of the group. Refer note 45 for further details of these plans.

General Reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Foreign currency monetary item translation reserve ('FCMITR')

FCMITR is created on transfer of exchange differences related to long term monetary items which were not related to purchase of property, plant and equipment and intangible assets. This reserve is amortised over the remaining life of the long term monetary item and is transferred to the statement of profit and loss.

Retained earnings

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.



	Rs. in million	
	31-Mar-22	31-Mar-21
Note 17		
Non-current borrowings		
Secured		
Term loans:		
Indian currency loans from banks	1,491.33	2,407.78
Indian currency loans from others	2,959.80	3,573.96
Foreign currency loans from banks	2,913.77	3,595.61
Vehicle loans	86.92	35.78
	7,451.82	9,613.13
Less: Current maturities of term loans (refer note 20)	(2,151.38)	(2,963.47)
Less: Current maturities of vehicle loans (refer note 20)	(23.72)	(14.70)
Less: Transaction cost attributable to the borrowings	(152.76)	(175.22)
Total	5,123.96	6,459.74

Footnotes:

(a) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 39.

(b) Security information of outstanding loans is as below:

	Rs. in million	
	31-Mar-22	31-Mar-21
Nature of facility	Security offered	
Term Loan	Secured by hypothecation of Property, plant and equipment, Capital work-in-progress, Intangible assets (DMFs and acquired brands) and Second pari passu (hypothecation) charge on current assets of the Company	3,640.10
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by the Company	3,163.68
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by Zuventus Healthcare Limited (a subsidiary of the Company) and Corporate Guarantee of Zuventus Healthcare Limited	561.12
Vehicle Loan	Secured by vehicles for which loan is availed	86.92
Total	7,451.82	9,613.13

Further, refer Note 47 for details of assets pledged as security by the Company.

(c) Repayment terms of borrowings;

31-Mar-22	Repayment terms	Rate of interest % (per annum)	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years
Term Loan	48 monthly installments from January 2020 **	1 Y MCLR + 3.20%	INR	24	73.77	71.71	-	-
Term Loan	16 quarterly installments from January 2021	1 year MCLR+1.25%	INR	11	125.00	125.00	93.75	-
Term Loan	16 equal quarterly installments from April 2018 **	1 Y MCLR+ 2.90%	INR	10	162.50	162.50	80.95	-
Term Loan	16 equal quarterly installments from April 2020 **	1 Y MCLR+ 2.90%	INR	6	212.50	106.25	-	-
Term Loan	60 monthly installments from December 2019	LTLR - 8.25%	INR	35	40.84	50.00	45.83	-
Term Loan	20 Equal Quarterly Installments from May 2021	1 Year MCLR + 2.05%	INR	16	200.00	200.00	400.00	-
Term Loan	60 monthly installments from April 2021	LTLR - 10.00%	INR	48	140.00	140.00	280.00	-
Term Loan	8 Equal Quarterly installments from June 2023	7.80%	INR	8	-	73.85	73.85	-
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	LTLR - 8.25%	INR	2	-	-	15.34	-
Term Loan	60 monthly installments from August 2019	LTLR - 8.25%	INR	31	88.33	100.01	58.33	-
Term Loan	48 monthly installments from August 2021	3M MCLR + 0.35%	INR	40	38.75	38.75	52.20	-
Term Loan	28 quarterly ballooning installments from April 2019	LTRR-7.00%	INR	13	106.27	141.70	283.39	-
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	LTRR-7.00%	INR	2	-	-	29.76	-
Term Loan	60 monthly installments from April 2021	LTLR - 10.00%	INR	48	160.00	160.00	320.00	-
Term Loan	48 monthly installments from March 2019 **	1 year Libor + 3.44%	USD	18	250.80	127.24	-	-
Term Loan	12 equal half yearly installments from September 2020	6M Libor+ 3.50%	USD	9	75.79	75.79	189.47	-
Term Loan	16 equal quarterly installments from May 2018 **	6M Libor+ 3.25%	USD	2	47.37	-	-	-
Term Loan	12 equal half yearly installments from April 2021	6M Libor+ 3.50%	USD	10	239.99	239.99	719.98	-
Term Loan	12 equal half yearly installments from April 2021	6M Libor+ 3.50%	USD	10	189.47	189.47	568.41	-
Term Loan	12 equal half yearly installments from April 2021	6M Libor+ 3.50%	USD	10	23.72	21.06	42.14	-
Vehicle Loan	Monthly installments starting from Aug 2017	7.20% to 9.39%	INR	05-53	-	-	-	-
Total	Total				2,175.10	2,023.32	3,253.40	-

31-Mar-21	Repayment terms	Rate of Interest % (per annum)	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years
Term Loan	48 monthly installments from March 2017 **	1 Y MCLR + 3.25%	INR	5	24.45	-	-	-
Term Loan	48 monthly installments from July 2017 **	1 Y MCLR + 3.25%	INR	9	180.44	-	-	-
Term Loan	48 monthly installments from March 2019 **	1 Y MCLR + 2.95%	INR	1	16.54	-	-	-
Term Loan	48 monthly installments from January 2020 **	1 Y MCLR + 3.70%	INR	15	213.60	-	-	-
Term Loan	16 quarterly installments from January 2021	1 year MCLR+1.85%	INR	15	125.00	125.00	218.75	-
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	10	104.16	-	-	-
Term Loan	48 monthly installments from February 2018	1 year MCLR+1.60%	INR	10	104.16	-	-	-
Term Loan	16 equal quarterly installments from April 2018 **	LTM+75 bps	INR	10	212.50	212.50	106.25	-
Term Loan	16 equal quarterly installments from April 2020 **	LTM+75 bps	INR	14	162.50	162.50	243.45	-
Term Loan	28 quarterly ballooning installments from April 2019	LTRR-7.00%	INR	18	125.95	141.70	425.09	-
Term Loan	15 equal quarterly installments from July 2018	LTRR-6.90%	INR	4	160.00	-	-	-
Term Loan	14 equal quarterly installments from October 2018	LTRR-6.90%	INR	4	114.29	-	-	-
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	LTRR-6.90%/ 7.00%	INR	6	79.34	-	29.76	-
Term Loan	60 monthly installments from August 2019	LTLR - 8.25%	INR	43	68.33	88.34	158.33	-
Term Loan	60 monthly installments from December 2019	LTLR - 8.25%	INR	47	30.83	40.83	95.83	-
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	LTLR - 8.25%	INR	2	-	-	15.34	-
Term Loan	60 monthly installments from April 2021	LTLR - 10.00%	INR	60	160.00	160.00	480.00	-
Term Loan	60 monthly installments from April 2021	LTLR - 10.00%	INR	60	40.00	40.00	120.00	-
Term Loan	48 monthly installments from August 2021	3M MCLR + 0.35%	INR	44	28.33	42.50	84.17	-
Term Loan	20 Equal Quarterly Installments from May 2021	1 Year MCLR + 2.05%	INR	70	200.00	200.00	600.00	-
Term Loan	48 monthly installments from March 2019 **	1 year Libor + 3.44%	USD	28	234.26	250.80	85.62	-
Term Loan	12 equal half yearly installments from September 2020	6M Libor+ 3.50%	USD	11	73.11	73.11	219.33	36.56
Term Loan	12 equal half yearly installments from April 2021	6M Libor+ 3.50%	USD	12	414.29	414.29	1,242.87	414.29
Term Loan	16 equal quarterly installments from May 2018 **	6M Libor+ 3.25%	USD	6	91.39	45.69	-	-
Term Loan	16 equal quarterly installments from May 2018 **	7.50% to 9.39%	INR	01-59	14.70	10.47	10.61	-
Vehicle Loan	Monthly installments starting from Aug 2014							
Total	Total				2,978.17	2,048.71	4,135.40	450.85

** Repayment Terms are further elongated by 6 Months on account of avilment of Moratorium based on RBI Guidelines vide no. RBI/2019-20/186.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Rs. in million

	31-Mar-22	31-Mar-21
Note 18		
Other non-current financial liabilities		
Trade deposits (refer footnote (a) below)	90.05	91.72
Financial guarantee obligations (refer note 43)	-	11.82
Allowance for expected sales returns (refer note 22)	160.40	154.91
Other deposits (refer note 43)	53.61	14.99
Total	304.06	273.44

Footnotes:

(a) Includes deposit from firm in which directors of the Company are interested - Rs. 10.00 million (March 31, 2021 : Rs. 10.00 million).

(b) Includes deposit from Company in which directors of the Company are interested - Rs. 10.15 million (March 31, 2021 : Rs. Nil) and includes deposit from subsidiaries - Rs. 52.74 million (March 31, 2021 : Rs. 14.27 million).

Rs. in million

	31-Mar-22	31-Mar-21
Note 19		
Non-current provisions		
Provision for employee benefits		
Provision for compensated absences	212.35	178.03
Total	212.35	178.03

Rs. in million

	31-Mar-22	31-Mar-21
Note 20		
Current borrowings		
Secured		
Current maturities of term loans (refer note 17)	2,151.38	2,963.47
Current maturities of vehicle loans (refer note 17)	23.72	14.70
Cash credit facilities / bank overdraft repayable on demand from banks	4,242.69	3,298.44
Working capital loans from banks	4,213.07	3,252.35
	10,630.86	9,528.96
Unsecured		
Other cash credit facilities from banks	-	60.46
Less: Transaction cost attributable to the borrowings	(16.93)	(15.31)
Total	10,613.93	9,574.11

Footnotes:

1. Borrowings from banks are secured by hypothecation of inventories, book debts and receivables (refer note 47).

2. The Cash credit facilities / bank overdraft facilities are repayable on demand and working capital loans are repayable within a year, with a range of interest for foreign currency loans in USD at USD LIBOR + 85 bps to USD LIBOR + 250 bps, foreign currency loans in GBP at GBP LIBOR+115 bps, foreign currency loans in EURO at EURIBOR + 85 bps and for Rupee loans 7.25% p.a. to 8.20% p.a. (March 31, 2021: foreign currency loans of LIBOR + 150 bps to LIBOR + 250 bps and for Rupee loans 7.75% p.a. to 9.40% p.a.)



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

	Rs. in million	
Note 21	31-Mar-22	31-Mar-21
Trade payables		
Trade payables to related parties (refer note 43)	322.59	276.99
Other trade payables		
Total outstanding dues of micro and small enterprises (refer footnote (c) below)	216.46	17.35
Total outstanding dues of creditors other than micro and small enterprises	5,474.64	5,448.52
Total	6,013.69	5,742.86

Footnotes:

(a) All trade payables are current.

(b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 39.

(c) There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at year end. Refer note 50, for information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables ageing schedule;

	Rs. in million					
As at March 31, 2022	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	0.02	216.44	-	-	-	216.46
Others	577.85	5,180.97	31.76	3.08	3.57	5,797.23
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	577.87	5,397.41	31.76	3.08	3.57	6,013.69

	Rs. in million					
As at March 31, 2021	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	0.14	17.21	-	-	-	17.35
Others	941.71	4,756.01	11.49	3.70	12.60	5,725.51
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	941.85	4,773.22	11.49	3.70	12.60	5,742.86



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 22		
Other current financial liabilities		
Interest accrued but not due on borrowings	50.30	76.33
Interest accrued and due on trade deposits (refer footnote (a) below)	1.50	1.71
Employee benefits payable	1,059.66	983.58
Creditors for capital assets	402.38	198.88
Financial guarantee obligations (refer note 43)	-	20.25
Allowance for expected sales returns (refer footnote (d) below)	253.00	246.32
Other payables (refer note (c) below)	31.18	17.88
Total	1,798.02	1,544.95

Footnote:

(a) Includes Interest accrued and due on deposit from a firm in which directors of the company are interested - Rs. 0.17 million (March 31, 2021 - Rs. 0.17 million).

(b) The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 39.

(c) Includes amount payable to related parties amounting to Rs. 23.60 million (March 31, 2021 - Rs. 10.40 million)

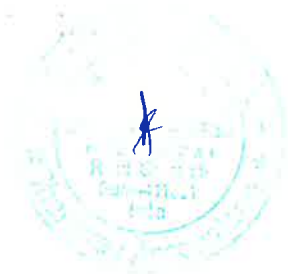
(d) Allowance for anticipated sales returns subsequent to sales

Allowance has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

	Rs. in million	
Particulars	31-Mar-22	31-Mar-21
Beginning of the year	401.23	359.00
Allowance created during the year	739.10	878.87
Allowance utilised during the year	(726.93)	(836.64)
At the end of the year (non-current and current)	413.40	401.23

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 23		
Current provisions		
Provision for employee benefits		
Provision for compensated absences	127.86	117.55
Provision for gratuity (refer note 44)	104.69	75.20
Total	232.55	192.75

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 24		
Other current liabilities		
Statutory dues including provident fund and tax deducted at source	157.52	177.89
Contract liabilities (advances from customers)	80.70	237.47
Total	238.22	415.36



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Rs. in million

Note 25	31-Mar-22	31-Mar-21
Revenue from operations*		
Revenue from contracts with customers		
Sale of products	32,990.80	30,513.14
Sale of services	798.45	314.39
Other operating revenue		
Scrap sales	56.42	47.15
Income from Government Grants:		
Export incentives	26.75	191.36
Indirect tax refund received (refer note 51)	-	8.09
Total	33,872.42	31,074.13

*Refer note 46 for details of revenue from contract with customers.

Note 26	31-Mar-22	31-Mar-21
Other income		
Interest income under the effective interest method from:		
Banks and others	13.14	53.28
Intercorporate loans	77.94	69.14
Dividend received from subsidiary	319.20	159.60
Profit on sale of property, plant and equipment	1.30	6.15
Gains on foreign exchange fluctuation (net)	416.38	268.02
Income on amortisation of financial guarantee liability (refer note 43)	32.07	20.25
Miscellaneous income	466.78	388.77
Total	1,326.81	965.21



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 27		
Cost of material consumed		
A: Raw material consumed		
Opening inventory	2,578.65	2,108.35
Add : Purchases (net)	9,695.30	9,793.32
	12,273.95	11,901.67
Less: Closing inventory	3,112.92	2,578.65
Cost of raw materials consumed during the year	9,161.03	9,323.02
B: Packing material consumed		
Opening inventory	473.27	374.26
Add : Purchases (net)	1,626.56	1,249.20
	2,099.83	1,623.46
Less: Closing inventory	539.96	473.27
Cost of packing materials consumed during the year	1,559.87	1,150.19
Less:- Cost of material consumed relating to discontinued operations (refer note 53)	-	(46.88)
Total (A+B)	10,720.90	10,426.33

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 28		
Changes in inventories of finished goods, work-in-progress and stock in trade		
Opening inventory		
Work-in-process	1,144.83	449.20
Finished goods	1,179.89	800.42
Stock in trade	491.98	487.45
	2,816.70	1,737.07
Less: Closing inventory		
Work-in-process	1,183.87	1,144.83
Finished goods	1,448.01	1,179.89
Stock in trade	545.82	491.98
	3,177.70	2,816.70
Changes in inventories of finished goods, work-in-progress and stock in trade	(361.00)	(1,079.63)

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 29		
Employee benefit expenses		
Salaries, wages and bonus	5,352.40	4,823.16
Contribution to provident and other funds (refer note 44)	294.48	265.79
Gratuity (refer note 44)	100.75	100.26
Employee share-based payment (refer note 45)	32.63	26.05
Staff welfare expenses	259.19	223.92
Total	6,039.45	5,439.18



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

	Rs. in million	
Note 30	31-Mar-22	31-Mar-21
Other expenses		
Processing charges	306.64	153.52
Factory consumables	957.19	730.18
Power and fuel	724.62	735.07
Insurance	111.43	105.89
Repairs and maintenance	413.15	330.53
Rent (refer note 3)	5.42	1.11
Rates and taxes	116.90	68.09
Freight	519.60	615.12
Advertisement and promotional materials	1,147.25	787.88
Travelling and conveyance	528.03	400.01
Commission on sales	297.22	204.10
Printing and stationery	63.44	58.47
Legal and professional fees	623.50	819.71
Contractual services	291.86	304.13
Payment to auditors (refer note below)	7.18	8.98
Commission to non executive directors	23.60	10.40
Directors sitting fees	4.34	1.16
Loss allowance for doubtful debts	24.91	23.42
Bad debts written off	13.91	24.32
Expenditure towards corporate social responsibility (refer note 52)	77.29	64.77
Miscellaneous expenses	439.87	409.06
Total	6,697.35	5,855.92

Footnote - Payment to auditors:

	Rs. in million	
Particulars	31-Mar-22	31-Mar-21
Audit fees	5.18	5.19
Other services*	1.80	3.54
Out of pocket expenses	0.20	0.25
Total	7.18	8.98

* Excludes payment to auditors amounting to Rs. 27.43 million (March 31, 2021 - Rs. Nil) towards IPO related services grouped under Prepaid expenses.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 31		
Depreciation and amortisation expense		
Depreciation on property, plant and equipment	1,297.51	1,228.22
Amortisation of intangible assets	230.60	207.12
Depreciation on right-of-use assets	129.81	106.74
Total	1,657.92	1,542.08

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 32		
Finance cost		
Interest on long-term borrowings measured at amortised cost	617.03	573.39
Interest on short-term borrowings measured at amortised cost	390.02	284.10
Interest on shortfall of advance income tax	27.58	45.73
Interest accrued on lease liabilities	83.00	54.97
Other borrowing costs	188.50	224.64
Exchange differences to the extent regarded as an adjustment to borrowing costs	145.24	-
Total	1,451.37	1,182.83

	Rs. in million	
	31-Mar-22	31-Mar-21
Note 33		
Exceptional items		
Consultancy fees (see footnote (a) and (b) below)	-	182.88
Less:- Exceptional items relating to discontinued operations (refer note 53)	-	(137.63)
Total	-	45.25

Footnote:

(a) The Company received a warning letter dated March 3, 2016 in respect of its manufacturing location in Pune. The Company's products are under an ongoing 'import alert' (with the exemption of few products) from the Food and Drug Administration of the USA ('US FDA'). Management has taken the necessary corrective actions based on the audit conducted by US FDA with the last response sent on May 18, 2020.

The Company has also engaged external consultants as a part of remediation action for their Hinjewadi plant. Professional fees paid amounting to Rs. Nil (March 31, 2021 : Rs. 62.99 million) to external consultant has been classified as an exceptional item.

(b) Consultancy fees towards Drug pricing litigation amounting to Rs. Nil (March 31, 2021: Rs. 119.89 million) has been classified as exceptional item (Refer note 41).



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 34	Rs. in million	
	31-Mar-22	31-Mar-21
Tax expenses recognised in statement of profit and loss		
Current tax		
Current tax on profits for the year	1,526.17	1,442.93
Tax related to prior years	161.01	(31.66)
Less:- Current tax relating to discontinued operations (refer note 53)	-	5.21
Total current tax expense	1,687.18	1,416.48
Deferred tax		
Originating and reversal of temporary differences	(2.43)	(50.76)
Changes in recognised temporary differences of earlier years	11.37	9.22
Less:- Deferred tax relating to discontinued operations (refer note 53)	-	(0.72)
Total deferred tax expense/(benefit)	8.94	(42.26)
Total	1,696.12	1,374.22

	Rs. in million	
	31-Mar-22	31-Mar-21
Tax (expenses)/income recognised in other comprehensive Income		
Remeasurements of post-employment benefit obligations	2.66	(0.37)
Total	2.66	(0.37)

	Rs. in million	
	31-Mar-22	31-Mar-21
Tax expense recognised in other equity		
Foreign currency monetary item translation reserve	5.24	8.37
General Reserve	(3.82)	(8.88)
Total	1.42	(0.51)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	Rs. in million			
	31-Mar-22		31-Mar-21	
Profit before tax from continuing operations		6,164.23		5,595.17
Profit before tax from discontinued operations		-		(20.69)
Profit before tax expense		6,164.23		5,574.48
Tax using the Company's domestic tax rate of 25.17% (Mar 31, 2021 : 25.17%)	25.17%	1,551.41	25.17%	1,402.99
<i>Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:</i>				
Non taxable income	-1.30%	(80.34)	-0.72%	(40.17)
Non deductible expenses	0.86%	52.73	0.53%	29.39
Tax related to prior years	2.61%	161.01	-0.57%	(31.66)
Changes in recognised temporary differences of earlier years	0.18%	11.37	0.17%	9.22
Other items	-0.01%	(0.06)	0.00%	(0.04)
Effective tax rate for continuing and discontinuing operations	27.52%	1,696.12	24.57%	1,369.73

Note 35	Rs. in million	
	31-Mar-22	31-Mar-21
Deferred tax assets/(liabilities) - net		
Deferred tax assets:		
Income statement		
Loss allowance - trade receivables	81.10	88.59
Provision - employee benefit	119.54	107.54
Financial guarantee liability	-	8.06
Loans to subsidiaries	9.74	15.21
Lease Liability	230.31	153.86
Total deferred tax assets	440.69	373.26
Deferred tax liabilities:		
Property, plant and equipment	466.82	425.73
Intangible assets	65.64	88.09
Right to use asset	205.25	139.53
Total deferred tax liabilities	737.71	653.35
Deferred tax asset/(liability) - net	(297.02)	(280.09)



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 35: Deferred tax assets/(liabilities) - net (continued)

Rs. in million

Movement of Deferred tax assets / liabilities	Net deferred tax assets/(liabilities) as at 01-Apr-21	Transferred to statement of profit and loss	Transferred to Other comprehensive income	Others (refer note 53)	Net deferred tax assets/(liabilities) as at 31-Mar-22
Loss allowance - trade receivables	88.59	3.16	-	(10.65)	81.10
Provision - Employee benefit	107.54	9.34	2.66	-	119.54
Financial guarantee liability	8.06	(8.06)	-	-	-
Lease Liability	153.86	76.45	-	-	230.31
Loans to subsidiaries	15.21	(5.47)	-	-	9.74
Property, plant and equipment	(425.73)	(41.09)	-	-	(466.82)
Intangible assets	(88.09)	22.45	-	-	(65.64)
Right to use asset	(139.53)	(65.72)	-	-	(205.25)
Total	(280.09)	(8.94)	2.66	(10.65)	(297.02)

Rs. in million

Movement of Deferred tax assets / liabilities	Net deferred tax assets/(liabilities) as at 01-Apr-20	Transferred to statement of profit and loss ^	Transferred to Other comprehensive income	Others	Net deferred tax assets/(liabilities) as at 31-Mar-21
Loss allowance - trade receivables	68.89	19.70	-	-	88.59
Provision - Employee benefit	97.46	10.45	(0.37)	-	107.54
Financial guarantee liability	13.15	(5.09)	-	-	8.06
Lease Liability	132.35	21.51	-	-	153.86
Loans to subsidiaries	5.62	9.59	-	-	15.21
Property, plant and equipment	(425.30)	(0.43)	-	-	(425.73)
Intangible assets	(88.75)	0.66	-	-	(88.09)
Right to use asset	(124.68)	(14.85)	-	-	(139.53)
Total	(321.26)	41.54	(0.37)	-	(280.09)

^ represents amount in respect of continuing and discontinued operations.

Rs. in million

Note 36	31-Mar-22	31-Mar-21
Income tax assets/(liabilities) (net)		
Income Tax assets (net of provision)	55.78	46.34
Income Tax liabilities (net of advance tax)	(357.65)	(341.58)
Income Tax assets/(liabilities) (net)	(301.87)	(295.24)



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 37 : Earnings per share

Particulars	31-Mar-22	31-Mar-21
Basic earnings per share		
A. Profit after tax from continuing operations attributable to equity shareholders (Rs. in million)	4,468.11	4,220.95
B. Profit after tax from discontinued operations attributable to equity shareholders (Rs. in million)	-	(16.20)
C. Profit after tax attributable to equity shareholders (Rs. in million)	4,468.11	4,204.75
D. Weighted average number of equity shares for the year	18,08,52,116	18,08,52,116
Basic earnings per share for continuing operations (Rs.) (A/D)	24.71	23.34
Basic earnings per share for discontinued operations (Rs.) (B/D)	-	(0.09)
Basic earnings per share for continuing and discontinued operations (Rs.) (C/D)	24.71	23.25
Diluted earnings per share		
E. Adjusted net profit from continuing operations for the year (Rs. in million) (refer note below)	4,468.11	4,220.95
F. Adjusted net profit from discontinued operations for the year (Rs. in million) (refer note below)	-	(16.20)
G. Adjusted net profit for the year (Rs. in million) (refer note below)	4,468.11	4,204.75
Weighted average number of equity shares for the year	18,08,52,116	18,08,52,116
Add: Effect of employee stock options*	-	-
H. Weighted average number of equity share (diluted) for the year	18,08,52,116	18,08,52,116
Diluted earning per share for continuing operations (Rs.) (C/D)	24.71	23.34
Diluted earnings per share for discontinued operations (Rs.) (B/D)	-	(0.09)
Diluted earnings per share for continuing and discontinued operations (Rs.) (C/D)	24.71	23.25
Face value per share (Rs.)	10.00	10.00

Note: Reconciliations of earnings used for calculating diluted earnings per share (continuing and discontinued operations)

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	4,468.11	4,204.75
Add: Employee share-based payment (net of tax)*	-	-
Profit attributable to the equity holders of the company used for calculating diluted earnings per share	4,468.11	4,204.75

* The effect of conversion of potential equity share for the year ended March 31, 2022 and year ended March 31, 2021 is excluded, since the impact on earnings per share is anti dilutive.

Note 38 : Capital management

The Company's objectives when managing capital are to;

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Generally consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The Company's strategy is to maintain a gearing ratio less than 1.50x. Refer note 54 for gearing ratio as at end of reporting period.



Note 39 : Financial risk management

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is carried out by central treasury department under guidance of the board of directors and the core management team of the Company, and it focuses on actively ensuring the minimal impact of Company's financial position.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the standalone financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets measured at amortised cost.	Ageing analysis credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange outflow and inflow. Borrowing in foreign currency to fulfil foreign currency obligation
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets. Credit risk is managed 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. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents, inter corporate loans and deposits.

Further, the Company also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Company depending on the diversity of its asset base, uses appropriate groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Company limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Company considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Company has exposure to credit risk which is limited to carrying amount of financial assets recognised at the date of Balance sheet.

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice significant domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure except for receivables from related parties. However, the Company does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Further, majority of the receivables pertains to receivables from Subsidiaries, wherein the concentration of credit risk is considered to be low. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Company uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

Year ended March 31, 2022:

Expected credit loss for trade receivables under simplified approach

Ageing	Rs. in million						
	Not Due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Gross carrying amount	4,610.64	2,954.66	1,032.23	742.13	387.57	685.92	10,413.15
Expected loss rate (includes interest as well as	-2.01%	-1.53%	-2.98%	-4.17%	-3.23%	-16.09%	-3.09%
Expected credit losses (loss allowance provision)	(92.62)	(45.07)	(30.74)	(30.96)	(12.50)	(110.34)	(322.23)
Carrying amount of trade receivables (net of loss allowance)	4,518.02	2,909.59	1,001.49	711.17	375.07	575.58	10,090.92

Year ended March 31, 2021:

Expected credit loss for trade receivables under simplified approach

Ageing	Rs. in million						
	Not Due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Gross carrying amount	4,001.71	3,051.25	1,334.87	977.90	469.93	510.57	10,346.23
Expected loss rate (includes interest as well as	-1.91%	-2.16%	-7.99%	-3.38%	-3.13%	-23.87%	-3.40%
Expected credit losses (loss allowance provision)	(76.52)	(65.85)	(39.96)	(33.08)	(14.71)	(121.86)	(351.98)
Carrying amount of trade receivables (net of loss allowance)	3,925.19	2,985.40	1,294.91	944.82	455.22	388.71	9,994.25

There are no financial assets which have been written off during the year which are subject to enforcement activity.



Note 39 : Financial risk management (continued)

Reconciliation of loss allowance provision — Trade receivables

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Loss allowance as at the beginning of the year	351.98	273.71
Amounts written off	(13.91)	(24.32)
Transfer to Avet Lifesciences Limited pursuant to demerger (Refer note 53)	(42.31)	-
Net remeasurement of loss allowances	26.47	102.59
Loss allowance as at the end of the year	322.23	351.98

Cash and cash equivalents and deposits with banks:

With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputed banks with very high credit worthiness.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financial liabilities. Due to the dynamic nature of the underlying business, Company maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a 30-day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and reviewed at regular intervals.

The Company maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

Financing arrangements

The Company has access to undrawn borrowing facilities including overdraft facility at the end of the reporting period.

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities.

Contractual maturities of financial liabilities	Rs. in million				
	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
March 31, 2022					
Trade payable	6,013.69	-	-	-	6,013.69
Current borrowings	8,438.83	-	-	-	8,438.83
Bank term loans	2,175.10	2,002.00	3,121.96	-	7,299.06
Lease Liabilities	167.26	150.12	318.89	916.65	1,552.92
Trade deposit	-	-	90.05	-	90.05
Other financial liabilities	1,798.02	120.30	93.71	-	2,012.03
Total	18,592.90	2,272.42	3,624.61	916.65	25,406.58
March 31 2021					
Trade payable	5,742.86	-	-	-	5,742.86
Current borrowings	6,595.94	-	-	-	6,595.94
Bank term loans	2,978.17	1,964.49	4,046.43	448.82	9,437.91
Lease Liabilities	130.97	125.19	242.48	471.65	970.29
Trade deposit	-	-	91.72	-	91.72
Other financial liabilities	1,544.95	128.00	53.72	-	1,726.67
Total	16,992.89	2,217.68	4,434.35	920.47	24,565.39

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Company operates in international markets and a significant portion of its business is transacted in different currencies and consequently the group is exposed to foreign exchange risk through its sales and services and imported purchase to/from various countries.

The Company's foreign currency exposure is mainly in USD, EURO, CAD and GBP. The Company's financial liabilities in foreign currency mainly constitutes of bank loans which are repayable over the period of 5 years and trade payables. With sufficient export receivables, the Company has positive net currency asset base as compared to liabilities. Further, the Company receives foreign currency against its exports receivables on regular basis against which the Company pays its loan and import commitments. The Company has significant amount receivable in foreign currency from its subsidiaries which are generally collected on time. To mitigate the risk arising on account of foreign exchange fluctuation, management closely monitors the cash inflows based on review of expected future movement in foreign currencies.



Note 39 : Financial risk management (continued)

The bulk of contributions to the Company's assets, liabilities, income and expenses in foreign currency are denominated in USD, EURO, GBP, CAD, AUD and AED. Foreign currency denominated financial assets and liabilities expressed in Rs. as at the closing are as follows:

Foreign currency risk exposure:	Currency	In million			
		Rs. In million		Foreign Currency	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Financial assets					
Receivables (including other receivables)	EURO	742.02	357.29	8.85	4.17
	USD	4,817.45	6,478.94	63.56	88.60
	GBP	1,184.77	304.26	11.90	3.02
	AED	16.63	11.98	0.81	0.60
	AUD	22.91	20.32	0.41	0.37
	CAD	885.38	1,428.75	14.39	24.39
Loans to subsidiaries	USD	283.99	2,832.23	3.75	38.74
	AED	-	111.90	-	5.63
	GBP	-	604.77	-	6.00
	CAD	1,032.07	-	17.00	-
Interest receivable on loans to subsidiaries	USD	118.83	161.83	1.57	2.21
	AED	-	15.05	-	0.76
	GBP	-	18.97	-	0.19
Cash and cash equivalents	USD	258.37	160.27	3.41	2.19
	EURO	9.91	0.08	0.12	-
	Others*	0.06	0.06	0.06	0.13
Total		9,372.39	12,506.70		
Financial liabilities					
Payables (including other payables)	EURO	66.36	33.98	0.79	0.40
	USD	1,080.22	918.28	14.24	12.56
	GBP	0.50	6.64	*	0.07
	AUD	11.40	12.31	0.20	0.22
	CAD	22.23	13.95	0.37	0.24
	Others*	1.37	1.00	*	0.02
Interest Payable on loan	USD	40.53	55.69	0.54	0.77
	GBP	0.61	-	0.01	-
	EURO	0.01	-	-	-
Loans payable	USD	3,974.79	4,838.48	52.45	66.18
	GBP	428.07	-	4.30	-
	EURO	251.67	-	3.00	-
Total		5,877.76	5,880.33		

* Foreign currency of insignificant amount

Sensitivity for significant currencies to which the Company is exposed:

Particulars	Rs. in million	
	Impact on profit before tax	
	31-Mar-22	31-Mar-21
USD sensitivity		
USD/INR - Increase by 4% (March 31, 2021: 4%)*	15.32	152.83
USD/INR - Decrease by 4% (March 31, 2021: 4%)*	(15.32)	(152.83)
EURO sensitivity		
EURO/INR - Increase by 2% (March 31, 2021: 2%)*	8.68	6.47
EURO/INR - Decrease by 2% (March 31, 2021: 2%)*	(8.68)	(6.47)
GBP sensitivity		
GBP/INR - Increase by 8% (March 31, 2021: 8%)*	60.45	73.71
GBP/INR - Decrease by 8% (March 31, 2021: 8%)*	(60.45)	(73.71)
CAD sensitivity		
CAD/INR - Increase by 4% (March 31, 2021: 4%)*	75.81	56.59
CAD/INR - Decrease by 4% (March 31, 2021: 4%)*	(75.81)	(56.59)

* Holding all other variables constant



Note 39 : Financial risk management (continued)

C) Market risk (continued)

Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to interest rate risk. During March 31, 2022 and March 31, 2021, the Company's borrowings at variable rate were mainly denominated in INR and USD.

Interest rate risk exposure

The Company's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Company to interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

As a part of Company's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps, contracts to hedge foreign currency risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk related to interest rate movement,

All the borrowing except vehicle loan are at floating rate. Refer note no. 17.

Sensitivity

The Company's policy is to minimize interest rate cash flow risk exposures on borrowing. The Company has exposure to foreign currency as well as local currency. The local currency loans are mainly linked to bank base rate/ marginal cost of funds based lending (MCLR) whereas foreign currency loans are majorly linked with USD libor linked rates.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Rs. in million	
	Impact on profit before tax	
	31-Mar-22	31-Mar-21
Interest rates -- increase by 25 basis points (25 bps) *	(39.34)	(40.02)
Interest rates -- decrease by 25 basis points (25 bps) *	39.34	40.02

* Holding all other variables constant

The bank deposits are placed on fixed rate of interest of approximately 2.75% p.a. to 6.60% p.a (March 31, 2021: 5.50% p.a. to 8% p.a). As the interest rates do not vary unless such deposits are withdrawn and renewed, interest rate risk is considered to be low.



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Financial instruments and risk management

Note 40 : Fair value measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

March 31, 2022		Rs. in million		
Particulars	Carrying amounts valued at			
	Fair value	Amortised Cost	Cost	Total
Financial assets measured at fair value through other comprehensive income				
Level 3				
Investment in LLP (FVOCI)	250.00	-	-	250.00
Financial assets not measured at fair value*				
Investments in Subsidiaries / others	-	-	5,383.59	5,383.59
Loans to related parties	-	1,277.36	-	1,277.36
Security deposits	-	131.21	-	131.21
Trade receivables	-	10,090.92	-	10,090.92
Interest accrued on loans to related parties	-	118.83	-	118.83
Cash and cash equivalents	-	309.23	-	309.23
Term deposits with banks	-	185.50	-	185.50
Other financial assets	-	802.41	-	802.41
Total Financial assets	250.00	12,915.46	5,383.59	18,549.05
Financial liabilities not measured at fair value*				
Long term borrowings (including current maturities)	-	7,299.06	-	7,299.06
Short term borrowings	-	8,438.83	-	8,438.83
Trade deposits	-	90.05	-	90.05
Lease Liabilities	-	915.08	-	915.08
Trade payables	-	6,013.69	-	6,013.69
Creditors for capital assets	-	402.38	-	402.38
Other Financial liabilities	-	1,609.65	-	1,609.65
Total financial liabilities	-	24,768.74	-	24,768.74

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

There are no transfers between any levels during the year.

Determination of fair values:

Investment in LLP: The investment included in Level 3 of fair value hierarchy is valued using the cost approach to arrive at their fair value. The cost of unquoted investment approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

March 31, 2021		Rs. in million		
Particulars	Carrying amounts valued at			
	Fair value	Amortised Cost	Cost	Total
Financial assets not measured at fair value*				
Investments in Subsidiaries / others	-	-	8,637.31	8,637.31
Loans to related parties	-	2,659.70	-	2,659.70
Security deposits	-	120.82	-	120.82
Trade receivables	-	9,994.25	-	9,994.25
Interest accrued on loans to related parties	-	121.85	-	121.85
Cash and cash equivalents	-	2,455.58	-	2,455.58
Term deposits with banks	-	173.41	-	173.41
Other financial assets	-	2,080.49	-	2,080.49
Total Financial assets	-	17,606.10	8,637.31	26,243.41
Financial liabilities not measured at fair value*				
Long term borrowings (including current maturities)	-	9,437.91	-	9,437.91
Short term borrowings	-	6,595.94	-	6,595.94
Trade deposits	-	91.72	-	91.72
Lease Liabilities	-	611.33	-	611.33
Trade payables	-	5,742.86	-	5,742.86
Creditors for capital assets	-	198.88	-	198.88
Other Financial liabilities	-	1,527.79	-	1,527.79
Total financial liabilities	-	24,206.43	-	24,206.43

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

There are no transfers between any levels during the year.



Note 41 : Contingent liabilities (to the extent not provided for)

A. Claims against the Company not acknowledged as debts as at year end

Sr. No.	Particulars	Rs. in million	
		31-Mar-22	31-Mar-21
a)	Sales tax	23.54	29.57
b)	Excise and Service Tax matters	19.85	21.06
	Total	43.39	50.63

c) Other notes:

1) A Search and Seizure Operation ('the Operation') was conducted by the Income Tax Department during the month of December 2020 under section 132 of the Income-tax Act, 1961. The Company has received notices u/s. 153A and has filed the required returns of income for the respective assessment years. Based on the enquiries made by the Income tax department and the Company's submissions thereto, Management is of the view that the matters involved are normal tax matters in respect of certain tax deductions and allowances, and accordingly the Operation will not have any significant impact on the Company's financial position and performance as at and for the year ended March 31, 2022 or any of the earlier years presented herein.

2) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgment/decisions pending with various forums/authorities.

3) The Company is also contesting other civil claims against which the Company not acknowledged as debts and the management believes that its position will likely be upheld in the appellate process. At this stage in the proceedings, it is not possible to estimate the likelihood or extent of the liability, if any.

4) There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution of provident fund under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. The Company has also obtained a legal opinion on the matter and basis the same there is no material impact on the standalone financial statements as at March 31, 2022 or any of the earlier years presented herein. The Company would record any further effect on its standalone financial statements, on receiving additional clarity on the subject.

5) Further, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the standalone financial statements. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the Company's financial position and results of operations.

B. Other legal matters

AstraZeneca Vs Emcure CS (COMM)-407/2020 (Dapagliflozin Tablet)

On Sep 29, 2020, AstraZeneca filed a patent infringement suit for asserting two patents (IN205147 and IN235625) related to Dapagliflozin, against Emcure and sought injunction relief. Emcure made statement in Court that "Emcure will not be manufacturing and/or launching its product as it has lost commercial interest in Dapagliflozin". In view of this statement, Delhi High Court passed an Order. On November 15, 2021, Emcure filed an application to withdraw its earlier statement and seek permission for launch Dapagliflozin due to revival of business interest. On this basis, the Delhi High Court vide its order dated Feb 22, 2022 has modified its earlier order of Oct 22, 2020, thereby allowing Emcure to manufacture and / or launch the said product subject to the undertaking provided in the Order.

Bristol Myers Squibb (BMS) Vs Emcure CS(COMM)-684/2019

In Dec 2019, BMS sued Emcure in Delhi High Court for infringement of Indian Patent No.247381, expiring on Sep 17, 2022. On Dec 12, 2019, the court granted an ad-interim injunction in favour of BMS and against Emcure. The court directed parties to maintain status quo for launch of its product till the disposal of the application. Thereafter, Emcure filed an appeal division bench of Delhi High Court, which is FAO(OS)(COMM) 377/2019, the aforesaid matters are still pending.

HDT Bio Corp. Vs Emcure

Emcure Pharmaceuticals, Ltd. ("Emcure") was sued by HDT Bio Corp. ("HDT") in the United States District Court – Seattle Division for the Western District of Washington on March 21, 2022 alleging that it misappropriated trade secrets. HDT's allegations arise from alleged breaches of a License Agreement ("the Agreement") between HDT and Gennova Pharmaceuticals Limited ("Gennova"), a subsidiary of Emcure. Emcure is not a party to the Agreement between HDT and Gennova. While the case is still in an early procedural phase, the merits of HDT's claims cannot be fully assessed at this time. However, Management believes that it has strong grounds of defense in the matter.

C. Drug Pricing Matters **

Department of Justice On December 2, 2015, the Company's subsidiary Heritage Pharmaceuticals Inc (Heritage) learned that the United States Department of Justice, Antitrust Division ("DOJ") initiated an investigation into Heritage and its employees regarding alleged violations of U.S. antitrust laws, which prohibit contracting or conspiring to restrain trade or commerce. In support of that investigation, the DOJ executed relevant search warrants at the Heritage's premises and at the residence of one of the Heritage's national accounts managers. In addition, the DOJ served grand jury subpoenas on the Heritage, and several current and former employees, which sought a variety of materials and data relevant to the Heritage's generic drug business. The Heritage is fully cooperated with the DOJ and responded to its subpoenas.

On May 7, 2018, Heritage received a civil investigative demand from the United States Department of Justice, Civil Division ("DOJ Civil") seeking documents and information in connection with a simultaneous investigation under the False Claims Act.

On May 31, 2019, Heritage announced that it entered into a deferred prosecution agreement ("DPA") with the DOJ relating to a one-count information for a conspiracy involving glyburide. In conjunction with the DPA, Heritage agreed to pay a USD 225,000 fine. In addition, Heritage also announced that it separately agreed to a settlement with DOJ Civil to resolve potential civil liability under the False Claims Act in connection with the same antitrust conduct. Under the terms of the settlement with DOJ Civil, Heritage agreed to pay USD 7.1 million. These resolutions fully resolve Heritage's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.

In addition to the above, on May 31, 2019, the Company also entered into a cooperation and non-prosecution agreement ("NPA") with DOJ under which the Company, and its current officers, directors, and employees received non-prosecution protection in exchange for its agreement to provide cooperation into the DOJ's investigation. This resolution fully resolves the Company and its current officers, directors, and employees from potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.



Note 41 : Contingent liabilities (to the extent not provided for) (continued)

D. Attorneys General Litigation **

On December 21, 2015, the Company's subsidiary Heritage Pharmaceuticals Inc ("Heritage") received a subpoena and interrogatories from the Connecticut Office of the Attorney General seeking information relating to the marketing, pricing and sale of certain of Heritage's generic products (including generic doxycycline) and communications with competitors about such products. On December 14, 2016, attorneys general of twenty states filed a complaint in the United States District Court for the District of Connecticut against several generic pharmaceutical drug manufacturers and individuals, including Heritage, alleging anticompetitive conduct with respect to, among other things, doxycycline hyclate DR. On June 18, 2018, attorneys general of forty-five states, the District of Columbia and the Commonwealth of Puerto Rico filed an amended consolidated complaint against various drug manufacturers, including Heritage, Emcure and Emcure's Chief Executive Officer, Satish Mehta based on the same alleged conduct. The consolidated complaint (the "State AG Complaint") was subsequently amended to add certain attorneys general alleging violations of federal and state antitrust laws, as well as violations of various states' consumer protection laws.

The consolidated State AG Complaint alleges that Heritage engaged in anticompetitive conduct with respect to fifteen different drugs: acetazolamide; doxycycline monohydrate, doxycycline hyclate DR, fosinopril HCTZ, glipizide metformin, glyburide, glyburide metformin, leflunomide, meprobamate, nimodipine, nystatin, paromomycin, theophylline, verapamil, and zoledronic acid. The consolidated State AG Complaint also includes claims asserted by attorneys general of thirty-seven states and the Commonwealth of Puerto Rico against Heritage, Emcure, and certain individuals, including Emcure's Chief Executive Officer, Satish Mehta, with respect to doxycycline hyclate DR. The allegations in the State AG Complaint are similar to those in the previously filed civil complaints (discussed below).

The consolidated State AG Complaint was transferred and consolidated into the ongoing multidistrict litigation captioned In re Generic Pharmaceuticals Pricing Antitrust Litigation, Case No. 16 MD 2724, which is currently pending in the United States District Court, Eastern District of Pennsylvania (the "Antitrust MDL").

The parties are engaged in initial factual discovery in the Antitrust MDL, and therefore, at this stage in the proceedings, it is not possible to estimate the likelihood or extent of the liability, if any.

E. Civil Litigation **

Beginning in 2016, Heritage, along with other manufacturers, has been named as a defendant in lawsuits generally alleging anticompetitive conduct with respect to generic drugs. The lawsuits have been filed by putative classes of direct and indirect purchasers, indirect resellers, as well as individual direct and indirect purchasers. They allege harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. Some of the lawsuits also name Heritage and company's Chief Executive Officer, Satish Mehta, as defendants and include allegations against them with respect to doxycycline hyclate DR. The lawsuits have been consolidated in the Antitrust MDL (referenced above).

A number of other lawsuits have been separately filed against Heritage, and various other manufacturers, by individual plaintiffs who have elected to opt-out of the putative classes. These complaints also generally allege anticompetitive conduct with respect to generic drugs which allegedly caused harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. These lawsuits have also been consolidated in the pending Antitrust MDL.

The parties are engaged in initial factual discovery in the Antitrust MDL, and therefore, at this stage in the proceedings, it is not possible to estimate the likelihood or extent potential liability, if any.

F. Other Litigation Matters Filed Against Heritage **

Ranitidine Litigation

In June 2020, the Company's subsidiary Heritage Pharmaceuticals Inc (Heritage) received notice that three Master Consolidated Complaints – the Master Personal Injury Complaint ("MPIC"), the Consolidated Consumer Class Action Complaint ("CCCAC"), and the Consolidated Third Party Payor Class Complaint ("CTPPCC") – and five individually-filed purported class actions have been filed against a number of defendants, including Heritage, Heritage Labs, and Emcure, alleging personal injuries in connection with alleged elevated levels of NDMA contained in a ranitidine product that may have been manufactured by a third-party manufacturer and allegedly sold by Heritage. Each case has been consolidated into the ongoing multidistrict litigation captioned In re: Zantac (Ranitidine) Products Liability Litigation, MDL No. 2924, Case No. 20 MD 294, in the United States District Court, Southern District of Florida. Heritage Labs and Emcure have been dismissed by the Court from this litigation without prejudice, leaving Heritage as the single remaining defendant. Heritage is no longer subsidiary of the Company, pursuant to scheme of arrangement as referred in note 53 of the financial statements.

** The Company has entered into an indemnity agreement with Avet Lifesciences Limited ("Avet Life"), whereby from the effective date of the scheme of arrangement (as referred in note 53 of the financial statements), Avet Life has agreed to indemnify, defend and hold harmless the Company and directors, officers, employees, agent, representatives and shareholders of the Company (the "Indemnified Parties"), as applicable, from and against any and all the losses suffered or incurred by the Indemnified Parties, which arises out of, or results from or in connection with any claim and any loss suffered by the Indemnified Parties on account of breach by Avet Life or its subsidiaries and affiliates of any covenants, undertakings and/or obligations of the Indemnification Deed, and in relation to losses arising out of certain identified claims including claims and obligations of the Company under the non-prosecution agreement and the leniency agreement, entered into with the DOJ and several pending litigations in the U.S. Pursuant to the Indemnification Deed, Avet Life will assume all losses or liability, and the payment obligation (if any), that would be owed by the Company in either the State AG Complaint or the Civil Cases under a negotiated settlement agreement, or an adverse verdict rendered by a jury against the Company or our officers, directors and employees. As a result of such indemnity agreement, the Company would be liable for any potential settlement obligation, or adverse jury verdict for the amount directed specifically against it, only in the event that Avet Life is unable to fully satisfy such an obligation or verdict.

J. General

From time to time, the Company is subject to various disputes, governmental and/or regulatory inquiries or investigations, and litigations, some of which result in losses, damages, fines and charges against the Company. While the Company intends to vigorously defend its position in the claims asserted against it, the ultimate resolution of a matter is often complex, time consuming, and difficult to predict. Therefore, except as described below, the Company does not currently have a reasonable basis to estimate the loss, or range of loss, that is reasonably possible with respect to matters disclosed in this note.

The Company records a provision in its standalone financial statements to the extent that it concludes that a contingent liability is probable and the amount is estimable and has noted those contingencies below. The Company's assessments involve complex judgments about future events and often rely heavily on estimates and assumptions. The Company also incurs significant legal fees and related expenses in the course of defending its positions even if the facts and circumstances of a particular litigation do not give rise to a provision in the standalone financial statements.



Note 42 : Capital and other commitments (to the extent not provided for)

A) Capital commitment

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	847.71	404.56

B) Other commitments

i) Export Oriented Unit compliance

The Company has a 100 per cent Export Oriented Unit (EOU) set up under the permission granted by the Office of the Development Commissioner of SEEPZ Special Economic Zone of the Government of India. The authorities have, inter alia, laid down the following conditions, failing which the Company may be liable for penal action:

- The entire (100%) production shall be exported against hard currency except the sales in domestic tariff area admissible as per entitlement.
- The Export Oriented Unit of the Company shall be a positive net foreign exchange earner over a period of six years from the date of commencement of production.

As at the year end, the Company is in compliance with the condition laid down by the authorities and does not expect any non-compliance in future.

ii) Long-term contracts

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts for which there were any material foreseeable losses.

iii) Derivative contracts

The Company has not entered into any derivative contracts during the year and has no derivative contract outstanding as at the year end.

C) Financial guarantees given

The Company exposure towards corporate guarantees given as at the reporting date is as below:

March 31, 2022	Currency	Outstanding Guarantee Value		Outstanding Exposure Value	
		FC. In million	Rs. In million	FC. In million	Rs. In million
Bankers for Genova Biopharmaceuticals Ltd. in respect of loans	INR	-	2,295.00	-	1,241.87
Bankers for Marcan Pharmaceuticals Inc. in respect of loans	CAD	26.30	1,596.68	23.90	1,451.03
Bankers for Marcan Pharmaceuticals Inc. in respect of loans	USD	25.56	1,937.13	21.23	1,608.91
Bankers for Emcure Pharmaceuticals Mena FZ LLC. in respect of loans	AED	8.00	165.06	6.49	133.91
Bankers for Tillomed Laboratories Limited. in respect of loans	GBP	6.60	657.03	6.00	597.30
Bankers for Avet Lifesciences Private Limited in respect of loans	USD	65.00	4,926.19	57.47	4,355.41

March 31, 2021	Currency	Outstanding Guarantee Value		Outstanding Exposure Value	
		FC. In million	Rs. In million	FC. In million	Rs. In million
Bankers for Genova Biopharmaceuticals Ltd. in respect of loans	INR	-	140.00	-	18.24
Bankers for Heritage Pharma Holdings Inc. in respect of loans	USD	75.00	5,482.87	62.26	4,551.81
Bankers for Marcan Pharmaceuticals Inc. in respect of loans	CAD	58.40	3,400.05	25.88	1,506.65
Erstwhile Shareholders of Marcan Pharmaceuticals Inc.	CAD	48.01	2,795.14	47.25	2,751.16
Bankers for Emcure Pharmaceuticals Mena FZ LLC. in respect of loans	AED	8.00	158.94	7.03	139.63
Bankers for Tillomed Laboratories Limited. in respect of loans	GBP	6.60	665.24	6.00	604.76

All the above financial guarantees have been accounted as per the provisions of Ind AS 109 - financial instruments.



Note 43 - Related party disclosure

Related parties with whom there were transactions during the year and nature of relationship

Subsidiaries:

Zuventus Healthcare Limited
Gennova Biopharmaceuticals Limited
Emcure Brasil Farmaceutica Ltda
Emcure Nigeria Limited
Emcure Pharmaceuticals Mena FZ-LLC
Emcure Pharmaceuticals South Africa (Pty) Ltd
Heritage Pharma Holdings Inc. (doing business as Avet Pharmaceuticals Holdings Inc.) (Upto March 31, 2021)
Emcure Pharma UK Ltd.
Emcure Pharma Mexico S.A. DE C.V.
Emcure Pharma Peru S.A.C.
Marcan Pharmaceuticals Inc.
Emcure Pharmaceuticals Pty Ltd.
Avet Lifesciences Private Limited (formerly known as Avet Lifesciences Limited) (From August 26, 2020 upto March 31, 2021)
Emcure Pharma Chile SpA (From October 2, 2020)
Lazor Pharmaceuticals Limited (From February 4, 2021)
Emcure Pharma Philippines Inc (From May 07, 2021)

Step-down subsidiaries:

Heritage Pharmaceuticals Inc. (doing business as Avet Pharmaceuticals Inc.) (Subsidiary of Heritage Pharma Holdings Inc.) (Upto March 31, 2021)
Heritage Pharma Labs Inc. (doing business as Avet Pharmaceuticals Labs Inc.) (Subsidiary of Heritage Pharma Holdings Inc.) (Upto March 31, 2021)
Hacco Pharma Inc. (Subsidiary of Heritage Pharma Holdings Inc.) (Upto March 31, 2021)
Tillomed Laboratories Limited (Subsidiary of Tillomed Holdings Limited)
Tillomed Pharma GmbH, Germany (Subsidiary of Emcure Pharma UK Ltd.)
Laboratorios Tillomed Spain S.L.U. (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed France SAS (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed Italia S.R.L., Italy (Subsidiary of Emcure Pharma UK Ltd.)
Emcure NZ Limited (Subsidiary of Emcure Pharmaceuticals Pty Ltd.) (Dissolved w. e. f. October 13, 2021)
Tillomed Laboratories BV (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed d.o.o. (Subsidiary of Emcure Pharma UK Ltd.) (From August 26, 2021)

Key Management Personnel: Whole Time Directors

Mr. Satish Mehta (Managing Director)
Dr. Mukund Gurjar (Executive Director)
Mr. Sunil Mehta (Executive Director)
Mrs. Namita Thapar (Executive Director) (Chief Finance Officer upto April 15, 2021)

Key Management Personnel: Other than Whole Time Directors

Mr. S.K. Bapat (Independent Director)
Mr. Humayun Dhanrajgir (Chairman and Independent Director upto April 15, 2021)
Mr. Berjis Desai (Chairman and Independent Director) (Appointed as Chairman w.e.f. April 16, 2021)
Mr. Samonnoi Banerjee (Nominee of BC Investment IV Ltd) (Director)
Mr. P. S. Jayakumar (Independent Director w.e.f. July 22, 2020)
Mr. Tajuddin Shaikh (Chief Finance Officer w.e.f. April 16, 2021)
Dr. Vidya Rajiv Yeravdekar (Independent Director w.e.f. April 16, 2021)
Dr. Shailesh Kripalu Ayyangar (Non Executive Director w.e.f. April 16, 2021)
Mr. Vijay Keshav Gokhale (Independent Director w.e.f. April 16, 2021)
Mr. Hitesh Jain (Independent Director w.e.f. July 27, 2021)

Key Management Personnel: Relatives

Mr. Sanjay Mehta
Mr. Vikas Thapar
Mr. Samit Mehta
Mr. Rutav Mehta
Mr. Niraj Mehta
Mrs. Bhavana Mehta

Enterprise over which Key Management Personnel have control:

H.M. Sales Corporation
Uth Beverages Factory Pvt. Ltd.
Avet Lifesciences Private Limited (formerly known as Avet Lifesciences Limited) (From April 1, 2021)
Heritage Pharma Holdings Inc. (doing business as Avet Pharmaceuticals Holdings Inc.) (Subsidiary of Avet Lifesciences Private Limited w.e.f. April 1, 2021) (From April 1, 2021)
Heritage Pharmaceuticals Inc. (doing business as Avet Pharmaceuticals Inc.) (Subsidiary of Heritage Pharma Holdings Inc.) (From April 1, 2021)
Heritage Pharma Labs Inc. (doing business as Avet Pharmaceuticals Labs Inc.) (Subsidiary of Heritage Pharma Holdings Inc.) (From April 1, 2021)
Hacco Pharma Inc. (Subsidiary of Heritage Pharma Holdings Inc.) (From April 1, 2021)
Parinam Law Associates (w.e.f. July 27, 2021)
Brandbucket Enterprises Private Limited (w.e.f. April 16, 2021)



Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22		31-Mar-21	
				Receivable / Advance from customer	Payable / Advance to supplier	Receivable / Advance from customer	Payable / Advance to supplier
1	Purchase of goods & services						
	Zuventus Healthcare Limited	87.97	89.62	-	-	-	1.15
	Gennova Biopharmaceuticals Limited	38.08	81.29	-	-	-	15.16
	Parinam Law Associates	0.08	-	-	0.08	-	-
	Brandbucket Enterprises Private Limited	2.80	-	-	0.22	-	-
		128.93	170.91		0.30		16.31
2	Sale of assets						
	Zuventus Healthcare Limited	2.64	13.59	-	-	-	-
	Gennova Biopharmaceuticals Limited	145.34	-	-	-	(152.14)	-
	Uth Beverages Factory Pvt. Ltd.	0.01	0.11	0.01	-	0.13	-
	Heritage Pharma Labs Inc.	8.77	-	-	-	-	-
		156.76	13.70	0.01		(152.01)	
3	Purchase of assets						
	Gennova Biopharmaceuticals Limited	-	0.04	-	-	-	-
			0.04				
4	Sale / (Return) of goods and services						
	Zuventus Healthcare Limited	686.30	429.39	2.47	-	6.56	-
	Gennova Biopharmaceuticals Limited	284.91	230.62	119.60	-	2.85	-
	Heritage Pharma Labs Inc.	234.17	67.37	96.78	-	110.11	-
	Emcure Pharmaceuticals Mena FZ-LLC.	772.58	386.00	435.31	-	99.80	-
	Heritage Pharmaceuticals Inc.	18.70	776.90	-	-	1,629.68	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	366.69	1,052.47	240.98	-	818.16	-
	Emcure Pharma UK Ltd.	-	(92.02)	225.46	-	230.23	-
	Emcure Pharma Peru S.A.C.	820.19	3,320.68	1,644.30	-	1,708.27	-
	Tillomed Laboratories Limited	3,433.24	2,734.36	1,171.10	-	-	-
	Tillomed Pharma GmbH	2.82	-	2.61	-	-	-
	Tillomed Italia S.R.L	189.36	14.53	199.60	-	14.65	-
	Tillomed Spain	27.41	-	27.19	-	-	-
	Marcan Pharmaceuticals Inc.	1,306.70	1,342.05	782.74	-	1,366.15	-
	H.M. Sales Corporation	(2.96)	(5.07)	-	-	3.97	-
	Hacco Pharma Inc.	5.88	256.74	97.97	-	88.70	-
	Emcure Pharma Chile SpA	39.70	-	40.80	-	-	-
	Lazor Pharmaceuticals Limited	12.85	-	13.11	-	-	-
	Avet Lifesciences Private Limited	662.08	-	761.32	-	-	-
		8,860.62	10,514.02	5,861.34		6,079.13	
5	Advance received for goods and services						
	Tillomed Laboratories Limited	-	-	-	-	(6.01)	-
	Marcan Pharmaceuticals Inc.	-	-	-	-	(27.96)	-
						(33.97)	
6	Purchase of shares of subsidiary						
	Marcan Pharmaceuticals Inc. (refer note 3 below)	5.96	651.57	-	-	-	-
	Heritage Pharma Holdings Inc.	-	1,486.31	-	-	-	-
	Emcure Pharma UK Ltd.	-	2,022.72	-	-	-	-
	Emcure Pharma Peru S.A.C.	-	41.05	-	-	-	-
	Avet Lifesciences Private Limited	-	0.10	-	-	-	-
	Emcure Pharma Chile SpA	-	3.66	-	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	-	178.76	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC.	-	321.11	-	-	-	-
	Emcure Pharma Philippines Inc	15.12	-	-	-	-	-
	Lazor Pharmaceuticals Limited	7.45	-	-	-	-	-
		28.53	4,705.28				
7	Equity contribution in the nature of employee stock options issued to employees of subsidiary / (cancellation of employee stock options issued)						
	Heritage Pharma Holdings Inc.	-	(25.26)	-	-	-	-
	Zuventus Healthcare Limited	-	(2.45)	-	-	-	-
	Gennova Biopharmaceuticals Limited	1.96	0.73	-	-	-	-
	Marcan Pharmaceuticals Inc.	12.67	0.42	-	-	-	-
	Heritage Pharma Labs Inc.	-	(7.83)	-	-	-	-
	Heritage Pharmaceuticals Inc.	-	(117.68)	-	-	-	-
	Tillomed Laboratories Limited	6.99	7.01	-	-	-	-
	Tillomed Italia S.R.L	2.92	-	-	-	-	-
		24.54	(145.06)				
8	Loans and advances given (refer note 1 below)						
	Emcure Nigeria Limited	-	-	46.00	-	33.81	-
	Emcure Pharmaceuticals Mena FZ-LLC.	-	-	-	-	119.85	-
	Emcure Brasil Farmaceutica Ltda.	-	-	96.89	-	81.15	-
	Marcan Pharmaceuticals Inc.	1,011.09	-	1,032.06	-	-	-
	Emcure Pharma Mexico S.A. DE C.V.	-	-	68.30	-	57.70	-
	Emcure Pharma Peru S.A.C.	-	60.06	-	-	105.42	-
	Heritage Pharma Holdings Inc.	-	2,509.05	-	-	2,485.74	-
	Emcure Pharma UK Ltd.	310.32	560.19	-	-	604.77	-
	Avet Lifesciences Private Limited	10.65	1.30	-	-	1.30	-
	Emcure Pharma Chile SpA	18.93	-	18.95	-	-	-
	Lazor Pharmaceuticals Limited	14.97	-	15.16	-	-	-
		1,365.96	3,130.60	1,277.36		3,489.74	



EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22		31-Mar-21	
				Receivable / Advance from customer	Payable / Advance to supplier	Receivable / Advance from customer	Payable / Advance to supplier
9	Loans and advances repaid (refer note 1 below)						
	Emcure Pharmaceuticals South Africa (Pty) Ltd	-	133.90	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC	113.21	96.75	-	-	-	-
	Emcure Pharma Peru S.A.C.	109.21	-	-	-	-	-
	Emcure Pharma UK Ltd.	914.39	-	-	-	-	-
	Avet Lifesciences Private Limited	10.65	-	-	-	-	-
		1,147.46	230.65				
10	Interest income						
	Emcure Nigeria Limited	3.83	3.81	38.60	-	32.02	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	-	3.11	-	-	28.56	-
	Emcure Pharmaceuticals Mena FZ-LLC	1.25	18.93	-	-	15.05	-
	Emcure Brasil Farmaceutica Ltda.	8.03	8.00	56.97	-	43.09	-
	Marcan Pharmaceuticals Inc.	34.14	-	-	-	-	-
	Emcure Pharma Peru S.A.C.	7.21	6.35	-	-	13.19	-
	Emcure Pharma Mexico S.A. DE C.V.	6.85	6.82	22.92	-	16.04	-
	Emcure Pharma UK Ltd.	15.85	22.10	-	-	18.97	-
	Heritage Pharma Holdings Inc.	-	36.27	-	-	30.68	-
	Avet Lifesciences Private Limited	0.32	0.02	-	-	0.02	-
	Lazor Pharmaceuticals Limited	0.13	-	0.12	-	-	-
	Emcure Pharma Chile SpA	0.33	-	0.22	-	-	-
		77.94	105.41	118.83		197.62	
11	Net gain/(loss) on loans given to subsidiaries measured at amortised cost						
	Emcure Brasil Farmaceutica Ltda.	11.80	(21.22)	-	-	-	-
	Emcure Nigeria Limited	10.10	(22.17)	-	-	-	-
	Emcure Pharma Mexico S.A. DE C.V.	7.80	(9.22)	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC	(7.96)	7.85	-	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	-	6.63	-	-	-	-
		21.74	(38.13)				
12	Interest expense						
	H.M. Sales Corporation	0.75	0.75	-	0.17	-	0.17
		0.75	0.75		0.17		0.17
13	Sale of Steam (classified under other income)						
	Gennova Biopharmaceuticals Limited	39.75	18.69	21.42	-	1.00	-
		39.75	18.69	21.42		1.00	
14	Purchase of Steam						
	Zuventus Healthcare Limited	5.66	-	-	-	-	-
		5.66					
15	Laboratory Service Income						
	Gennova Biopharmaceuticals Limited	0.06	-	0.01	-	-	-
	Zuventus Healthcare Limited	0.83	-	-	-	-	-
		0.89		0.01			
16	Trade / Security deposits accepted						
	H.M. Sales Corporation	-	-	-	10.00	-	10.00
	Zuventus Healthcare Limited	0.02	-	-	1.02	-	1.00
	Gennova Biopharmaceuticals Limited	36.72	-	-	51.72	-	13.27
	Avet Lifesciences Private Limited	0.15	-	-	0.15	-	-
		36.89			62.89		24.27
17	Amortisation of deferred rent receivable						
	Gennova Biopharmaceuticals Limited	1.21	1.12	-	-	-	1.21
	Zuventus Healthcare Limited	-	0.17	-	-	-	-
		1.21	1.29				1.21
18	Unwinding of discount on rent deposit						
	Gennova Biopharmaceuticals Limited	1.73	1.42	-	-	-	-
	Zuventus Healthcare Limited	-	0.15	-	-	-	-
		1.73	1.57				
19	Commission expenses						
	H.M. Sales Corporation	34.62	29.34	-	5.56	-	9.04
		34.62	29.34		5.56		9.04
20	Reimbursement of expenses made						
	Heritage Pharma Labs Inc.	2.94	1.80	-	2.94	-	1.83
	Heritage Pharmaceuticals Inc.	28.05	100.25	-	26.79	-	98.83
	Marcan Pharmaceuticals Inc.	13.33	11.96	-	22.23	-	13.95
	Avet Lifesciences Private Limited	-	-	-	11.00	-	-
	Hacco Pharma Inc.	24.73	-	-	-	-	-
	Zuventus Healthcare Limited	0.02	-	-	-	-	-
		69.07	114.01		62.96		114.61



Note 43 - Related party disclosure (continued)

Rs. in million

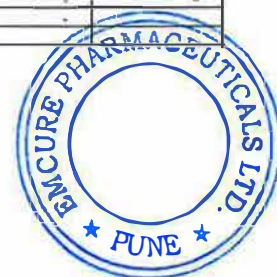
Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22		31-Mar-21	
				Receivable / Advance from customer	Payable / Advance to supplier	Receivable / Advance from customer	Payable / Advance to supplier
21	Reimbursement of expenses received						
	Zuventus Healthcare Limited	4.71	-	-	-	-	-
	Gennova Biopharmaceuticals Limited	55.17	-	34.11	-	-	-
	Heritage Pharma Labs Inc.	-	68.42	-	-	167.56	-
	Tillomed Italia S.R.L	11.34	11.39	18.91	-	7.98	-
	Tillomed Pharma GmbH	12.24	18.57	-	-	4.58	-
	Emcure Pharmaceuticals Mena FZ-LLC.	3.36	2.60	10.60	-	7.51	-
	Heritage Pharma Holdings Inc.	-	92.75	-	-	188.34	-
	Heritage Pharmaceuticals Inc.	3.07	39.79	3.11	-	40.02	-
	Tillomed Laboratories Limited	77.49	93.59	75.79	-	272.31	-
	Laboratorios Tillomed Spain S.L.U.	6.52	11.70	13.23	-	7.08	-
	Tillomed France SAS	5.34	3.37	6.87	-	1.67	-
	Marcan Pharmaceuticals Inc.	2.31	12.84	17.23	-	18.05	-
	Avet Lifesciences Private Limited	403.03	0.52	297.32	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	0.21	-	-	-	-	-
	Emcure Pharma Chile SpA	-	0.63	0.66	-	0.63	-
	Emcure Nigeria Limited	0.03	-	-	-	-	-
	Emcure Pharma Mexico S.A. DE C.V.	0.12	-	-	-	-	-
	Emcure Brasil Farmaceutica Ltda.	0.04	-	-	-	-	-
	Emcure Pharma Peru S.A.C.	0.56	-	0.57	-	-	-
		585.54	356.17	494.88	-	715.73	-
22	Dividend received						
	Zuventus Healthcare Limited	319.20	159.60	-	-	-	-
		319.20	159.60	-	-	-	-
23	Rent income						
	Zuventus Healthcare Limited	10.11	9.35	-	-	-	-
	Gennova Biopharmaceuticals Limited	92.86	33.26	36.44	-	-	-
	Avet Lifesciences Private Limited	0.41	-	0.27	-	-	-
		103.38	42.61	36.71	-	-	-
24	R&D service income						
	Avet Lifesciences Private Limited	146.85	-	59.96	-	-	32.07
		146.85	-	59.96	-	-	32.07
25	Amortisation of financial guarantee liability						
	Marcan Pharmaceuticals Inc.	32.07	20.25	-	-	-	32.07
		32.07	20.25	-	-	-	32.07
26	Financial guarantee fees charged						
	Gennova Biopharmaceuticals Limited	8.26	1.70	8.20	-	-	-
	Heritage Pharma Holdings Inc.	55.48	69.07	14.44	-	201.35	-
	Emcure Pharma UK Ltd.	-	0.94	6.97	-	7.06	-
	Marcan Pharmaceuticals Inc.	7.02	4.48	16.80	-	9.12	-
	Emcure Pharmaceuticals Mena FZ-LLC.	1.57	1.58	7.72	-	6.11	-
	Tillomed Laboratories Limited	4.97	4.84	4.93	-	4.99	-
		77.30	82.61	59.06	-	228.63	-
27	Royalty expense						
	Uth Beverages Factory Pvt. Ltd.	0.95	1.15	-	0.21	-	0.27
		0.95	1.15	-	0.21	-	0.27
28	Marketing Support Fees (classified under Advertisement & Promotional Material)						
	Emcure Pharmaceuticals Mena FZ-LLC.	99.48	24.80	-	73.86	-	9.62
	Emcure Nigeria Limited	3.16	4.94	-	5.95	-	3.46
	Emcure Pharma Mexico S.A. DE C.V.	28.55	20.42	-	1.83	-	7.27
	Emcure Brasil Farmaceutica Ltda.	8.72	17.30	-	13.63	-	13.80
	Emcure Pharmaceuticals Pty Ltd.	7.02	14.21	-	12.78	-	12.31
	Emcure NZ Limited	1.79	3.13	-	-	-	1.00
	Emcure Pharma Chile SpA	26.18	2.42	-	10.77	-	2.47
	Emcure Pharma Philippines Inc	8.10	-	-	4.23	-	-
		183.00	87.22	-	123.05	-	49.93
29	Corporate Overhead Cross Charge (Income) (classified under other income)						
	Heritage Pharmaceuticals Inc.	7.72	73.52	2.88	-	71.54	-
	Marcan Pharmaceuticals Inc.	56.05	37.47	68.61	-	35.42	-
	Tillomed Laboratories Limited	91.86	61.28	90.62	-	42.24	-
	Avet Lifesciences Private Limited	24.00	-	13.92	-	-	-
		179.63	172.27	176.03	-	149.20	-
30	Corporate Overhead Cross Charge (Expense)						
	Heritage Pharmaceuticals Inc.	9.41	73.59	-	33.15	-	17.63
	Hacco Pharma Inc.	-	69.20	-	97.36	-	69.20
		9.41	142.79	-	130.51	-	86.83
31	Financial guarantee fees paid (classified under other borrowing costs)						
	Zuventus Healthcare Limited	27.04	4.06	-	-	-	-
		27.04	4.06	-	-	-	-



Note 43 - Related party disclosure (continued)

R₹. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22		31-Mar-21	
				Receivable / Advance from customer	Payable / Advance to supplier	Receivable / Advance from customer	Payable / Advance to supplier
32	Accrued interest balance written-off (classified under other borrowing costs)						
	Emcure Pharmaceuticals South Africa (Pty) Ltd		16.68				
			16.68				
33	Remuneration paid						
	Key Management Personnel: Whole Time Directors						
	Mr. Satish Mehta	234.62	209.82		69.69		62.54
	Dr. Mukund Gurjar	48.74	42.93		11.00		9.51
	Mr. Sunil Mehta	28.99	22.85		3.50		2.81
	Mrs. Namita Thapar	37.02	30.06		4.41		3.55
		349.37	305.66		88.60		78.41
34	Remuneration paid						
	Key Management Personnel: Relatives						
	Mr. Samit Mehta	24.59	29.03		2.62		3.58
	Mr. Vikas Thapar	38.87	30.37		4.47		3.53
	Mr. Sanjay Mehta	28.89	23.37		3.36		2.87
		92.35	82.77		10.45		9.98
35	Remuneration paid						
	Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	12.91			3.12		
		12.91			3.12		
36	Post-employment obligations						
	Key Management Personnel: Whole Time Directors						
	Mr. Sunil Mehta		7.90				
	Mrs. Namita Thapar	2.01	4.11		12.08		10.07
		2.01	12.01		12.08		10.07
37	Post-employment obligations						
	Key Management Personnel: Relatives						
	Mr. Samit Mehta	3.72	5.96		16.12		12.41
	Mr. Vikas Thapar	1.97	3.60		11.98		10.01
	Mr. Sanjay Mehta	2.03	6.49		18.11		16.08
		7.72	16.05		46.21		38.50
38	Post-employment obligations						
	Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	4.11			4.11		
		4.11			4.11		
39	Compensated absences						
	Key Management Personnel: Whole Time Directors						
	Mr. Satish Mehta	2.04	1.12		19.02		16.98
	Dr. Mukund Gurjar	0.48	0.36		4.44		3.96
	Mr. Sunil Mehta	0.39	1.18		3.02		2.64
	Mrs. Namita Thapar	0.49	1.51		4.58		4.09
		3.40	4.17		31.06		27.67
40	Compensated absences						
	Key Management Personnel: Relatives						
	Mr. Samit Mehta	0.81	1.84		4.89		4.08
	Mr. Vikas Thapar	0.46	1.30		4.51		4.04
	Mr. Sanjay Mehta	0.08	0.94		2.68		2.60
		1.35	4.08		12.08		10.72
41	Compensated absences						
	Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	0.78			0.78		
		0.78			0.78		
42	Employee share based payments						
	Key Management Personnel: Relatives						
	Mr. Vikas Thapar	1.73	4.13		37.88		36.15
		1.73	4.13		37.88		36.15
43	Employee share based payments						
	Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	1.07			7.05		
		1.07			7.05		
44	Dividend paid						
	Key Management Personnel: Whole Time Directors						
	Mr. Satish Mehta	227.45	75.75				
	Dr. Mukund Gurjar	0.89	0.30				
	Mr. Sunil Mehta	33.26	11.09				
	Mrs. Namita Thapar	19.02	6.34				
		280.62	93.48				



Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22		31-Mar-21	
				Receivable / Advance from customer	Payable / Advance to supplier	Receivable / Advance from customer	Payable / Advance to supplier
45	Dividend paid Key Management Personnel: Relatives Mr. Samit Mehta Mr. Vikas Thapar Mr. Sanjay Mehta Mrs. Bhavana Mehta Mr. Rutav Mehta Mr. Niraj Mehta	40.64 1.13 47.29 27.77 3.29 3.30	13.55 0.38 15.76 9.26 1.10	-	-	-	-
		123.42	40.05	-	-	-	-
46	Commission - Other than Whole Time Directors Mr. S.K. Bapat Mr. Humayun Dhanrajgir Mr. Berjis Desai Mr. P. S. Jayakumar Dr. Vidya Rajiv Yeravdekar Mr. Vijay Keshav Gokhale Mr. Hitesh Jain Dr. Shailesh Kripalu Ayyangar	2.50 - 5.00 3.60 1.50 2.00 3.00 6.00	2.50 2.00 3.50 2.40 - - - -	-	2.50 - 5.00 3.60 1.50 2.00 3.00 6.00	-	2.50 2.00 3.50 2.40 - - - -
		23.60	10.40	-	23.60	-	10.40
47	Sitting fees - Other than Whole Time Directors Mr. S.K. Bapat Mr. Humayun Dhanrajgir Mr. Berjis Desai Mr. Samonnoi Banerjee Mr. P. S. Jayakumar Mr. Shailesh Ayyangar Mr. Vijay keshav Gokhale Ms. Vidya Rajiv Yeravdekar Ms. Hitesh Jain	0.92 0.06 0.82 0.60 0.68 0.42 0.34 0.22 0.28	0.34 0.28 0.28 0.16 0.10 - - - -	-	-	-	-
		4.34	1.16	-	-	-	-
48	Rent expense Key Management Personnel: Whole Time Directors Mr. Sunil Mehta	0.37 0.37	0.33 0.33	-	-	-	-
49	Rent expense Key Management Personnel: Relatives Mr. Sanjay Mehta Mrs. Bhavana Mehta	0.37 0.27	0.33 0.24	-	-	-	-
		0.64	0.57	-	-	-	-

Notes:

(1) Loans and Guarantees are given for the general business purposes of related parties.

(2) Refer note 53 for demerger transaction entered with Avet Lifesciences Private Limited (formerly known as Avet Lifesciences Limited) pursuant to demerger scheme.

(3) During the year ended March 31, 2022, the Company has invested Rs. 5.97 millions in Emcure Canada Inc. Emcure Canada Inc. was amalgamated with Marcan Pharmaceuticals Inc. pursuant to articles of amalgamation and amalgamation agreement dated August 13, 2021.

(4) Unsecured loans given to subsidiaries and interest thereon are measured at amortised cost. The difference between the carrying amount and actual amount is accounted as net gain / loss under other income / finance cost, as the case may be. Below are the details of actual amount of loan and interest receivable from subsidiaries:

Rs. in million

Particulars	Tenure of loan and Interest	Rate of interest p.a.	Loans		Interest accrued on loans	
			31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Emcure Nigeria Limited	45 months	6% - 8.3%	59.13	57.04	38.60	32.02
Emcure Pharmaceuticals South Africa (Pty) Ltd	45 months	3.4% - 9.5%	-	-	-	28.56
Emcure Pharmaceuticals Mena FZ-LLC.	48 months	8.3% - 9.5%	-	111.90	-	15.05
Emcure Brasil Farmaceutica Ltda.	45 months	5.4% - 9.22%	111.79	107.84	56.97	43.09
Emcure Pharma Mexico S.A. DE C.V.	45 months	8.3% - 9.22%	78.97	76.18	22.92	16.04
Emcure Pharma Peru S.A.C.	60 months	5.11% - 9.5%	-	105.42	-	13.19
Heritage Pharma Holdings Inc.	36 months	4.37% - 5.03%	-	2,485.74	-	30.68
Avet Lifesciences Private Limited	60 months	8.50%	-	1.30	-	0.02
Marcan Pharmaceuticals Inc.	24 months	5.00%	1,032.07	-	-	-
Emcure Pharma Chile SpA	36 months	5.83%	18.95	-	0.22	-
Lazor Pharmaceuticals Limited	36 months	5.37%	15.16	-	0.12	-
Emcure Pharma UK Ltd.	24 months	4.31%	-	604.77	-	18.97
Total			1,316.07	3,550.19	118.83	197.62
% of Loan given to related parties as % of total loans			100%	100%	-	-

(5) Also refer note no. 41 for the details of the collateral security and note no. 42(c) for the details of financial guarantee given by the Company against the loans obtained by the subsidiaries.

(6) All transactions with the related parties are priced on an arm's length basis.

(7) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Note 44 : Assets and liabilities relating to employee benefits

a) *Defined contribution plans*

The Company has certain defined contribution plans. Contributions are made as per local regulations. The contributions are made to registered provident fund/pension fund/other fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined Contribution Plans: The Company has recognised the following amount in the Statement of Profit and Loss for the year;

Particulars	Rs. in million	
	Year ended 31-Mar-22	Year ended 31-Mar-21
Contribution to Employees Provident Fund	173.08	152.44
Contribution to Employees Family Pension Fund	85.67	85.61
Other defined contribution plan	35.73	31.85
Total ^	294.48	269.90

^ represents amount in respect of continuing and discontinued operations.

b) *Post-employment obligations*

Gratuity

The Company has a defined benefit gratuity plan for employees governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the demands by LIC of India.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, etc.

c) *Defined benefit plans*

The amounts recognised in the balance sheet, profit or loss, other comprehensive income and the movements in the net defined benefit obligation are as follows:

Particulars	Rs. in million		
	Present value of obligation	Fair value of plan assets	Total
As at April 1, 2021	558.46	(483.26)	75.20
Current service cost	97.85	-	97.85
Transfer in/ (out)	(23.09)	19.70	(3.39)
Interest expenses/(income)	27.46	(25.75)	1.71
Mortality charges and taxes	-	4.58	4.58
Total amount recognised in profit and loss	102.22	(1.47)	100.75
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	(11.60)	(11.60)
Actuarial (gain)/ losses - financial assumptions	-	1.47	1.47
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	15.28	-	15.28
Actuarial (gain)/ losses - demographic changes	3.95	-	3.95
Actuarial (gain)/ losses - financial assumptions	1.46	-	1.46
Total amount recognised in other comprehensive income	20.69	(10.13)	10.56
Employer contribution	-	(81.82)	(81.82)
Benefit payments	(65.16)	65.16	-
As at March 31, 2022	616.21	(511.52)	104.69

Particulars	Rs. in million		
	Present value of obligation	Fair value of plan assets	Total
As at April 1, 2020	496.81	(427.87)	68.94
Current service cost	95.72	-	95.72
Interest expenses/(income)	26.44	(24.88)	1.56
Mortality charges and taxes	-	4.61	4.61
Total amount recognised in profit and loss ^	122.16	(20.27)	101.89
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	(12.69)	(12.69)
Actuarial (gain)/ losses - financial assumptions	-	5.72	5.72
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	(0.99)	-	(0.99)
Actuarial (gain)/ losses - demographic changes	(0.21)	-	(0.21)
Actuarial (gain)/ losses - financial assumptions	6.70	-	6.70
Total amount recognised in other comprehensive income	5.50	(6.97)	(1.47)
Employer contribution	-	(75.90)	(75.90)
Benefit payments	(66.01)	47.75	(18.26)
As at March 31, 2021	558.46	(483.26)	75.20

^ represents amount in respect of continuing and discontinued operations.



Note 44 : Assets and liabilities relating to employee benefits (continued)

d) The net liability disclosed above relating to funded plans are as follows:

Particulars	Rs. in million	
	As at 31-Mar-22	As at 31-Mar-21
Present value of obligation	616.21	558.46
Fair value of plan assets	(511.52)	(483.26)
Deficit of funded plan	104.69	75.20

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Principal actuarial assumptions as at the reporting date:

Particulars	As at	As at
	31-Mar-22	31-Mar-21
a) Discount rate	6.10%	5.40%
b) Expected rate of return on plan assets	5.40%	5.70%
c) Salary escalation rate	9.00%	8.00%
d) Withdrawal rate		
Field staff	30.00%	36.00%
Factory staff	20.00%	20.00%
e) Mortality table	IALM(2012-14) ult	IALM(2012-14) ult

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e) Sensitivity analysis :

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

Change in assumption	Rs. in million			
	Impact on defined benefit obligation			
	Increase in assumption		Decrease in assumption	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Discount rate by 1% (Mar 31, 2021 : 1%)	(24.83)	(21.72)	26.99	23.57
Salary escalation rate by 1% (Mar 31, 2021 : 1%)	20.20	17.53	(18.97)	(16.50)
Withdrawal rate by 1% (Mar 31, 2021 : 1%)	(3.45)	(2.77)	3.72	2.96

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in the domicile country of the company.

f) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

- i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.
- ii) Changes in bond yields: A decrease in bond yields will increase plan liabilities.
- iii) Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence company is encouraged to adopt asset-liability management.

The Company's assets are maintained in a trust fund managed by public sector insurance company via, LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

g) Defined benefit liability and employer contributions

The Company has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the Company makes contribution as per the instructions received from LIC. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The Company considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for next year is Rs. 105.00 million (March 31, 2021 - Rs. 75.00 million).

The weighted average duration of the defined benefit obligation is 5.18 years (March 31, 2021: 4.41 years). The following benefits payments are expected to be paid:

	Rs. in million				
	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
March 31, 2022					
Defined benefit obligation - gratuity	139.84	114.00	320.35	424.84	999.03
March 31, 2021					
Defined benefit obligation - gratuity	124.21	115.28	278.12	316.29	833.90

h) Major plan assets

	Rs. in million	
	As at	As at
	31-Mar-22	31-Mar-21
Investment funds	Unquoted	Unquoted
- Insurance Funds (LIC Pension and Group Schemes fund)	511.52	483.26
Total	511.52	483.26

The category wise details of the plan assets is not available as it's maintained by LIC.



Note 45: Employees stock option plan

As at March 31, 2022, the Company has the following share-based payment arrangement:

Share option plans (equity settled)

"Emcure ESOS 2013": The Board vide its resolution granted employee stock options as under to the eligible employees under "Emcure ESOS 2013" in compliance with the provisions of the applicable law and rules framed thereunder:

Resolution date	Tranche No	Grant Date	Original Exercise Price	Total Options Granted	Revised Exercise Price #
10-Oct-13	Tranche - 01	01-Oct-13	221.25*	22,70,000	165.07
14-Mar-16	Tranche - 02	14-Mar-16	508.75	5,80,000	452.57
07-Jul-17	Tranche - 03	07-Jul-17	300.00	1,00,000	243.82
01-Nov-18	Tranche - 04	01-Nov-18	522.00	8,40,000	465.82
01-Dec-18	Tranche - 05	01-Dec-18	522.00	2,40,000	465.82
01-Feb-19	Tranche - 06	01-Feb-19	522.00	2,30,000	465.82
06-Jun-19	Tranche - 07	06-Jun-19	522.00	6,25,000	465.82
08-Nov-19	Tranche - 08	08-Nov-19	580.00	4,55,000	523.82
04-Feb-20	Tranche - 09	04-Feb-20	580.00	70,000	523.82
22-Jul-20	Tranche - 10	22-Jul-20	620.00	1,80,000	563.82
09-Nov-20	Tranche - 11	09-Nov-20	620.00	40,000	563.82
27-May-21	Tranche - 12	27-May-21	918.25	3,40,000	862.07
22-Feb-22	Tranche - 13	22-Feb-22	1,000.05	1,10,000	N/A

*During the year ended March 31, 2016, the company had issued bonus shares to its shareholders in the ratio of 3:1. Correspondingly, proportionate adjustment has been made by increasing the number of options granted and reducing exercise price per option. Board of directors vide resolution dated January 29, 2016 have approved the adjustments to options granted.

Pursuant to Composite scheme of arrangement as disclosed in note 53, the exercise price of ESOP's outstanding was revised. The fair value of such options post modification of exercise price is lower than fair valuation of options before modification. The details of model and inputs for measuring incremental fair value are as below:

Sr.	Particulars	July 25, 2021
a.	Options outstanding	17,85,000
b.	Expected price volatility of the company's shares	27.59% ~ 37.32%
c.	Expected dividend yield	1.00%
d.	Risk free interest rate	3.45% ~ 4.69%
e.	Expected life of options	0.52 ~ 2.84

The eligible employees, including directors, are determined by the Remuneration Committee from time to time. These options will vest over period of 3 to 5 years from the grant date and are subject to the condition of continued service of the employees.

Once vested the option can be exercised within 5 years from date of Initial Public Offer (IPO). The exercise price of the options is equal to fair market value of the shares as determined by an independent valuer as at grant dates. If IPO does not take place or shares are not listed within 2 years from the date of grant, Remuneration committee at its sole discretion, subject to prior approval of the Company's shareholders' can settle the vested options in cash or allow exercise of option before listing at a price arrived at by an independent valuer. However no options have been settled in cash or allowed to be exercised till March 31, 2022.

Options granted under this scheme carry no dividend or voting rights. When exercised, one option is convertible into one equity share.

Movement of the options granted under the plan is as below:

March 31, 2022	Grant Date	Balance as on 01-Apr-21	Grant during the year	Cancelled during the year	Exercised during the year	Balance as on 31-Mar-22	Exercisable	Revised Exercise Price
Tranche - 01	01-Oct-13	9,00,000	-	(1,70,000)	-	7,30,000	-	165.07
Tranche - 02	14-Mar-16	60,000	-	-	-	60,000	-	452.57
Tranche - 06	01-Feb-19	30,000	-	-	-	30,000	-	465.82
Tranche - 07	06-Jun-19	1,30,000	-	-	-	1,30,000	-	465.82
Tranche - 08	08-Nov-19	1,85,000	-	-	-	1,85,000	-	523.82
Tranche - 09	04-Feb-20	70,000	-	(60,000)	-	10,000	-	523.82
Tranche - 10	22-Jul-20	1,80,000	-	-	-	1,80,000	-	563.82
Tranche - 11	09-Nov-20	40,000	-	-	-	40,000	-	563.82
Tranche - 12	27-May-21	-	3,40,000	-	-	3,40,000	-	862.07
Tranche - 13	22-Feb-22	-	1,10,000	-	-	1,10,000	-	1,000.05
Total/ Weighted average exercise price		15,95,000	4,50,000	(2,30,000)	-	18,15,000	-	469.14

March 31, 2021	Grant Date	Balance as on 01-Apr-20	Grant during the year	Cancelled during the year*	Exercised during the year	Balance as on 31-Mar-21	Exercisable	Exercise Price
Tranche - 01	01-Oct-13	12,10,000	-	(3,10,000)	-	9,00,000	-	221.25
Tranche - 02	14-Mar-16	60,000	-	-	-	60,000	-	508.75
Tranche - 04	01-Nov-18	8,40,000	-	(8,40,000)	-	-	-	522.00
Tranche - 05	01-Dec-18	2,40,000	-	(2,40,000)	-	-	-	522.00
Tranche - 06	01-Feb-19	1,40,000	-	(1,10,000)	-	30,000	-	522.00
Tranche - 07	06-Jun-19	6,25,000	-	(4,95,000)	-	1,30,000	-	522.00
Tranche - 08	08-Nov-19	4,55,000	-	(2,70,000)	-	1,85,000	-	580.00
Tranche - 09	04-Feb-20	70,000	-	-	-	70,000	-	580.00
Tranche - 10	22-Jul-20	-	1,80,000	-	-	1,80,000	-	620.00
Tranche - 11	09-Nov-20	-	40,000	-	-	40,000	-	620.00
Total/ Weighted average exercise price		36,40,000	2,20,000	(22,65,000)	-	15,95,000	-	374.59

*ESOP's cancelled during the year include 1,815,000 options cancelled due to the proposed Composite Scheme of arrangement as referred in note 53 of the standalone financial statements with mutual agreeable terms and conditions with employees.



Note 45: Employees stock option plan (continued)

No options have expired or exercised during the periods covered in the above table.

Weighted average remaining contractual life of options as at year end is 6.00 Years (March 31, 2021 : 7.17 Years)

Fair value of equity settled share based payment arrangements:

450,000 employee stock options were granted during the year ended March 31, 2022. The fair value as at grant date is determined using the Black Scholes Merton Model which takes into account the exercise price, term of option, share price at grant date, expected price volatility of underlying share, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted during the year ended March 31, 2022 included:

Sr.	Particulars	Tranche - 12	Tranche - 13
a.	Options granted	3,40,000	1,10,000
b.	Exercise Price Rs.	918.25	1,000.05
c.	Share Price at grant date	918.25	1,000.05
d.	Date of grant	27-May-21	22-Feb-22
e.	Expected price volatility of the company's shares	34.54%	33.60%
f.	Expected dividend yield	1.00%	1.00%
g.	Risk free interest rate	5.38%	5.75%
h.	Expected life of options	3.00	3.00

2,20,000 employee stock options were granted during the year ended March 31, 2021. The fair value as at grant date is determined using the Black Scholes Merton Model which takes into account the exercise price, term of option, share price at grant date, expected price volatility of underlying share, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted during the year ended March 31, 2021 included:

Sr.	Particulars	Tranche - 10	Tranche - 11
a.	Options granted	1,80,000	40,000
b.	Exercise Price Rs.	620.00	620.00
c.	Share Price at grant date	620.00	620.00
d.	Date of grant	22-Jul-20	09-Nov-20
e.	Expected price volatility of the company's shares	33.93%	34.21%
f.	Expected dividend yield	1.00%	1.00%
g.	Risk free interest rate	3.92%	4.32%
h.	Expected life of options	3.14	3.08

Volatility is a measure of the movement in the prices of the underlying assets. Since the Company is an unlisted Company, volatility of similar listed entities has been considered. Expected volatility has been based on an evaluation of the historical volatility of the similar listed entities (peers) share price, particularly over the historical period commensurate with the expected term. The expected term of the instrument has been based on historical experience and general option holder behaviour.

Expenses recognised in statement of profit and loss:

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Employee share-based payment	32.63	26.05



Note 46 : Revenue from operations

Particulars	Rs. in million	
	Year ended 31-Mar-22	Year ended 31-Mar-21
Revenue recognised from contracts with customers	33,789.25	31,272.04
Other operating revenue	83.17	264.60
Total	33,872.42	31,536.64
Disaggregation of revenue		
Based on markets		
Within India	19,630.70	15,168.37
Outside India -		
a. Europe	3,760.60	2,725.52
b. North America	1,596.56	2,477.97
c. Other continents	8,884.56	11,164.78
Total	33,872.42	31,536.64
Revenue from continuing operations	33,872.42	31,074.13
Revenue from discontinued operations	-	462.51
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year	237.47	28.45

A) There is no significant change in the contract liabilities.

B) The Company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract with customers are generally fixed price contract (except for contracts with subsidiaries, wherein there is variable consideration) subject to refund due to returns and do not contain any financing component. The payment is generally due within 7-180 days. The Company is obliged for returns/refunds due to expiry & saleable returns. There are no other significant obligations attached in the contract with customer.

C) There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods. Transaction price ascertained for the performance obligation of the Company is agreed in the contract with the customer. Further, the variable consideration is an estimate amount arrived by using expected value method.

D) Reconciliation of contract price with revenue recognised in statement of profit and loss:

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Contract price	34,516.00	32,205.77
Less:		
Amount recognised as sales returns & breakage expiry	(739.10)	(878.87)
Allowance for interest loss	12.35	(54.86)
Revenue recognised in statement of profit and loss	33,789.25	31,272.04

Major customer

Revenue from Tillomed Laboratories Limited which caters 'Europe' segment is Rs. 3,433.24 millions which is more than 10% of the Company's total revenue for the year ended March 31, 2022 (March 31, 2021 : Rs. 2,734.36 million).

Revenue from Emcure Pharma Peru S.A.C. which caters 'other continents' segment is Rs. 3,320.68 millions which is more than 10% of the Company's total revenue for the year ended March 31, 2021 (March 31, 2022 : Rs. 820.19 million).



Note 47 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Note	Rs. in million	
		31-Mar-22	31-Mar-21
Current			
Financial assets			
Cash and cash equivalents	11A	309.23	2,455.58
Bank balances other than cash and cash equivalents	11B	165.99	151.67
Trade receivables	10	10,090.92	9,994.25
Other current financial assets	12	1,834.48	2,080.49
Non-financial assets			
Inventories	9	7,304.42	6,217.74
Other current assets	13	1,655.45	1,127.06
Assets classified as held for sale	14	-	127.80
Total current assets pledged as security		21,360.49	22,154.59
Non Current			
Financial assets			
Deposits with banks	7	19.51	21.74
Investments	5	3,110.08	7,689.67
Non-financial assets			
Property, plant, equipment, leasehold land, intangible assets and capital work-in-progress	2A, 2B, 3, 4	13,077.03	13,037.00
Total non-current assets pledged as security		16,206.62	20,748.41
Total assets pledged as security		37,567.11	42,903.00

Additional disclosure required by Schedule III

As disclosed above, the Company has availed loans from banks on the basis of security of current assets. The Company file statement of current assets with the bank on periodical basis. There difference between the statements filed by the Company and the books of accounts of the Company are as below;

Quarter ended	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statement	Amount of difference	Reason for difference or discrepancies
30 June 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Inventory	4,744.11	5,252.00	(507.89)	Refer footnote 1 below
30 June 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Receivables	11,032.28	7,412.61	3,619.67	Refer footnote 2 below
30 June 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Payables	3,904.02	1,932.28	1,971.74	Refer footnote 3 below
30 September 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Inventory	5,574.19	5,517.56	56.63	Refer footnote 1 below
30 September 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Receivables	13,200.55	10,134.63	3,065.92	Refer footnote 2 below
30 September 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Payables	6,031.71	3,435.94	2,595.77	Refer footnote 3 below
31 December 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Inventory	6,298.08	6,785.47	(487.39)	Refer footnote 1 below
31 December 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Receivables	11,287.95	9,220.37	2,067.58	Refer footnote 2 below
31 December 2020	Bank of Baroda, Bank of Maharashtra and Axis Bank	Payables	7,216.74	4,779.87	2,436.87	Refer footnote 3 below
31 March 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank and State Bank of India	Inventory	6,217.74	6,027.68	190.06	Refer footnote 1 below
31 March 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank and State Bank of India	Receivables	9,994.25	9,230.80	763.45	Refer footnote 2 below
31 March 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank and State Bank of India	Payables	5,742.86	3,783.77	1,959.09	Refer footnote 3 below
30 June 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Inventory	6,879.24	6,631.26	247.98	Refer footnote 1 below
30 June 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Receivables	10,885.99	9,295.00	1,590.99	Refer footnote 2 below
30 June 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India and Standard Chartered Bank	Payables	4,223.53	2,565.39	1,658.14	Refer footnote 3 below
30 September 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank and HDFC Bank	Inventory	7,548.00	7,527.34	20.66	Refer footnote 1 below
30 September 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank and HDFC Bank	Receivables	9,073.17	9,502.73	(429.56)	Refer footnote 2 below
30 September 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank and HDFC Bank	Payables	5,844.70	3,375.69	2,469.01	Refer footnote 3 below
31 December 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank and HDFC Bank	Inventory	7,461.27	7,257.16	204.11	Refer footnote 1 below
31 December 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank and HDFC Bank	Receivables	8,433.57	8,810.07	(376.50)	Refer footnote 2 below
31 December 2021	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank and HDFC Bank	Payables	5,659.42	3,606.96	2,052.46	Refer footnote 3 below
31 March 2022	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank, Citibank NA and HDFC Bank Limited	Inventory	7,304.42	7,031.34	273.08	Refer footnote 1 below
31 March 2022	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank, Citibank NA and HDFC Bank Limited	Receivables	10,090.92	10,512.99	(422.07)	Refer footnote 2 below
31 March 2022	Bank of Baroda, Bank of Maharashtra, Axis Bank, State Bank of India, Standard Chartered Bank, Citibank NA and HDFC Bank Limited	Payables	6,013.69	3,798.82	2,214.87	Refer footnote 3 below

Footnotes: Major differences between the standalone financial statements and the information submitted to the Banks are on account of:

- Note 1:** Inventories reported to the Bank includes balances of closing GST input credit receivable, does not include inventories of consumables and entries considered in the Books of Accounts post submission of information.
- Note 2:** Certain Trade Receivables are excluded while reporting to the bank on account of specified sanction terms, entries considered in the Books of Accounts post submission of information and provisions accounted in the Financial Statements does not form part of the information submitted.
- Note 3:** Items of Trade Payables like provisions and accruals are excluded while reporting to the bank on account of specified sanction terms and entries passed in the Books of Accounts post submission of quarterly statements do not form part of the information reported in the statements submitted.



Note 48 : Segment reporting

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

Note 49 : Expenditure on research and development

The total expenditure incurred on Research and Development including in house Research and Development during the year is as follows;

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
Revenue	1,494.78	1,238.33
Capital	43.38	12.32
Total[^]	1,538.16	1,250.65
R&D expenditure as a % of revenue from operations[^]	4.54%	3.97%

[^] represents amount in respect of continuing and discontinued operations.

Note 50 : Information regarding Micro, Small and Medium Enterprises

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
a. Principal outstanding and not overdue as per MSME act	216.44	17.21
b. Principal outstanding and overdue as per MSME act and interest due thereon	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	35.23	-
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.02	0.14
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Note 51 : Indirect tax refund received

The Company is entitled to receive subsidy in the form of proportionate refund of GST paid in cash (i.e. other than utilising input credit) by its unit at Jammu and Sikkim respectively. The subsidy is available up to March 2026. There are no unfulfilled conditions or other contingencies attached to this grant.

Note 52 : Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below:

Particulars	Rs. in million	
	31-Mar-22	31-Mar-21
(a) amount required to be spent by the company for the year	75.57	60.18
(b) amount of expenditure incurred till date;		
Paid		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	77.29	64.77
Yet to be paid		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
Total	77.29	64.77
(c) shortfall at the end of the year	-	-
(d) reason for shortfall	N/A	N/A
(e) total of previous years shortfall	0.84*	0.84*
(f) nature of CSR activities	Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports	Promoting Healthcare, Education & Rural development projects

* There was shortfall of Rs. 0.84 million for spending towards CSR activities for the financial year 2019-20, due to non-identification of feasible projects during the said period.



Note 53 : Composite Scheme of arrangement/ discontinued operations

The Board of Directors of the Company, in its meeting held on November 09, 2020, had approved Composite Scheme of Arrangement between Emcure Pharmaceuticals Limited ("Demerged Company") and AvetLifesciences Limited ("Resulting Company") and their respective shareholders ("Scheme") which was filed before the National Company Law Tribunal ("NCLT"), Mumbai, on November 30, 2020, for demerger of the Company's United States of America ('US') market business and vesting the same into the Resulting Company, under Sections 230 to 232 read with Section 52, section 66 and other applicable provisions of the Companies Act, 2013. The Composite Scheme of arrangement has been approved by NCLT on June 4, 2021 with an appointed date of April 01, 2021.

Accounting of Demerger as per approved Composite Scheme:

(i) the Company reduced the book values of assets, liabilities and reserves of the US market business as at the close of business on the day immediately preceding the Demerger Appointed Date in its books of accounts. Reserves such as Capital reserve, Securities premium, General Reserve and Retained earnings are reduced in the proportions of net assets transferred to the Resulting Company;

(ii) the carrying value of the investment in equity shares and loans of the Resulting Entity to the extent held by the Company amounting to Rs. 1.40 million were cancelled; and

(iii) the Company made an adjustment equal to the difference between net assets transferred and reserves, first in the Capital Reserve to the extent available, thereafter in the Securities Premium to the extent available and residual balance in the General Reserve under the head "Other Equity".

The book value of assets, liabilities and reserves transferred are as under:

Particulars	Rs. in million	
	31-Mar-22	
Property, plant and equipment		2.22
Financial assets - Investments		3,306.69
Financial assets - Loans		2,485.74
Financial assets - Other non-current financial assets		30.70
Financial assets - Trade receivables		1,587.37
Financial assets - Cash and cash equivalents		2,050.00
Financial assets - Other current financial assets		483.26
Total Assets (A)		9,945.98
Deferred tax liabilities		(10.65)
Financial liabilities - Trade payables		107.27
Financial liabilities - Other current financial liabilities		0.36
Current provisions		2.52
Total Liabilities (B)		99.50
Equity (A-B)		9,846.48

The Company has presented the US market Business as discontinued operations during the year ended March 31, 2022 in accordance with Ind AS 105 and accordingly reclassified the comparative financial information of the previous year presented as below:

(a) Results of discontinued operations

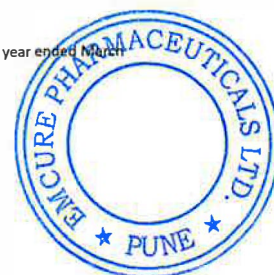
Particulars	31-Mar-22	31-Mar-21
Revenue:		
Revenue from operations	-	462.51
Other income	-	153.86
Total income	-	616.37
Expenses:		
Cost of materials consumed	-	46.88
Purchases of stock-in-trade	-	38.18
Employee benefit expenses	-	70.42
Depreciation and amortisation expense	-	20.27
Finance cost	-	50.58
Other expenses	-	273.10
Total expenses	-	499.43
Profit before exceptional items and tax	-	116.94
Exceptional items	-	137.63
Loss before tax	-	(20.69)
Tax expenses		
Current tax	-	(5.21)
Deferred tax	-	0.72
	-	(4.49)
Loss for the year	-	(16.20)
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Net other comprehensive income not to be reclassified to profit or loss	-	-
Total comprehensive income for the year	-	(16.20)

(b) The net cash flows attributable to the discontinued operations are as follows:

Particulars	31-Mar-22	31-Mar-21
Operating activities	-	54.65
Investing activities	-	-
Financing activities	-	(50.58)
Net cash (inflow)/ outflow	-	4.07

(c) Appointed date and effective date accounting

Had this not been an NCLT approved Scheme, the effect of scheme would have been given on July 25, 2021 instead of April 01, 2021 and the total revenue for the year ended March 31, 2022 would have been higher by Rs. 509.57 million and the total expenses would have been higher by Rs. 223.97 Million.



Note 54 : Ratios as per the Schedule III requirements

(a) **Current Ratio = Current Assets divided by Current Liabilities**

Particulars	31-Mar-22	31-Mar-21
Current Assets	21,360.49	22,154.59
Current Liabilities	19,340.64	17,891.80
Ratio	1.10	1.24
% change from 31 March 2021	-11%	

Reason for change more than 25%:
Change is not more than 25%.

(b) **Debt Equity ratio/ Gearing ratio = Total debt divided by Total equity**

Particulars	31-Mar-22	31-Mar-21
Total debt	15,737.89	16,033.85
Total equity	17,125.29	23,017.72
Ratio	0.92	0.70
% change from 31 March 2021	32%	

Reason for change more than 25%:
Pursuant to demerger, the Company transferred reserves amounting to Rs. 9,846.48 million, which lead to reduction in total equity as on March 31, 2022 and is the main reason for variations noted above.

(c) **Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest, Lease payments and principal repayments**

Particulars	31-Mar-22	31-Mar-21
Profit for the year	4,468.11	4,204.75
Add: Depreciation and amortizations ^	1,657.92	1,562.35
Add: Finance cost ^	1,451.37	1,233.41
Add: (Profit)/loss on sale of property, plant and equipment	(1.30)	(6.15)
Earnings available for debt services	7,576.10	6,994.36
Finance cost paid ^	1,313.72	1,186.96
Lease payments	161.17	127.02
Principal repayments (including certain prepayments)	2,134.69	3,943.52
Total Interest and Principal repayments	3,609.58	5,257.50
Ratio	2.10	1.33
% change from previous year	15%	

^ represents amount in respect of continuing and discontinued operations.

Reason for change more than 25%:
Change is not more than 25%.

(d) **Return on Equity Ratio / Return on Investment Ratio = Profit for the year divided by average equity**

Particulars	31-Mar-22	31-Mar-21
Profit for the year	4,468.11	4,204.75
Average equity	20,071.51	21,081.61
Ratio	22%	20%
% change from previous year	12%	

Reason for change more than 25%:
Change is not more than 25%.

(e) **Inventory Turnover Ratio = Cost of goods sold divided by average inventory**

Particulars	31-Mar-22	31-Mar-21
Cost of goods sold*^	13,188.91	12,463.97
Average Inventory	6,761.08	5,327.18
Ratio	1.95	2.34
% change from previous year	-17%	

^ represents amount in respect of continuing and discontinued operations.

Reason for change more than 25%:
Change is not more than 25%.



(f) **Trade Receivables turnover ratio = Revenue from operations (excluding other operating revenue) divided by average trade receivables**

Particulars	31-Mar-22	31-Mar-21
Revenue from operations* ^	33,872.42	31,536.64
Less: other operating revenue ^	(83.17)	(264.60)
Net sales	33,789.25	31,272.04
Average Trade Receivables	10,042.59	10,688.59
Ratio	3.36	2.93
% change from previous year	15%	

^ represents amount in respect of continuing and discontinued operations.

Reason for change more than 25%:
Change is not more than 25%.

(g) **Trade payables turnover ratio = Credit purchases divided by average trade payables**

Particulars	31-Mar-22	31-Mar-21
Credit Purchases* ^	20,587.27	19,776.67
Average Trade Payables	5,878.28	5,064.55
Ratio	3.50	3.90
% change from previous year	-10%	

^ represents amount in respect of continuing and discontinued operations.

Reason for change more than 25%:
Change is not more than 25%.

(h) **Net capital Turnover Ratio = Net sales divided by Net Working Capital (whereas net working capital = current assets - current liabilities)**

Particulars	31-Mar-22	31-Mar-21
Net Sales*	33,789.25	31,272.04
Net working capital	2,019.85	4,262.79
Ratio	16.73	7.34
% change from previous year	128%	

Reason for change more than 25%:

Pursuant to demerger, the Company transferred receivables amounting to Rs. 2,017.93 million and also took additional cash credit to pay Rs. 2,050 million to Avet Lifesciences Limited which lead to significant reduction in net working capital. Hence ratio for year ended March 31, 2022 is not comparable with year ended March 31, 2021.

(i) **Net profit ratio = Profit for the year divided by net sales**

Particulars	31-Mar-22	31-Mar-21
Profit for the year	4,468.11	4,204.75
Net Sales*	33,789.25	31,272.04
Ratio	13%	13%
% change from previous year	-2%	

Reason for change more than 25%:
Change is not more than 25%.

(j) **Return on capital employed = EBIT divided by Capital Employed (total equity plus debt and deferred tax liability)**

Particulars	31-Mar-22	31-Mar-21
Profit for the year	4,468.11	4,204.75
Add: Depreciation and amortisation expense ^	1,657.92	1,562.35
Add: Finance costs ^	1,451.37	1,233.41
Add: Tax expenses ^	1,696.12	1,369.73
EBITDA	9,273.52	8,370.24
EBIT	7,615.60	6,807.89
Total equity	20,071.51	21,081.61
Deferred tax liability	297.02	280.09
Non-current borrowings	5,123.96	6,459.74
Current borrowings	10,613.93	9,574.11
Total debt	15,737.89	16,033.85
EBIT	7,615.60	6,807.89
Capital Employed	36,106.42	37,395.55
Ratio	21%	18%
% change from previous year	16%	

^ represents amount in respect of continuing and discontinued operations.

Reason for change more than 25%:
Change is not more than 25%.



Note 55 : Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the Statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

Note 56 : Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code.

Note 57 : Initial Public Offering ("IPO")

During the year ended March 31, 2022, the Company has filed Draft Red Herring Prospectus ('DRHP') with the Securities and Exchange Board of India ('SEBI'), and an application for In-principle approval from BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') in connection with proposed Initial Public Offering ('IPO') of its equity shares. The Company has received observation letter dated December 08, 2021 from SEBI, which is valid for 12 months. The Company has also received In-principle approval from BSE & NSE on August 30, 2021 & September 08, 2021 respectively.

Note 58 : Events occurring after the March 31, 2022

There are no significant events subsequent to year ended March 31, 2022.

Note 59 : Authorisation of Standalone Financial statements

The standalone financial statements were approved by the Board of Directors on May 4, 2022.

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants



Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 12-May-2022

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN: U24231PN198PLC024251



Berjis Desai
Director and Chairman
DIN: 00153675



B Renganathan
Company Secretary
Membership No. F2922

Place: Pune
Date: 04-May-2022



Satish Mehta
Managing Director
DIN: 00118691



Tajuddin Shaikh
Chief Financial Officer