

BOARD'S REPORT

To,
The Members,
Emcure Pharmaceuticals Limited

Your Directors hereby present the 41st Board's Report on the business, operations and state of affairs of the Company together with the audited financial statement for the year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The brief highlights of the standalone and consolidated financial statements of the Company for the financial year 2021-22 are as under:

(Rs. in million)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	58,553.87	50,334.74	33,872.42	31,074.13
Other Income	634.73	338.76	1,326.81	965.21
Total Revenue	59,188.60	50,673.50	35,199.23	32,039.34
Less: Total Expenses	45,254.79	38,171.93	25,925.71	23,674.01
Profit before Interest, Taxation, Depreciation, and Amortization (EBITDA)	13,933.81	12,501.57	9,273.52	8,365.33
Less: Finance Costs	1,759.78	1,549.41	1,451.37	1,182.83
Less: Depreciation and amortization expense	2,448.55	2,499.94	1,657.92	1,542.08
Profit before Exceptional Item and Taxation	9,725.48	8,452.22	6,164.23	5,640.42
Less: Exceptional Item	-	45.25	-	45.25
Less: Taxation	2,699.92	2,334.45	1,696.12	1,374.22
Profit for the year from continuing operations	7,025.56	6,072.52	4,468.11	4,220.95
Profit for the year from discontinuing operations	-	(1,886.58)	-	(16.20)
Profit for the year	7,025.56	4,185.94	4,468.11	4,204.75
Other comprehensive income for the year	(90.34)	(0.16)	(7.90)	1.10
Total comprehensive income for the year	6,935.22	4,185.78	4,460.21	4,205.85

Emcure Pharmaceuticals Limited

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Phone : 020-35010000, 020-40700000 Fax : 020-35010111

E-mail : corporate@emcure.co.in, Website : www.emcure.com, CIN : U24231PN1981PLC024251

STATE OF AFFAIRS

The operational and financial performance, amongst others is given in the Management Discussion and Analysis Report, forming part of this Annual Report.

During the year under review, the Board of Directors had approved a proposal to make an Initial Public Offer of the equity shares of the Company by way of Fresh Issue and/or through Offer for Sale by the existing shareholders of the Company and the same was also approved by the Members of the Company.

The Company on August 18, 2021 filed the Draft Red Herring Prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI") and the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited. The Company has also received in-principle approval from both the stock exchanges. SEBI vide its letter dated December 8, 2021 had issued its Observation Letter on the DRHP filed, which shall be valid for a period of 12 months from the date of issuance of the said letter.

SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company was increased from Rs. 200,00,00,000 consisting of 20,00,00,000 equity shares of Rs. 10/- each to Rs. 250,00,00,000 consisting of 25,00,00,000 equity shares of Rs. 10/- each w.e.f. July 30, 2021.

DIVIDEND

During the financial year 2021-22, the Board of Directors declared Interim Dividends on the Equity shares of face value of Rs. 10/- each, which are as under:

Sr. No.	Particulars	Date of Declaration	Amount of dividend per equity share	Dividend Amount (Rs in million)
1.	Interim Dividend	December 15, 2021	Re. 1/-	180.85
2.	Interim Dividend	February 22, 2022	Re. 1/-	180.85

Your Directors have recommended a final dividend of Re. 1/- per Equity Share on the face value of Rs. 10/- each for the financial year ended March 31, 2022. The payment of final dividend is subject to approval by the members at the ensuing Annual General Meeting (AGM).

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EMPLOYEE STOCK OPTION SCHEME

During the year under review, the Company had granted 4,50,000 stock options to the employees under the Employee Stock Option Scheme 2013 (Emcure ESOS 2013), and 2,30,000 stock options were cancelled. As on March 31, 2022, total 18,15,000 Stock options were outstanding.

The disclosures in compliance with Section 62 of the Act read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 in relation to Employee Stock Option Scheme are set out in 'Annexure - I' to this Report.

SUBSIDIARIES AND ASSOCIATES

During the year under review, the following companies were incorporated as subsidiaries of the Company:

- Emcure Pharma Philippines Inc.,
- Tillomed d.o.o.

Pursuant to an application made by the Company under Sections 230 to 232 and other applicable provisions of the Act, the National Company Law Tribunal, Mumbai by its Order dated June 4, 2021, had approved the Composite Scheme of Arrangement between Emcure Pharmaceuticals Limited ("**Demerged Company**" / the "**Company**") and Avet Lifesciences Limited ("**Resulting Company**") and their respective shareholders (the "**Scheme**") for demerger of the Company's US (United States of America) market business and vesting the same with the Resulting Company. Consequent to the approval of the Scheme, the following companies ceased to be subsidiaries of the Company with effect from July 25, 2021:

- Avet Lifesciences Limited
- Heritage Pharma Holdings Inc.
- Heritage Pharma Labs Inc.
- Heritage Pharmaceuticals Inc.
- AvetAPI Inc. (*erstwhile Hacco Pharma Inc.*)

The Company had incorporated a wholly owned subsidiary in Canada viz. Emcure Canada Inc. on July 14, 2021 and the same was merged with Marcan Pharmaceuticals Inc., a subsidiary, w.e.f. August 13, 2021.

Further, during the year under review, Emcure NZ Limited ceased to be a subsidiary with effect from October 13, 2021 consequent to its dissolution.

The salient features of the financial statements of each of the Subsidiaries and the Associate Companies as required under the Act is provided in 'Annexure - II' (Form AOC - 1).

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FINANCE

Your Company continues to avail financial assistance from Banks by way of loans and other credit facilities.

LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, guarantees given, investments made and securities provided, if any, under Section 186 of the Companies Act, 2013 (the "Act") are reported in the financial statements.

RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with the related parties as referred to in sub-section (1) of Section 188 of the Act is forming part of this Report as 'Annexure - III' (Form AOC-2). All the Related Party Transactions as required under Ind AS-24 are reported in the Notes to the financial statements.

CORPORATE GOVERNANCE

A report on the Corporate Governance of the Company prepared on a voluntary basis is enclosed as 'Annexure - IV' to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**Independent Directors**

Mr. Vijay Gokhale (DIN: 09134089) and Dr. Vidya Yeravdekar (DIN: 02183179) were appointed as Additional Directors (Independent) w.e.f April 16, 2021. Mr. Hitesh Jain (DIN: 00130023) was appointed as an Additional Director (Independent) w.e.f July 27, 2021. The Members of the Company at the 40th AGM held on July 30, 2021 approved the appointment of all the aforementioned Directors for a period of 5 years with effect from their respective date of appointment by the Board of Directors.

Mr. Humayun Dhanrajgir (DIN: 00004006) resigned as an Independent Director and Chairman of the Company w.e.f. April 16, 2021 due to his other commitments. The Board placed on record its appreciation for the valuable contribution and the services rendered by him during his tenure on the Board as Chairman and Non-Executive Director. Subsequently, Mr. Berjis Desai (DIN: 00153675), an Independent Director of the Company was appointed as the Chairman of the Board w.e.f. April 16, 2021.

In the opinion of the Board of Directors, the Independent Directors are persons of integrity and possess relevant expertise and experience. The Board of Directors further confirm that all the Independent Directors have registered themselves with the Independent Directors

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Databank maintained by the Indian Institute of Corporate Affairs and are in compliance with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014. In accordance with the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section.

Executive Directors

The Members at the 40th AGM approved the re-appointment of Mr. Satish Mehta (DIN: 00118691) as the Managing Director & CEO of the Company for a period of 5 years to be effective from April 1, 2022.

Other Directors

Dr. Shailesh Ayyangar (DIN: 00268076) was appointed as a Non-Executive Non-Independent Director of the Company w.e.f April 16, 2021 and the Members approved his appointment at the AGM held on July 30, 2021.

Mr. Sunil Mehta (DIN: 00118469) retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

Key Managerial Personnel

Mrs. Namita Thapar resigned as the Chief Financial Officer of the Company w.e.f. April 16, 2021. The Board of Directors, on the recommendation of Nomination and Remuneration Committee ("NRC") and in accordance with the provisions of the Act appointed Mr. Tajuddin Shaikh as the Chief Financial Officer of the Company w.e.f. April 16, 2021.

Mr. Jayant Prakash, resigned as Company Secretary of the Company w.e.f. close of working hours of July 7, 2021. The Board of Directors, on the recommendation of NRC, appointed Mr. B. Renganathan as the Company Secretary of the Company w.e.f July 27, 2021.

The Board placed on record its sincere appreciation for the valuable contribution made by Mrs. Namita Thapar and Mr. Jayant Prakash to the Company during their tenure as Chief Financial Officer and Company Secretary respectively.

NUMBER OF BOARD MEETINGS HELD

During the year ended March 31, 2022, the Board met 9 times.

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REMUNERATION POLICY

The Company has formulated a Remuneration Policy pursuant to Section 178 of the Act. The policy is available on the website of the Company at: <https://www.emcure.com/share-governance-and-investor-services/>.

EVALUATION OF THE PERFORMANCE OF THE BOARD

The performance evaluation was carried out based on the Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, review of the terms of reference of the Committees and the contribution of the Committees to the Board in discharging its functions, etc. A separate meeting of the Independent Directors was held wherein the performance of the Non- Independent Directors, performance of the Board as a whole (including the Committees) and also that of the Chairman was carried out in terms of the provisions of the Act. Performance evaluation of independent directors was carried out by the entire Board of Directors, excluding the director being evaluated.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed. The Company has also formulated a risk management policy.

AUDIT COMMITTEE

The Audit Committee presently comprises of:

Mr. Shreekant Bapat (Chairman)	}	Independent
Mr. Berjis Desai		Directors
Mr. P.S Jayakumar		
Mrs. Namita Thapar		Whole-time Director

Mr. Humayun Dhanrajgir ceased to be a member of the Committee w.e.f. April 16, 2021 consequent to his resignation as a Director from the Board of Directors.

All the recommendations of Audit Committee were accepted by the Board of Directors.

VIGIL MECHANISAM

The Company has adopted a Vigil Mechanism Policy (the Policy) for the stakeholders to report genuine concerns/grievances. The Policy is available on the website of the Company at: <https://www.emcure.com/share-governance-and-investor-services/>. The Policy

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provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year under review, a case was reported. Necessary actions were taken in this regard and the case was disposed off.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee presently comprises of:

Mr. Shreekant Bapat (Chairman)	Independent Director
Mrs. Namita Thapar Mr. Sunil Mehta	Whole-time Director

The CSR activities of the Company broadly focus on promoting Education, preventive Healthcare, Environment Sustainability etc.

CSR REPORT

The CSR Report on the activities undertaken during the year is provided as 'Annexure - V' to this Report. The CSR Policy is available on the website of the Company at: <https://www.emcure.com/share-governance-and-investor-services/>.

DISCLOSURE UNDER SECTION 197 OF THE ACT

Any member interested in obtaining a copy of information under Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, may write to the Company Secretary at the Registered Office of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

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

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AUDITORS

M/s. BSR & Co. LLP, Chartered Accountants (FRN 101248-W/W-100022), the Auditors of the Company hold office till the conclusion of 41st AGM to be held in the year 2022.

The Board of Directors has recommended to the Members, the re-appointment of M/s. BSR & Co. LLP, Chartered Accountants (FRN 101248-W/W-100022) as the Auditors of the Company for another term of 5 years from the conclusion of the 41st AGM till the conclusion of 46th AGM of the Company to be held in the year 2027.

The Auditors' Report on the financial statements for the year ended March 31, 2022, does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. SVD & Associates, Company Secretaries, (Firm Reg. no. P2013MH075200) were appointed as the Secretarial Auditors of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2022. The Report of the Secretarial Auditor is provided as 'Annexure - VII' to this Report. The Secretarial Auditors' Report for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDIT

As per Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts and records are maintained by the Company. The Board of Directors, on the recommendation of the Audit Committee, had appointed M/s. B. M. Sharma & Co. (Firm Registration no. 000219), Cost Accountants as Cost Auditor to conduct the audit of Company's cost records for the financial year ended March 31, 2022.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration to be paid to the Cost Auditor for FY 2022-23 is required to be ratified by the members. The Board of Directors recommend the same for approval by the Members at the ensuing AGM.

OTHERS

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Act, as the Company has not accepted any deposit. There was no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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ANNUAL RETURN

Pursuant to Section 92(3) read with section 134(3)(a) of the Act, a copy of the Annual Return of the Company is placed on the website of the Company and is accessible at: www.emcure.com.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Directors confirm that -

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- b) appropriate accounting policies have been selected and applied them consistently and had made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at March 31, 2022 and of the profit of the Company for the financial year ended on that date;
- c) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis; and
- e) proper systems had been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

INDUSTRIAL RELATIONS

Industrial Relations for the period under review continued to be cordial.

ACKNOWLEDGEMENTS

The Board of Directors acknowledge the valuable guidance and continued support extended by the government authorities, Company's customers, business partners, distributors, suppliers, medical professionals, Banks, financial institutions and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

Place: Pune

Date : May 12, 2022



BERJIS DESAI
CHAIRMAN
DIN: 00153675

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Annexure - I to Board's Report

Disclosure u/s 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.		
Options granted under the Scheme till date	60,80,000	
Options granted during the year	4,50,000	
Options vested	24,47,000	
Options Exercised	NIL	
Total no. of shares arising as a result of exercise of option	NIL	
Options lapsed/ cancelled till date	42,65,000	
Exercise Price	Options granted in	Exercise Price (in Rs.)
	October, 2013	165.07*
	March, 2016	452.57*
	October, 2018 and February, 2019	465.82*
	November 2019 and February 2020	523.82*
	July 2020 and November 2020	563.82*
	May 28, 2021	862.07*
	February 22, 2022	1000.05
Variation of terms of options	NIL	
Money realised by exercise of options	NIL	
Total no. of options in force	18,15,000	
Employee wise details of options granted to		
Key Managerial Personnel during the year	Mr. B. Renganathan, Company Secretary - 40,000	
Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	<div>1. Mr. Balinder Sidhu</div> <div>2. Mr. Chetan Gupta</div> <div>3. Mr. Kristen Pigden</div> <div>4. Mr. Di Mario Majo</div> <div>5. Mr. Srini Komandur</div> <div>6. Mr. Sudheer Paladugu</div> <div>7. Mr. A. Balaji</div> <div>8. Mr. B. Renganathan</div> <div>9. Mr. Viraj Save</div> <div>10. Mr. Vishal Mathur</div>	

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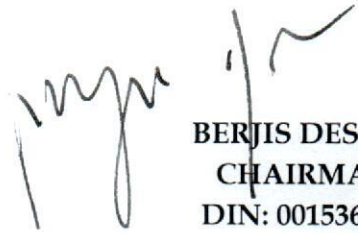
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL
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**NOTE: The exercise price of Options have been adjusted to give effect to the Composite Scheme of Demerger between the Avet Lifesciences Limited and the Company.*

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

Place: Pune

Date: May 12, 2022



BERJIS DESAI
CHAIRMAN
DIN: 00153675

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Annexure - II to Board's Report
Form AOC-1

*(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013
read with rule 5 of Companies (Accounts) Rules, 2014)*

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures
Part A - Subsidiaries

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned	Reporting Currency	Exchange Rate	Share capital	Reserves and Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before tax	Provision for taxation	Profit / (Loss) after tax	Proposed Dividend (%)	Extent of shareholding (%)
1.	Gennova Biopharmaceuticals Limited	March 31, 2022	INR	1.00	55.11	1,817.86	5,570.98	3,698.01	-	3,402.42	253.04	85.46	167.58	-	87.95
2.	Zuventus Healthcare Limited	March 31, 2022	INR	1.00	200.55	5,030.28	7,759.39	2,528.56	-	10,514.47	2,509.15	631.66	1,877.49	50	79.58
3.	Emcure Nigeria Limited	March 31, 2022	NAIRA	0.18	1.89	(119.01)	20.36	137.48	-	-	(20.94)	-	(20.94)	-	100
4.	Emcure Pharmaceuticals Mena FZ-LLC	March 31, 2022	AED	20.63	322.39	(299.44)	972.88	949.93	-	1,373.37	99.81	-	99.81	-	100
5.	Emcure Pharmaceuticals South Africa (Pty) Limited	March 31, 2022	ZAR	5.20	178.76	(23.91)	428.29	273.44	-	935.18	41.36	12.39	28.97	-	100
6.	Emcure Brazil Farmaceutica Ltda	March 31, 2022	BRL	15.94	122.55	(263.62)	15.33	156.40	-	-	3.44	1.59	1.85	-	100
7.	Emcure Pharma Philippines Inc.	March 31, 2022	Philippine peso	1.47	15.11	(0.84)	14.68	0.41	-	-	0.11	0.03	0.08	-	100
8.	Emcure Pharma UK Ltd	March 31, 2022	GBP	99.55	3,110.06	431.51	4,706.74	1,165.17	3,777.20	70.54	(25.38)	(4.82)	(20.56)	-	100

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9.	Emcure Pharma Peru S.A.C	March 31, 2022	SOL	20.38	41.07	(40.62)	1,868.16	1,867.71	-	1,201.76	52.40	34.95	17.45	-	100
10.	Emcure Pharma Mexico S.A. DE C.V.	March 31, 2022	MXN	3.82	0.21	(87.22)	8.84	95.85	-	-	(12.14)	-	(12.14)	-	100
11.	Marcen Pharmaceuticals Inc.	March 31, 2022	CAD	60.71	1,308.44	(796.42)	7,176.40	6,664.38	-	6,504.64	822.16	244.50	577.66	-	100
12.	Emcure Pharmaceuticals Pty Ltd	March 31, 2022	AUD	56.73	48.72	(29.72)	20.83	1.83	-	-	2.25	-	2.25	-	100
13.	Emcure Pharma Chile SpA	March 31, 2022	Chilean Peso	0.10	3.66	0.71	71.57	67.20	-	6.94	2.01	0.50	1.51	-	100
14.	Lazor Pharmaceuticals Ltd.	March 31, 2022	Shilling	0.66	7.45	6.36	125.43	111.62	-	97.47	9.61	2.88	6.73	-	100
15.	Tillomed Pharma GmbH	March 31, 2022	EURO	83.89	532.52	(302.85)	920.50	690.83	-	894.41	(230.45)	(54.92)	(175.53)	-	100
16.	Tillomed Laboratories Ltd	March 31, 2022	GBP	99.55	2,001.39	1,907.42	7,380.32	3,471.51	-	7,473.98	1,132.29	217.04	915.25	-	100
17.	Laboratorios Tillomed Spain SLU	March 31, 2022	EURO	83.89	40.71	3.85	648.00	603.44	-	592.34	(5.05)	(1.24)	(3.81)	-	100
18.	Tillomed Italia SRL	March 31, 2022	EURO	83.89	306.49	(301.60)	1,390.65	1,385.76	-	1,323.90	(119.09)	(28.62)	(90.47)	-	100
19.	Tillomed France SAS	March 31, 2022	EURO	83.89	18.61	39.02	244.76	187.13	-	487.99	21.04	5.88	15.16	-	100
20.	Tillomed Laboratories B.V.	March 31, 2022	EURO	83.89	-	-	-	-	-	-	-	-	-	-	100
21.	Tillomed d.o.o.	March 31, 2022	Croatian Kuna	11.10	9.55	(10.29)	5.30	6.04	-	-	(9.91)	-	(9.91)	-	100

Emcure Pharmaceuticals Limited

Registered Office : Emcure House, T-184, M.I.D.C., Bhosari, Pune - 411 026. INDIA

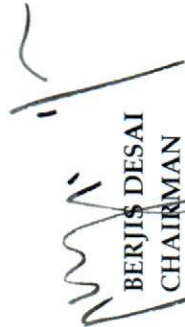
Phone : 020-35010000, 020-40700000 Fax : 020-35010111

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Part B - Associates and Joint Ventures


Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures	
	Name of Associates or Joint Ventures
1.	Latest audited Balance Sheet Date
2.	Date on which the Associate or Joint Venture was associated or acquired
3.	Shares of Associate or Joint Ventures held by the company on the year end
	No. of shares
	Amount of Investment in Associates or Joint Venture
	Extent of Holding (in percentage)
4.	Description of how there is significant influence
5.	Reason why the associate/joint venture is not consolidated
6.	Network attributable to shareholding as per latest audited Balance Sheet
7.	Profit or Loss for the year
	i. Considered in Consolidation
	ii. Not Considered in Consolidation
	NIL

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
EMCURE PHARMACEUTICALS LIMITED**


BERJIS DESAI
CHAIRMAN
DIN: 00153675


SATISH MEHTA
MANAGING DIRECTOR & CEO
DIN: 00118691


TAJUDDIN SHAIKH
CHIEF FINANCIAL OFFICER


B. RENGANATHAN
COMPANY SECRETARY

Place: Pune
 Date: May 12, 2022

Emcure Pharmaceuticals Limited

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Annexure - III to Board's Report

Form No. AOC-2

Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

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

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

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

The details of material contracts or arrangement or transactions at arm's length basis with related parties for the year ended March 31, 2022 are as follows:

Nature of contracts/ arrangements/ transactions	Name of the related party	Nature of relationship	Duration of the Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value if any.	Amount (Rs. in million)	Date of approval by the Board, if any.	Amount paid as advances, if any
Sale of Goods	Tillomed Laboratories Ltd, UK	Subsidiary	Ongoing	At arm's length and in ordinary course of business	3,433.24	February 04, 2021	N.A.

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED



BERJIS DESAI
CHAIRMAN
DIN: 00153675

Place: Pune

Date: May 12, 2022

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ANNEXURE IV TO BOARD'S REPORT**CORPORATE GOVERNANCE****THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company has always been committed to the practice of good Corporate Governance. Being a global Company, the Company has identified accountability, integrity and transparency in its affairs as the quintessential elements of attaining its goals. The Company believes that Corporate Governance is a set of guidelines to help fulfil its responsibilities to all its stakeholders and it aims at improving its shareholders' wealth by focusing on best ethical practices of good Corporate Governance. The Company also aims to align the interests of individuals, corporates & society and enhancing the stakeholders' value.

I. BOARD OF DIRECTORS:**Composition:**

The Company has an optimum combination of Board comprising of twelve directors, of whom, four are whole-time directors including the Managing Director & CEO, six independent directors including the Chairman and two non-executive and non-independent directors. All the non-executive directors possess varied and rich experience in their respective fields and provide independent judgement on issues connected with strategic planning, business development and standards of conduct.

a) Details of the Board of Directors:

Name and DIN of the Directors	Category	No. of Board Meetings attended	No. of Directorships held*	Committees Position**		Attendance at the last AGM held on July 30, 2021
				Member	Chairman	
Mr. Berjis Desai ^{SS} DIN: 00153675	Independent & Non-Executive Director (Chairman)	9	11	5	1	Yes
Mr. Humayun Dhanrajgir ^S DIN: 00004006	Independent & Non-Executive Director (Chairman)	1	-	-	-	-

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Mr. Satish Mehta DIN: 00118691	Managing Director & CEO (Promoter)	9	3	-	-	Yes
Mr. Sunil Mehta DIN: 00118469	Whole-time Director (Promoter)	9	2	1	-	Yes
Dr. Mukund Gurjar DIN: 00026843	Whole-time Director	9	1	-	-	Yes
Mrs. Namita Thapar DIN: 05318899	Whole-time Director	9	2	1	-	No
Mr. Samonnoi Banerjee DIN: 06874206	Non-Executive Director	9	2	-	-	No
Dr. Shailesh Ayyangar# DIN: 00268076	Non-Executive Director	9	4	1	-	No
Mr. Shreekant Bapat DIN: 00621568	Independent & Non-Executive Director	9	2	3	3	No
Mr. P. S. Jayakumar DIN: 01173236	Independent & Non-Executive Director	9	9	8	4	No
Mr. Vijay Gokhale# DIN: 09134089	Independent & Non-Executive Director	9	1	-	-	-
Dr. Vidya Yeravdekar# DIN: 02183179	Independent & Non-Executive Director	6	1	-	-	-
Mr. Hitesh Jain## DIN: 00130023	Independent & Non-Executive Director	7	3	2	-	-

*Number of Directorships exclude Directorships in Companies incorporated outside India, Private Companies and Section 8 Companies.

**For the purpose of computing the number of committees, membership/ chairmanship of the Audit Committee and Stakeholder Relationship Committee have been considered.

\$Mr. Humayun Dhanrajgir resigned as a Director of the Company from w.e.f. the closing hours of April 16, 2021.

\$\$ Mr. Berjis Desai was appointed as the Chairman of the Board w.e.f. April 16, 2021.

#Dr. Shailesh Ayyangar, Mr. Vijay Gokhale and Dr. Vidya Yeravdekar were appointed as Directors of the Company with effect from April 16, 2021.

##Mr. Hitesh Jain was appointed as Independent Director of the Company w.e.f July 27, 2021.

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All Directors, except Mr. Satish Mehta, Mr. Samonnoi Banerjee and Independent Directors appointed under the provisions of the Companies Act, 2013, are liable to retire by rotation.

The Members of the Company at the 40th AGM held on July 30, 2021, approved the re-appointment of Mr. Satish Mehta as the Managing Director & CEO of the Company for a further period of 5 years with effect from April 1, 2022

Except Mr. Satish Mehta and Mrs. Namita Thapar, who have Father and Daughter relationship, none of the Directors are related to each other. None of the Non-Executive Directors of the Company, have any pecuniary relationship or transactions with the Company other than sitting fees paid for attending Board Meetings/ committee meetings and commission, if any payable and their respective shareholding.

The independent directors fulfil the conditions specified in Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs. In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency as per the Act.

All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Companies Act, 2013.

b) Details of directorships held by Directors of the Company in listed entities:

S. No.	Name of Director	Name of listed entity	Category
1.	Mr. Berjis Desai	Nuvoco Vistas Corporation Ltd.	Independent Director
		Praj Industries Limited	Independent Director
		The Great Eastern Shipping Company Limited	Non-Executive Non-Independent Director
		Star Health And Allied Insurance Company Limited	Independent Director
		Man Infraconstruction Limited	Non - Executive Non - Independent Director - Chairman
		Jubilant Foodworks Limited	Independent Director
2.	Mr. P. S. Jayakumar	HT Media Limited	Independent Director
		CG Power and Industrial Solutions Ltd	Independent Director
		JM Financial Limited	Independent Director
		Adani Ports and Special Economic Zone Limited	Independent Director
3.	Dr. Shailesh Ayyangar	Shaily Engineering Plastics Ltd.	Independent Director

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c) Details of Board Meetings and Attendance:

During the financial year ended March 31, 2022, nine (9) Board Meetings were held on the following dates :-

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	16/04/2021	12	12
2.	28/05/2021	11	11
3.	27/07/2021	12	12
4.	12/08/2021	12	12
5.	18/08/2021	12	12
6.	16/11/2021	12	11
7.	15/12/2021	12	12
8.	13/01/2022	12	11
9.	22/02/2022	12	11

II. BOARD COMMITTEES:**1. Audit Committee:****Meetings held:**

During the year under review the Audit Committee met 7 times on the following dates – April 16, 2021, May 27, 2021, July 27, 2021, November 16, 2021, December 15, 2021, January 13, 2022 and February 22, 2022.

Composition as on March 31, 2022 and attendance during the year ended March 31, 2022:-

Name of the Members	No. of meetings		Category of Directorship
	Held during the tenure	Attended	
Mr. Shreekant Bapat	7	7	Independent Director
Mr. Humayun Dhanrajgir*	1	1	Independent Director
Mr. Berjis Desai	7	7	Independent Director
Mrs. Namita Thapar	7	7	Whole-time Director
Mr. P. S. Jayakumar	7	7	Independent Director

**Mr. Humayun Dhanrajgir resigned as Chairman and Independent Director of the Company and also as member of the Committee w.e.f. April 16, 2021.*

During the year under review, the Audit Committee was reconstituted in the Board meeting held on April 16, 2021, which comprises four members viz. Mr. Shreekant Bapat, Chairman of the Committee, Mr. Berjis Desai, Mrs. Namita Thapar and Mr. P. S. Jayakumar as Members of the Committee.

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All the members of the Committee have financial management expertise. Managing Director & CEO and Chief Financial Officer are permanent Invitees to the Audit Committee Meetings. The representatives of Statutory Auditors and the Internal Auditors attend the Audit Committee meetings by invitation. The Company Secretary acts as a Secretary to the Committee.

Brief description of Terms of Reference of the Committee:

The terms of reference the Committee *inter-alia* includes:

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors and the fixation of audit fee;
- Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.
- Reviewing, with the management,
 - a) the quarterly financial statements before submission to the board for approval;
 - b) performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Overseeing a vigil mechanism established for directors and employees to report their genuine concerns or grievances;

2. Nomination and Remuneration Committee:

Meetings held:

Nomination and Remuneration Committee met 5 times during the financial year 2021-22 on the following dates – April 16 2021, May 27, 2021, July 27, 2021, November 16, 2021 and February 22, 2022.

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Composition as on March 31, 2022 and attendance during the year ended March 31, 2022:-

Name of the Members	No. of meetings		Category of Directorship
	Held during the tenure	Attended	
Mr. Shreekant Bapat	5	5	Independent Director
Mr. Humayun Dhanrajgir*	1	1	Independent Director
Mr. Berjis Desai	5	5	Independent Director
Mr. Samonnoi Banerjee	5	5	Non-Executive Director
Mr. P. S. Jayakumar	4	4	Independent Director
Dr. Shailesh Ayyangar	3	3	Non-Executive Director

**Mr. Humayun Dhanrajgir resigned as Chairman and Independent Director of the Company and also as member of the Committee w.e.f. April 16, 2021.*

The Nomination and Remuneration Committee was re-constituted on May 27, 2021 and currently comprises of Mr. Shreekant Bapat, Chairman of the Committee, Mr. Berjis Desai Mr. P. S. Jayakumar, Mr. Samonnoi Banerjee and Dr. Shailesh Ayyangar as Members of the Committee.

Terms of Reference:

The terms of reference of the Committee is as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Formulation of criteria for evaluation of performance of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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- Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Recommending the remuneration, in whatever form, payable to the senior management personnel;
- Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

The Company has formulated a Remuneration Policy including criteria for making payments to Non-executive Directors. The evaluation of performance of the Board as a whole, the Chairman, Managing Director, Whole-time Directors, Independent Directors and the Non-executive Directors was carried out during the financial year ended March 31, 2022, in compliance with the provisions of the Companies Act, 2013 and the rules & Schedule made thereunder. A separate meeting of the Independent Directors was held during the year, wherein the performance of the Non-Independent Directors, performance of the Board as a whole and also that of the Chairman in terms of the provisions of the Companies Act, 2013.

3. Stakeholders Relationship Committee:

Meetings held:

During the year ended March 31, 2022, the Stakeholders' Relationship Committee met once on August 12, 2021.

Composition as on March 31, 2022 and attendance during the year ended March 31, 2022:-

Name of the Members	No. of meetings		Category of Directorship
	Held	Attended	
Mr. Shreekant Bapat	1	1	Independent Director
Mr. Berjis Desai	1	1	Independent Director
Mr. Satish Mehta	1	1	Managing Director & CEO

Mr. Shreekant Bapat is the Chairman of the Committee.

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TERMS OF REFERENCE

The terms of reference of the Committee is as follows:

- Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken, if any for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Stakeholders' Relationship Committee.

Mr. B. Renganathan, Company Secretary is the Compliance Officer of the Company. During the year, the Company and/or its Registrar and Share Transfer agent did not receive any complaints from the shareholders of the Company. No complaints were outstanding at the beginning of the current financial year.

III. REMUNERATION OF DIRECTORS:**A. Particulars of Commission and sitting fees paid to Non-Executive Directors during the financial year ended March 31, 2022:**

(Rs. in million)				
Sr. No.	Names of Directors	Commission#	Fee for attending Board/Committee Meetings	No. of equity shares held
1.	Mr. Humayun Dhanrajgir*	2.00	0.06	154,284
2.	Mr. Berjis Desai	3.50	0.82	192,856
3.	Mr. Shreekant Bapat	2.50	0.92	175,084
4.	Mr. P. S. Jayakumar	2.40	0.68	-
5.	Mr. Vijay Gokhale	-	0.34	-
6.	Dr. Vidya Yeravdekar	-	0.22	-
7.	Mr. Hitesh Jain	-	0.28	25,716
8.	Mr. Samonnoi Banerjee	-	0.60	-
9.	Dr. Shailesh Ayyangar	-	0.42	-
TOTAL		10.40	4.34	

*Mr. Humayun Dhanrajgir resigned as Chairman and Independent Director of the Company w.e.f. April 16, 2021.

#Relates to financial year 2020-21

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The Non-Executive Directors of the Company including Independent Directors are paid a sitting fees of Rs. 40,000/- for each meeting of the Board and/or Committee attended by them. The commission is paid to the Non-executive Directors *inter alia* based on performance of the Company, their attendance, contribution etc. at the Board and various Committee Meetings.

B. Particulars of remuneration paid to the Managing Director/Whole-time Directors of the Company during the Financial Year 2021-22:

(Rs. in million)

Name of the Director	Period of Appointment	Salary p.a.	Perquisites & Allowances p.a.	Commission	Performance Linked Bonus	Retirement Benefits p.a.	Stock Options Granted	Severance Fee (if any)	Total
Mr. Satish Mehta (Managing Director & CEO)	Five years (From 1 st April, 2017 upto 31 st March, 2022)	76.08	85.61	63.80	0	9.13	-	-	234.62
Dr. Mukund Gurjar	Five Years (From 28 th August, 2017 upto 27 th August, 2022)	17.76	19.41	0	9.44	2.13	-	-	48.74
Mrs. Namita Thapar	Five years (From 1 st August, 2014 upto 31 st July, 2019)	15.34	16.94	0	2.90	2.58	-	-	37.76
Mr. Sunil Mehta	Five Years (From 5 th June, 2018 to 4 th June, 2023)	12.09	13.21	0	2.24	1.45	-	-	28.99

The Company enters into an agreement with all above mentioned Directors. Either party to an agreement is entitled to terminate the agreement by giving not less than 6 months' notice in writing to the other party.

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IV. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held at the venue and time as under:

Sr. No.	Year	Venue	Date & Time	Special Resolution Passed
1.	2020-21	Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune-411 057.	July 30, 2021 11.00 A.M.	Yes
2.	2019-20	Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune-411 057.	August 21, 2020 12.00 P.M.	Yes
3.	2018-19	Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune-411 057.	August 19, 2019 10.00 A.M.	Yes

V. OTHER DISCLOSURES:

- a) The financial statement (both standalone and consolidated) have been prepared in accordance with the applicable accounting standards - the Indian Accounting Standards (Ind-AS).
- b) The Company has a Vigil Mechanism/Whistle Blower Policy for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.
- c) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. Number of complaints filed during the Financial Year: 1
 - b. Number of complaints disposed off during the Financial Year: 1
 - c. Number of complaints pending as on end of the Financial Year: Nil
- d) There are no transactions with the Director or management, their associates or their relatives etc. that may have potential conflict with the interest of the Company at large.

None of the transactions with any of related parties were in conflict with the Company's interest. All related party transactions are negotiated on arm's length basis and are intended to further the Company's interests.

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VII. GENERAL SHAREHOLDER INFORMATION:**(i) Annual General Meeting:**

Day & Date : Wednesday, June 01, 2022
Time : 11.00 a.m.
Venue : Plot No. P2, IT-BT Park, Phase II, M.I.D.C, Hinjawadi, Pune 411057

(ii) **Financial Year:** April 01, 2021 to March 31, 2022

(iii) **Date of Declaration of dividend, if any:** June 01, 2022.

(iv) **Website:** <https://emcure.com/>

(v) **Share transfer system:** The Stakeholders' Relationship Committee approves the transfers, transmissions, issue of duplicate share certificates etc.

For lodgement of transfer deeds and other documents, any grievances/complaints, shareholders may contact the Company Secretary at the details mentioned under the address for correspondence.

(vi) Shareholding Pattern as on March 31, 2022:

Sr. No.	Category	No. of Shares	% of Shareholding
1.	Promoter and Promoter Group	147,555,468	81.59
2.	Foreign Body Corporate	2,36,73,544	13.09
3.	Others	96,23,104	5.32
	Total	18,08,52,116	100

(vii) **Dematerialisation of Shares:** All the Equity Shares of the Company representing 100% holding of the issued and paid-up share capital of the Company were held in dematerialised form.

(viii) **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:** The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

(ix) Plant / R & D Locations:

- Plot 12/2, F-II Block, M.I.D.C., Pimpri, Pune- 411 018.
- Plot No. P-1 & P-2, M.I.D.C., Hinjawadi, Pune - 411 057.
- Plot No. D-24 and D-24/1, M.I.D.C., Kurkumbh, Taluka - Daund, District: Pune 413 802.
- SIDCO Industrial Estate, Lane No. 3, Phase II, Bari Brahmana, Jammu -181130.

Emcure Pharmaceuticals Limited

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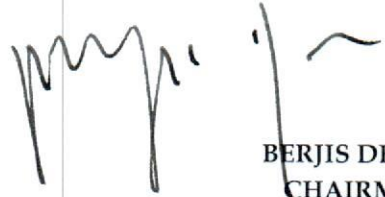
Phone : 020-35010000, 020-40700000 Fax : 020-35010111

E-mail : corporate@emcure.co.in, Website : www.emcure.com, CIN : U24231PN1981PLC024251

- Plot No: SM-14, 15, 16-1 Sanand II, Charal Industrial Estate, GIDC, Tal: Sanand, Dist: Ahmedabad
- Survey No. 661, 671, Uvarsad Cross Road, Sarkhej - Gandhinagar Highway, Adalaj, Gandhinagar - 382 421 Gujarat.
- New Survey No. 485 (Old Survey 160 Paiki 1) at Kadu Taluka, Lakhtar, Surendranagar, Gujarat - 382775.
- Dabhala Village, Gozariya - Visnagar Road, Cross, Dabhala, Gujarat

(x) **Address for correspondence:**
Company Secretary
"Emcure House" T-184, M.I.D.C
Bhosari, Pune -411026.
secretarial@emcure.co.in

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED



BERJIS DESAI
CHAIRMAN
DIN: 00153675

Place: Pune

Date: May 12, 2022

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Annexure - V**Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2021-22****1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:**

Pursuant to Section 135 read with Schedule VII of the Companies Act, 2013 ('the Act'), the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Promoting Education, Promoting Preventive Healthcare, Women empowerment.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shreekant Bapat	Independent Director - Chairman	2	2
2.	Mr. Sunil Mehta	Whole-time Director	2	2
3.	Mrs. Namita Thapar	Whole-time Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:
<https://www.emcure.com/share-governance-and-investor-services/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. In millions)	Amount required to be set-off for the financial year, if any (Rs. in millions)
1	2020-21	4.60	-
	Total	4.60	-

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6. Average Net Profit of the Company as per Section 135(5) of the Act: **Rs. 3,778.60 Million**
7. a) Two percent of average net profit of the Company as per Section 135(5) of the Act for the Financial Year 2021-22: **Rs. 75.57 million.**
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
- c) Amount required to be set off for the Financial Year, if any: **NIL**
- d) Total CSR obligation for the Financial Year (7a+7b-7c): **Rs. 75.57 million**
8. a) CSR Amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (Rs. in Million)	Amount Unspent (Rs. in millions)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
77.28	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
--Not applicable--												

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (Rs. In millions)	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Promoting Education, including special Education and employment enhancing vocation skills	(ii)	Yes	Pune, Maharashtra		1.70	Yes	-	-
				Ahmedabad Gujarat		1.00			
2.	Promoting preventive healthcare care (Medical Camp, Free Medicine, Free Medical checkup etc.	(i)	Yes	Pune, Maharashtra		70.00	Yes	-	-
			No	Multiple cities in India		1.00			
3.	Training to promote rural sports	(vii)	Yes	Pune, Maharashtra		2.80	Yes	-	-
4.	Employment enhancing vocation skills among differently abled /children	(ii)	Yes	Pune, Maharashtra		0.19	Yes	-	-
5.	Eradicating hunger, poverty and malnutrition	(i)	Yes	Pune, Maharashtra		0.09	Yes	-	-
6.	Promoting Gender equity and women empowerment	(iii)	Yes	Pune, Maharashtra		0.50	Yes	-	-
Total						77.28			

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- d) Amount spent in Administrative Overheads: **NIL**
e) Amount spent on Impact Assessment, if applicable: **Not applicable**
f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 77.28 million**
g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in millions)
i.	Two percent of average net profit of the company as per section 135(5)	75.57
ii.	Total amount spent for the Financial Year	77.28
iii.	Excess amount spent for the financial year [(ii)-(i)]	1.71
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.71

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs.)	Amount spent in the reporting Financial Year (Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (Rs.)
				Name of the fund	Amount (Rs.)	Date of transfer	
--Not applicable--							

- b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not applicable**
- a) Date of creation or acquisition of the capital asset(s): **Not applicable**
b) Amount of CSR spent for creation or acquisition of capital asset: **Not applicable**
c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not applicable**
d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not applicable**

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11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For and on behalf of Board of Directors of
EMCURE PHARMACEUTICALS LIMITED

Place: Pune
Date : May 12, 2022


SHREEKANT BAPAT
CHAIRMAN
CSR COMMITTEE
DIN: 00621568


SATISH MEHTA
MANAGING DIRECTOR & CEO
DIN: 00118691

Emcure Pharmaceuticals Limited

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Annexure- VI to Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

A. Conservation of Energy

- i) **Steps taken or impact on conservation of energy:** Energy conservation continues to be a top priority for the Company. Consumption of the energy is strictly monitored. The systems are maintained and improved regularly to reduce the distribution losses.

Specific Energy conservation measures undertaken by the Company are as follows:

1. Daily chiller & pump operation is monitored to reduce the energy consumption in winter season. (Daily saving 2,000 KWH).
2. Air compressor set point reduced & monitored closely to reduce energy consumption.
3. Use of Treated RO water in cooling tower.
4. Dust extractor unit purging air set point reduced from 6-7 kg to 3-4 kg.
5. Variable frequency drives (VFDs) installed for BSR Air Handling Unit (AHU) and API-8.
6. Replacing manual Valves & Chilled water leaked coil in Air Handling Unit (AHU) to reduce the load of chiller operation.
7. Hot water Sanitization of purified water system on weekly basis.
8. Cooling tower fills & frame are replaced to improve the temperature of cooling water.
9. VFD provision done for QC passage supply & QC passage Exhaust.
10. Using refrigerant dryer instead of heatless dryer.
11. Repacing TPH boiler ID FAN impeller.
12. Most of the light fixtures are replaced with LED lights.
13. RO Reject water used in cooling tower.
14. Activated Carbon Filter (ACF) Backwash water used in soak pit.
15. Use of Thermography to detect potential problems in energized electrical components.
16. Installed automatic tube cleaning systems for water chillers for energy saving cost-effective tube cleaning.
17. Installing water preheater in TPH and TPH boiler
18. Automatic back wash system was installed in cooling tower in order to remove total suspended solid from sump water.
19. Pressure booster system installed in ETP treated water in order to decrease the maintenance cost and down time

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- ii) **The steps taken by the company for utilising alternate sources of energy:** The Company continues to evaluate and explore alternate sources of energy.
- iii) **The capital investment on energy conservation equipment's:** Capital investment of Rs. 6.23 Mn was made on energy conservation equipment's.

B. Technology Absorption:

- i) **Efforts, in brief, made towards technology absorption:**

Research & Development ('R&D') as it's core strength, has indulged in newer ways to deliver molecules for effective actions. In this effort, new products and formulations for newer applications were developed through comparative bio-availability and bioequivalence studies at R&D activity.

R&D is working vigorously for development of novel drug delivery system like liposomal delivery, nanoparticles, lipid complex and micro-emulsion. Some of the products like liposomal delivery are advancing towards commercialization. Emcure has extended its arms in Transdermal Drug delivery system and achieved success. Moreover, the Company has broadened the research field and entered into depot injection (long acting microspheres). Novel research is ongoing in safety & efficacy enhancement for cytotoxic drug product. Along these lines, novel dosage forms and delivery systems have been developed to advance the clinical effectiveness of medications, lessen their toxicity, and enhance patient compliance. Moreover, novel drug-delivery systems extraordinarily increase the life cycle of our new therapeutic moieties. Emcure has huge experience in manufacturing complex formulations such as Liposomes (Amphotericin, Doxorubicin, Bupivacaine), Emulsions (Propofol, Phytonadione) Nano particles (Paclitaxel), Pre filled syringes (Enoxaparin), Suspensions (Triamcinolone, Methylprednisolone) etc.

The research team has developed and commercialized extended release dosage forms, multi particulate systems, pulsatile drug delivery system, osmotic drug delivery system, powder for suspension, vid formulation etc. The vast experience of the research team in anti-retroviral products has led to commercialization of many first to market fixed dose combination products. The research team has shown remarkable capability in development and commercialization of drugs for Covid-19—, immunosuppressant and hormonal drug products.

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- ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**

As a part of continuous improvement for adopting better complex drug formulations which have lengthy procedure, we at Emcure, have adopted automated skid technology eliminating lengthy traditional process for complex molecule formulation for Amphotericin B liposome, Propofol Emulsion and Doxorubicin liposome complex molecules formulation. Hot melt extrusion to top spray granulation for molecules like Ritonavir or a Multi-layer FDC has been formulated into single layer formulation, which is a simplified version of complex technology.

Continued implementation of technology has yielded in product improvement and cost reduction, with respect to standardized analytical methods. Some of the benefits of these efforts reflected in better quality and stability of products. E.g. Extractable, leachable studies and characterisation studies of complex injectable generics have been established with in-house techniques to avoid dependence on outsourced parties as well as reduce the cost of development.

In API R&D, several cost improvement projects (CIP) were initiated and completed e.g. Ropivacaine HCl, Flecanide Acetate, Dolutegravir Sodium however work on TDF, TAF, Acamprosate Calcium, Lisinopril, Eribulin (Intermediate) etc. still going on. API R&D also actively works on the process robustness of existing API process to improve efficiency, productivity and reduce waste generation. Imported intermediates and starting material were back-integrated with the help of in-house development of these intermediates and starting materials. This not only lowers the cost of these APIs but also makes Emcure self-reliant for delivery of these APIs. All this was achieved without any substantial change to the filed process thus ensuring continuous availability and reliability of the above API's for commercial supply. API R&D has developed processes for manufacturing of Covid-19 drugs like Aviptadil, Molnupiravir, Nirmatrelvir to ensure supply of low cost essential medicine for patients in need.. In complex generic segment, we have taken up challenging process development of APIs like Lurbinectidin, Isavuconazole Sulphate and Iron products.

We have also started development of APIs like Amiodarone, Trelagliptin Succinate Edoxaban Tosylate, Olsalazine Sodium, Pemetrexed Disodium Heptahydrate. The Company constantly endeavours to adopt newer technologies and reduce our carbon foot-print. As a part of such initiative, R&D is working on process development of APIs by using Flow chemistry / Flow reactor.

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- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology has been imported by the Company during the last 3 years.

- iv) The expenditure incurred on Research and Development:

(Rs. in million)

Particulars (Standalone)	FY 2021-22	FY 2020-21
Capital	43.38	12.32
Revenue	1,494.78	1,238.33
Total	1,538.16	1,250.65
Total R&D Expenditure as % of gross turnover	4.54%	3.97%

C. Foreign Exchange earnings and outgo


(Rs. in million)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	14,141.38	15,371.19
Foreign Exchange Outgo	11,662.92	1,263.10

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

Place: Pune

Date: May 12, 2022


BERJIS DESAI
CHAIRMAN
DIN: 00153675

Emcure Pharmaceuticals Limited

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Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Emcure Pharmaceuticals Limited,
'Emcure House', T-184, M.I.D.C Bhosari,
Pune-411026.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Emcure Pharmaceuticals Limited** bearing CIN: U24231PN1981PLC024251 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable considering the proposed Initial Public Offer (IPO) by the Company;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of the securities held in dematerialized form;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowing and Overseas Direct Investment;
- (v) None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company except the following Regulations, to the extent applicable considering the proposed Initial Public Offer (IPO) by the Company:-
- (a) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) The Management has identified and confirmed the Compliances of the following laws as specifically applicable to the Company:-
- a. The Drugs and Cosmetics Act, 1940 and rules framed there under
 - b. The Bio Medical Waste (Management & Handling) Rules, 2016
 - c. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
 - d. The Narcotic Drugs and Psychotropic Substances Act, 1985
 - e. The Essential Commodities Act, 1955 and The Drug and Price Control Order, 2013
 - f. The Petroleum Act, 1934
 - g. The Food Safety and Standards Act, 2006
 - h. The Patents Act, 1970
 - i. The Trade Marks Act, 1999
 - j. The Indian Copyright Act, 1957

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by 'The Institute of Company Secretaries of India'.

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

We further report that

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

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

All decisions at Board Meetings, Committee Meetings and by way of circular resolutions of Board and Committee Meetings are carried out with requisite majority, as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following:

1. Avet Lifesciences Limited (Avet) ceased to be subsidiary of the Company w.e.f. July 25, 2021 (Effective date) by virtue of Scheme of Arrangement (Demerger). Consequent to this demerger the US business of the Company got transferred and vested with Avet. As a result all the entities under Avet ceased to be subsidiaries of the Company.
2. The Board of Directors of the Company approved the Draft Red Herring Prospectus (DRHP) for the Initial Public Offer of Equity Shares of the Company in their meeting held on July 27, 2021 and the same was filed with SEBI on August 18, 2021 pursuant to the provisions of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2018.
3. The Company had incorporated a step down subsidiary in Croatia on August 23, 2021 through its wholly owned subsidiary Emcure Pharma UK Limited in Europe in the name and style of Tillomed d.o.o.
4. Emcure NZ Limited ceased to be subsidiary from October 13, 2021 upon closure.
5. The Company had incorporated a wholly owned subsidiary in Canada in the name and style of Emcure Canada Inc. on July 14, 2021 and the same was amalgamated with Marcan Pharmaceuticals Inc., a subsidiary of the Company w.e.f. August 13, 2021.
6. At the 40th Annual General Meeting held on July 30, 2021, Special Resolutions were passed for:
 - i. Reappointment of Mr. Satish Mehta as a Managing Director and Chief Executive Officer of the Company for a period of 5 years with effect from April 01, 2022 not liable to retire by rotation.
 - ii. Appointment of Mr. Sanjay Mehta relative of Mr. Sunil Mehta, Whole Time Director of the Company, to hold an office or place of profit as President Commercial or any other designation and the role which Board or Committee of the Board may decide from time to time on such remuneration and other terms and conditions as agreed between Mr. Sanjay Mehta and the Company.
 - iii. Continuation of Mr. Shreekant Bapat as Non-executive Independent Director of the company who has attained the age of 75 years and the resolution to be in force even after listing.
 - iv. Increase in the authorized capital of the Company from INR 2,00,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000/- (Twenty Crore) equity shares of INR 10/- (Rupees Ten Only) each to INR 2,50,00,00,000/- (Rupees Two Hundred and Fifty

Crores Only) divided into 25,00,00,000/- (Twenty-Five Crore) equity shares of INR 10/- (Rupees Ten Only) and consequent alteration to clause V of the Memorandum of Association of the Company.

- v. Alteration of the existing set of Articles of Association of the Company by replacing it with new set of Articles of Association.
- vi. Approving an Initial Public Offering (IPO) of the Equity Shares of the Company.
- vii. Adoption of amendments to the Emcure – Employee Stock Option Scheme, 2013 (ESOP Scheme) to ensure that the scheme is in compliance with the applicable SEBI Regulations.
- viii. Extension of the benefits of ESOP Scheme to the permanent employees and their eligible Directors of the Subsidiary Companies from time to time on such terms and conditions as set out in the Scheme and the resolution to be in force even after listing.
- ix. Authorization to Board of Directors to advance any loan including any loan represented by Book debt or give guarantee or provide security in connection with any loan taken by the entity which is the subsidiary or group company or associate or joint venture of the Company in which any Director is deemed to be interested for an amount not exceeding rupees 750 crore in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the Borrowing company for its principal business activities.

For **SVD & Associates**
Company Secretaries



Sheetal S. Joshi
Partner
FCS No: 10480
CP No: 11635



Place: Pune
Date: May 04, 2022

Peer review No. P2013MH075200
UDIN: F010480D000257144

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE A'

To,
Members,
Emcure Pharmaceuticals Limited,
'Emcure House', T-184, M.I.D.C Bhosari,
Pune-411026

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. We have physically verified the documents and evidences and also relied on data provided on electronic mode to us.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company

For **SVD & Associates**
Company Secretaries


Sheetal S. Joshi
Partner
FCS No: 10480
CP No: 11635



Place: Pune
Date: May 04, 2022

Peer review No.P2013MH075200
UDIN: F010480D000257144

Annexure to Board's Report

Information as per Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2022.

A. Employed throughout the financial year under review and were in receipt of remuneration for that financial year in the aggregate of not less than Rs. 1,02,00,000/- per annum

Sr. No.	Name of the employee	Designation of the employee	Remuneration received (Rs. in million)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee (yrs)	Date of commencement of employment	Age of employee	The last employment held before joining the company	The percentage of equity shares held by the employee in the company	Whether relative of any director or manager of the company and if so, name of such director or manager
1	Mr. Satish Mehta	Managing Director	229.42	Permanent	M.Sc., M.B.A. (IIMA) Exp: 40 yrs	16/ Apr/1981	70	Nucron Pharmaceuticals Ltd.	41.92	Mrs. Namita Thapar
2	Dr. Mukund Gurjar	Executive Director- CSO	47.65	Permanent	M.Sc., Ph.D. Exp: 46 yrs	28/ Aug/2007	69	National Chemical Laboratories	0.16	-
3	Mrs. Namita Thapar	Executive Director	42.36	Permanent	B.Com, ACA, MBA (Finance) Exp: 17 yrs	01/ Aug/2006	44	Guidant Corporation	3.51	Mr. Satish Mehta
4	Mr. Vikas Thapar	President - Corporate Dev. & Strategy	39.22	Permanent	B.Sc., MBA (Finance) & Operation Exp: 24 yrs	01/ Aug/2006	47	eBay Inc.	0.21	Mrs. Namita Thapar
5	Mr. Sanjay R. Mehta	President - Commercial	34.14	Permanent	B.Com. Exp: 30 yrs	01/ Apr/1989	56	Nucron Pharmaceuticals Ltd.	8.72	Mr. Sunil Mehta
6	Mr. Sunil R. Mehta	Executive Director - Projects	28.77	Permanent	B.Com. MDBA Exp: 34 yrs	01/ Aug/1985	58	N.A.	6.13	-
7	Mr. Samit Mehta	President - Operations	25.85	Permanent	B.Com., MBA (Finance) Exp: 22 yrs	01/ Apr/2003	43	Gemova Biopharmaceuticals Ltd.	7.49	Mr. Satish Mehta & Mrs. Namita Thapar
8	Mr. Manoj Jurnmarkar	President- Global Sourcing & Procurement	25.22	Permanent	B.E. (Chem.) M B A Exp: 31 yrs	22/Oct/2019	56	Glenmark Pharmaceuticals Ltd	-	-

Emcure Pharmaceuticals Limited

Registered Office : Emcure House, T-184, M.I.D.C., Bhosari, Pune - 411 026. INDIA.

Phone : 020-35010000, 020-40700000 Fax : 020-35010111,

E-mail : corporate@emcure.co.in, Website : www.emcure.com, CIN : U24231PN1981PLC024251

9	Dr. Deepak Gondaliya	President - R&D/Domestic Operations	25.06	Permanent	M.Pharm, Ph.D Exp: 23 yrs	02/Jul/2013	48	Sun Pharmaceuticals Industries Ltd.	-	-
10	Mr. Pratin Vete	President - India Sales & Marketing	24.63	Permanent	B sc. (Phys), MMS Exp: 31 yrs	30/Jul/2019	54	Cipla Ltd	-	-
11	Mr. Rohit Pant	President - Emerging Markets	21.17	Permanent	B.Sc, MBA Exp: 29 yrs	07/Nov/2016	52	Glenmark Pharmaceuticals Ltd.	-	-
12	Mr. Devbalaji Balaji	Exe V P - Global HIV/Aids Initiative	13.99	Permanent	B sc., B Pharm Exp: 33 yrs	24/Sep/2001	57	Cadila Pharmaceuticals, Nigeria	0.009	-
13	Mr. Viraj Save	Ex. Vice President - Sales & Marketing	12.28	Permanent	B sc., PGD Marketing Exp: 31 yrs	02/Nov/2020	54	Abbott Nutrition India	-	-
14	Mr. Piyush Nahar	Sr Director - Corp. Development & Strategy	12.13	Permanent	M.Tech (IIT-M), MBA (IIM-A) Exp: 13 yrs	03/Aug/2020	38	Jefferies India Pvt Ltd, Mumbai	-	-
15	Mr. Tajuddin Shaikh	President - Finance	11.71	Permanent	CA, ICWA Exp: 23 yrs	01/Oct/2003	45	S R Batliboi & Associates	-	-
16	Mr. Satish Kaul	Resident Director- Janmu	11.68	Permanent	Post Graduate, DBM Exp: 38 yrs	01/Jul/2008	72	Maral Overseas Ltd.	-	-
17	Ms. Manisha Sonavadekar	Senior Director - Sales & Marketing	10.57	Permanent	B. Pharms, DMS, MMM Exp: 25 yrs	14/May/2019	47	Positive Bioscience Ltd	-	-
18	Mr. Hitendra Singh	Senior Director- Program Management	9.41	Permanent	BBA, MBA Exp: 25 yrs	18/Apr/2020	43	India Infocus Capital Services	-	-

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B. Employed for a part of the financial year and was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month

Sr. No.	Name	Designation of the employee	Remuneration received (Rs. in million)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee (Years)	Date of commencement of employment	Age of employee	The last employment held before joining the Company	The percentage of equity shares held by the employee in the Company	Whether relative of any director or manager of the Company and if so, name of such director or manager
1.	Mr. B. Renganathan	General Counsel and Corporate Company Secretary	12.10	Permanent	B. Com., LLB, CMA, CS Exp.: 31 yrs	April 29, 2021	58	Edelweiss Financial Services Ltd	-	-
2.	A. Balaji	President - IT & Digital	9.23	Permanent	B.Com., CA Exp.: 31 yrs	October 15, 2021	54	UPL Limited	-	-
3.	Vishal Mathur	Executive Vice President & Chief Marketing Officer, API Business Development	7.61	Permanent	B.Sc, M. Sc., MBA Exp.: 23 yrs	September 17, 2021	48	Amoli organics	-	-
4.	Saurabh Gambhir	Sr. Director - Marketing & Portfolio Strategy	6.99	Permanent	B.E., MBA Exp.: 15 yrs	August 3, 2021	39	Intas Pharmaceuticals Ltd	-	-
5.	Mr. Srikanth Dahagam	Senior Director - Human Resources	5.68	Permanent	M.Sc, MBA Exp.: 31	April 8, 2020	53	Cadila Pharmaceuticals Ltd	-	-
6.	Mr. Jatin Nayyar	Director - Commercial Marketing	5.48	Permanent	B. Com., PGDBM Exp.: 22 yrs	November 1, 2021	47	J. B. Chemical & Pharmaceuticals Ltd	-	-
7.	Mr. Pradeep Vaishnav	President - Human Resources	5.13	Permanent	B Sc (Zoology), Master of Soc. Science Exp.: 42	December 9, 2019	65	Sanofi India Ltd	-	-
8.	Mr. Diveshkumar Patel	EVP-Quality & Compliance	1.19	Permanent	M Sc, B Sc Exp.: 21 yrs	March 1, 2022	50	Sun Pharmaceuticals Industries Ltd.	-	-

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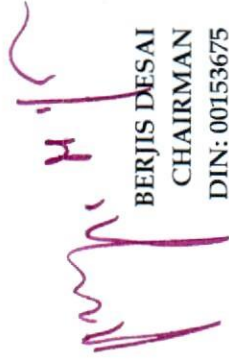
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Notes :

1. All the above persons are / were full time employees of the Company.
2. The Employment is subject to the rules of the Company in force from time to time.
3. Gross remuneration includes Salary, Allowances, Bonus, Taxable Value of Perquisites and Company's Contribution to Provident and Gratuity Funds.

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED


BERJIS DESAI
CHAIRMAN
DIN: 00153675

Place: Pune

Date : May 12, 2022

Emcure Pharmaceuticals Limited

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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.



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



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.



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.



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.



B S R & Co. LLP

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

Place: Pune
Date: 12 May 2022


Abhishek
Partner
Membership No. 062343
UDIN: 22062343AIWMKN7695

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:



Emcure Pharmaceuticals Limited

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.

(This space has been left blank intentionally)



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)

- (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).



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

Place: Pune

Date: 12 May 2022

Membership No.: 062343

UDIN : 22062343AIWMKN7695

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.

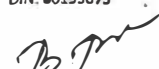
As per our report of even date attached.

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: U24231PN 1981P CO24251


Berjis Desai
Director and Chairman
DIN: 00153675


B. Ganganathan
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	34		
Current tax		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			
Items that will not be reclassified to profit or loss			
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			
Items that will not be reclassified to profit or loss		-	-
		-	-
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		For and on behalf of the Board of Directors Emcure Pharmaceuticals Limited CIN: U24231PW1981PLC024251	
 Abhishek Partner Membership No. 062343		 Berjis Desai Director and Chairman DIN: 0015675	
		 Satish Mehta Managing Director DIN: 00118691	
		 Ranganathan Company Secretary Membership No. F2922	
		 Tajuddin Shaikh Chief Financial Officer	
Place: Pune Date: 12-May-2022		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						Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Foreign currency monetary item translation reserve	
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		-	-	-	-	(180.85)	-	(180.85)
Final dividend on equity shares	16	-	-	-	-	(180.85)	-	(180.85)
Others		-	-	-	-	-	-	-
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						Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Foreign currency monetary item translation reserve	
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		-	-	-	-	(361.70)	-	(361.70)
Interim dividend on equity Shares	16	-	-	-	-	(180.85)	-	(180.85)
Final dividend on equity shares	16	-	-	-	-	(542.55)	-	(542.55)
Others		-	-	-	-	-	-	-
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: U24231PN181910024251

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
Net cash used in investing activities (B)	(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)
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 AccountantsAbhishek
Partner
Membership No. 062343Place: Pune
Date: 12-May-2022

For and on behalf of the Board of Directors

Emcure Pharmaceuticals Limited
CIN: U24231PN1981PLC024251Berjis Desai
Director and Chairman
DIN: 00153675Satish Mehta
Managing Director
DIN: 00118691B Renganathan
Company Secretary
Membership No. F2922Tajuddin Shaikh
Chief Financial OfficerPlace: 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 requires 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 quantitate 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:

- a. 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
- b. 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.



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

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

	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	Net book value As at 31-Mar-22		
Note 2A - Property, plant and equipment												
Freehold land	29.25	-	-	-	29.25	-	-	-	-	29.25		
Leasehold improvements	229.65	2.43	-	-	232.08	12.04	-	-	157.74	74.34		
Building	3,414.86	28.95	-	-	3,443.81	531.79	-	-	660.44	2,783.37		
Plant and machinery	10,709.56	1,068.78	(95.84)	-	11,682.50	4,133.50	(65.61)	-	4,967.97	6,714.53		
Electrical installation	712.40	59.65	(0.58)	-	771.47	383.43	(0.58)	-	437.65	333.82		
Air handling equipment	1,001.24	80.73	(1.81)	-	1,080.16	49.62	(0.70)	-	586.54	593.62		
Computers	441.91	102.58	(1.83)	(5.43)	537.23	316.33	(1.78)	(3.21)	370.76	166.47		
Office equipments	116.50	6.26	-	-	122.76	11.96	-	-	99.90	22.86		
Furniture and fixtures	309.54	39.58	(0.06)	-	349.06	125.93	(0.06)	-	155.44	193.62		
Vehicles	151.39	81.92	(8.13)	-	225.18	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	(76.47)	(3.21)	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	As at 01-Apr-20	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)	(31.36)	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)	-	581.62	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
	14,729.62	2,491.02	(43.58)	(104.77)	17,116.30	5,072.09	1,242.30	(26.68)	(31.36)	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

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)	Rs. in million 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	More than 3 years
Projects in progress	1,115.45	381.18	478.12
Projects overdue from original planned completion date	60.68	86.52	39.84
			Total
			2,153.50
			238.98

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

Capital work-in-progress completion schedule

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

Footnotes for note 2A and 2B:

1. 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.
2. 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).
3. 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.).
4. Refer note 47 for information on Property, plant and equipment and Capital work-in-progress pledged as security by the company.
5. The company does not have any CWIP projects which are suspended or which have exceeded its cost compared to its original plan.



UTICALS LIMITED
ne financial state
arch 31, 2022

Rs. in million	
Net book value	
As at	
31-Mar-22	
	257.71
	115.04
	142.76
	515.51

Rs. in million	
Net book value	
As at	
31-Mar-21	
	373.16
	149.27
	90.06
	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

Cash flow from financing activities

Particulars	31-Mar-22	31-Mar-21
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
Notes to the standalone financial statements (continued)
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

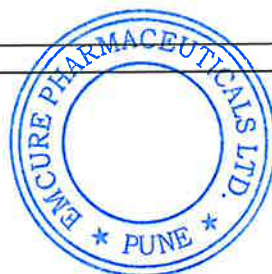


EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2022

Note 5	Number of shares/ units		Rs. in million	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Non-current investments (continued)				
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	Rs. in million	
	31-Mar-22	31-Mar-21
Loans		
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		
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



	Rs. in million	
Note 7	31-Mar-22	31-Mar-21
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	
Note 8	31-Mar-22	31-Mar-21
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	
Note 9	31-Mar-22	31-Mar-21
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	
Note 10	31-Mar-22	31-Mar-21
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).



	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	Note	31-Mar-22	31-Mar-21
Note 16			
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	
Note 17	31-Mar-22	31-Mar-21
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	
Nature of facility	Security offered	31-Mar-22	31-Mar-21
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	4,745.49
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by the Company	3,163.68	3,755.74
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	1,076.12
Vehicle Loan	Secured by vehicles for which loan is availed	86.92	35.78
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	LTIR - 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	LTIR - 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	LTIR - 8.25%	INR	2	-	-	15.34	-
Term Loan	Loans Tenure							
Term Loan	60 monthly installments from August 2019	LTIR - 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	LTRR-7.00%	INR	2	-	-	29.76	-
Term Loan	Loans Tenure							
Term Loan	60 monthly installments from April 2021	LTIR - 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	Monthly installments starting from Aug 2017	7.20% to 9.39%	INR	05-53	23.72	21.06	42.14	-
Vehicle Loan	Monthly installments starting from Aug 2017	7.20% to 9.39%	INR	05-53	23.72	21.06	42.14	-
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 **	LTMR+75 bps	INR	10	212.50	212.50	106.25	-
Term Loan	16 equal quarterly installments from April 2020 **	LTMR+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	LTRR-6.90%/ 7.00%	INR	6	79.34	-	29.76	-
Term Loan	Loans Tenure							
Term Loan	60 monthly installments from August 2019	LTIR - 8.25%	INR	43	68.33	88.34	158.33	-
Term Loan	60 monthly installments from December 2019	LTIR - 8.25%	INR	47	30.83	40.83	95.83	-
Term Loan	2 Equal Monthly Installment Post Completion of Original Term	LTIR - 8.25%	INR	2	-	-	15.34	-
Term Loan	Loans Tenure							
Term Loan	60 monthly installments from April 2021	LTIR - 10.00%	INR	60	160.00	160.00	480.00	-
Term Loan	60 monthly installments from April 2021	LTIR - 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	20	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	-	-
Vehicle Loan	Monthly installments starting from Aug 2014	7.50% to 9.39%	INR	01-59	14.70	10.47	10.61	-
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
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Rs. in million

Note 18	31-Mar-22	31-Mar-21
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

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

Rs. in million

Note 20	31-Mar-22	31-Mar-21
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
Intercompany 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	
	31-Mar-22	31-Mar-21
Note 30		
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	
	31-Mar-22	31-Mar-21
Particulars		
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).



	Rs. in million	
Note 34	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)

	Rs. in million			
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	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

	Rs. in million	
Note 35	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	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

Rs. in million

* 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	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange outflow and inflow.
	Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)		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

							Rs. in million
Ageing	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

							Rs. in million
Ageing	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.



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				
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 Gennova 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 Gennova 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)

Sr. No.	Description of the nature of transaction / balance	Rs. in million					
		Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22 Receivable / Advance from customer	31-Mar-22 Payable / Advance to supplier	31-Mar-21 Receivable / Advance from customer	31-Mar-21 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	-



Note 43 - Related party disclosure (continued)

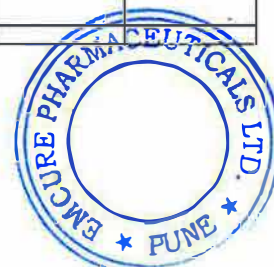
Sr. No.	Description of the nature of transaction / balance	Rs. in million					
		Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
				Receivable / Advance from customer	Payable / Advance to supplier	Receivable / Advance 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)

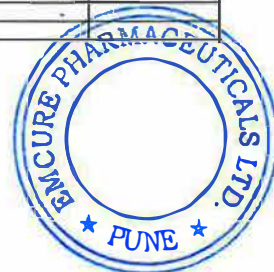
Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
		Year ended 31-Mar-22	Year ended 31-Mar-21	31-Mar-22		31-Mar-21	
				Receivable / Advance from customer	Payable / Advance to supplier	Receivable / Advance from customer	Payable / Advance to supplier
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	16.48	-	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	-	-	-	-

Rs. in million



Note 43 - Related party disclosure (continued)

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



Note 43 - Related party disclosure (continued)

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

Particulars	Tenure of loan and interest	Rate of interest p.a.	Rs. in million			
			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. 4 / 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	Rs. in million	
	As at 31-Mar-22	As at 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	IAALM(2012-14) ult	IAALM(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 31-Mar-22	As at 31-Mar-21
	Unquoted	Unquoted
Investment funds		
- 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:

Rs. in million			
Particulars	Note	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

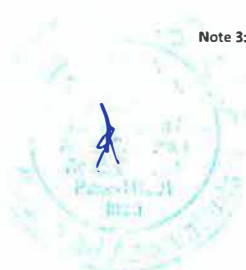
As disclosed above, the Company has availed loans from banks on the basis of security of current assets. The Company file statement of current assets with the bank on periodical basis. There difference between the statements filed by the Company and the books of accounts of the Company are as below;

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

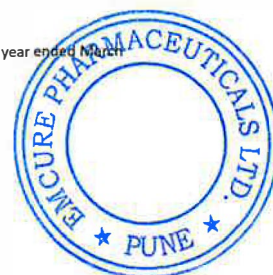
Particulars	31-Mar-22	31-Mar-21
Revenue:		
Revenue from operations	-	462.51
Other income	-	153.86
Total income	-	616.37
Expenses:		
Cost of materials consumed	-	46.88
Purchases of stock-in-trade	-	38.18
Employee benefit expenses	-	70.42
Depreciation and amortisation expense	-	20.27
Finance cost	-	50.58
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: 00118591



Tajuddin Shaikh
Chief Financial Officer

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 Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emcure Pharmaceuticals Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.



Emphasis of matter

1. We draw attention to Note 42 to the consolidated financial statements, which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Group 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 Group and hence no provision has been recognised in these consolidated financial statements as at 31 March 2022. Though the Group has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.
2. We draw attention to Note 60 to the consolidated 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 42 to the consolidated financial statements which describes the uncertainty related to the ultimate outcome of the Arbitration proceedings filed against Gennova Biopharmaceuticals Limited ('Gennova') in the London Court of International Arbitration and the lawsuit filed against Emcure Pharmaceuticals Limited ('the Company') in the United States District Court – Seattle Division by HDT Bio Corp. ("HDT") in the matter relating to the COVID vaccine being developed by Gennova. The uncertainty in the matter, including financial impact, if any, will remain till the proceedings are concluded. Given the uncertainty of outcome of the proceedings, the merits of HDT's claims can neither be fully assessed at present nor the possible loss or range of loss, if any, that may result from the proceedings can be estimated. Accordingly, no provision has been recognised in these financial statements as at 31 March 2022.

Our opinion is not modified in respect of these matters.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

- 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 consolidated 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.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters

- (a) We did not audit the financial statements / financial information of 12 subsidiaries whose financial statements / financial information reflect total assets (before consolidation adjustments) of Rs. 22,664.13 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 17,566.41 million and net cash flows (before consolidation adjustments) amounting to Rs. 1.00 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries which are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements / financial information of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The financial statements / financial information of subsidiaries whose financial statements / financial information reflect total assets (before consolidation adjustments) of Rs. 3,354.99 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 3,396.11 million and net cash outflows (before consolidation adjustments) amounting to Rs. (73.27) million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements /financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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.



Report on Other Legal and Regulatory Requirements (continued)

2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India 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 Auditor's 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 42 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.



Report on Other Legal and Regulatory Requirements (continued)

- d. (i) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 48 to the accounts, 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 Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 48 to accounts, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to my/ our or other auditors' notice that has caused me/us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(c) contain any material mis-statement.
- e. The interim dividend declared and paid by the Holding company and one of its subsidiaries, which is a company incorporated in India, 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 Holding company and one of its subsidiaries, which is a company incorporated in India, 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 consolidated financial statements, the Board of Directors of the Holding company and one of its subsidiaries, which is a company incorporated in India, 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.
- Further, one subsidiary of the Holding company, which is a company incorporated in India, neither paid any interim dividend during the year nor final dividend in respect of the same declared for the previous year and its Board of Directors did not propose any final dividend for the year.



B S R & Co. LLP

Emcure Pharmaceuticals Limited

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

Report on Other Legal and Regulatory Requirements (continued)

(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 and based on the reports of the statutory auditors of such subsidiary companies incorporated in India, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies, 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

ICAI Firm's Registration No.101248W/W-100022

Abhishek

Abhishek

Partner

Place: Pune

Date: 12 May 2022

Membership No. 062343

UDIN: 22062343AIWNHQ3789

Emcure Pharmaceuticals Limited

Annexure A to the Independent Auditors' Report on Consolidated financial statements – 31 March 2022 (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Holding Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks in the Companies (Auditor's Report) Order, 2020 reports of the Companies incorporated in India and included in the consolidated financial statements.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022


Abhishek
Partner

Pune
12 May 2022

Membership No: 0622343
ICAI UDIN: 22062343AIWNHQ3789

B S R & Co. LLP

Emcure Pharmaceuticals Limited

Independent Auditors' Report - 31 March 2022 (*continued*)

Annexure B to the Independent Auditors' report on the consolidated financial statements of Emcure Pharmaceuticals Limited for the period ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid consolidated 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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Emcure Pharmaceuticals Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.



B S R & Co. LLP

Emcure Pharmaceuticals Limited

Independent Auditors' Report - 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

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B S R & Co. LLP

Emcure Pharmaceuticals Limited

Independent Auditors' Report - 31 March 2022 (*continued*)

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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: 101248W/ W-100022



Abhishek

Partner

Place: Pune

Date: 12 May 2022

Membership No: 062343

UDIN: 22062343AIWNHQ3789

Rs. in million

Particulars	Note	March 31, 2022	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	2A	14,702.77	14,872.70
Capital work-in-progress	2B	3,098.03	2,215.95
Right-of-use assets	3	2,053.77	2,242.85
Goodwill	52	2,173.95	3,974.77
Other Intangible assets	4	1,512.63	3,031.88
Intangible assets under development	5	100.95	800.31
Financial assets			
i) Investments	6	250.00	0.03
ii) Other non current financial assets	7	477.86	391.81
Deferred tax assets (net)	37	1,160.80	1,482.92
Income tax assets (net)	25	509.97	1,665.62
Other non-current assets	8	352.97	220.63
Total non-current assets		26,393.70	30,899.47
Current assets			
Inventories	9	14,494.15	15,144.35
Financial assets			
i) Trade receivables	10	13,085.06	14,753.62
ii) Cash and cash equivalents	11	1,628.49	4,687.46
iii) Bank balances other than (ii) above	12	1,455.42	547.91
iv) Other current financial assets	13	604.89	131.11
Other current assets	14	2,972.98	1,910.06
Total current assets		34,240.99	37,174.51
Total assets		60,634.69	68,073.98
Equity and liabilities			
Equity			
Equity share capital	15	1,808.52	1,808.52
Other equity	16	18,066.96	20,921.70
Equity attributable to owners of the company		19,875.48	22,730.22
Non-controlling interest	56	1,265.94	949.92
Total equity		21,141.42	23,680.14
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	7,172.82	7,039.70
ii) Lease Liabilities	3	1,112.78	1,168.05
iii) Other non current financial liabilities	18	439.79	1,034.77
Provisions	19	421.05	337.67
Deferred tax liabilities (net)	37	426.14	398.83
Other non-current liabilities	20	272.40	333.05
Total non-current liabilities		9,844.98	10,312.07
Current liabilities			
Financial liabilities			
i) Borrowings	21	13,599.83	16,061.89
ii) Lease Liabilities	3	222.96	324.43
iii) Trade payables	22		
Total outstanding dues of micro and small enterprises		330.91	
Total outstanding dues to others		10,920.99	9,721.94
iv) Other current financial liabilities	23	2,769.86	5,914.93
Provisions	24	438.62	424.80
Current tax liabilities (net)	25	621.52	616.91
Other current liabilities	26	743.60	1,016.87
Total current liabilities		29,648.29	34,081.77
Total liabilities		39,493.27	44,393.84
Total equity and liabilities		60,634.69	68,073.98

The notes referred to above form an integral part of the consolidated financials 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 : U24231PN1981PLC024251


Berjis Devi
Chairman
DIN : 0013675


Satish Mehta
Managing Director
DIN : 00118691


B. Ranganathan
Company Secretary
Membership No. F2922


Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: May 12, 2022

Place: Pune
Date: May 04, 2022

EMCURE PHARMACEUTICALS LIMITED

Consolidated Financial Statements





Statement of Profit and Loss (including Other Comprehensive Income) for the year ended March 31, 2022

Rs. in million

Particulars	Note	Year Ended March 31, 2022	Year Ended March 31, 2021
CONTINUING OPERATIONS			
Revenue:			
Revenue from operations	27	58,553.87	50,334.74
Other income	28	634.73	338.76
Total income		59,188.60	50,673.50
Expenses:			
Cost of materials consumed	29	12,961.01	11,895.98
Purchases of stock-in-trade		10,824.50	9,990.85
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,453.95)	(3,035.27)
Employee benefit expenses	31	10,118.20	9,028.06
Depreciation and amortisation expense	33	2,448.55	2,499.94
Finance cost	34	1,759.78	1,549.41
Other expenses	32	12,805.03	10,292.31
Total expenses		49,463.12	42,221.28
Profit before exceptional items and tax		9,725.48	8,452.22
Exceptional items	35	-	45.25
Profit before tax		9,725.48	8,496.97
Tax expenses			
Current tax	36	2,860.53	2,620.02
Deferred tax	36	(160.61)	(285.57)
Profit for the year from continuing operations		7,025.56	6,072.52
DISCONTINUED OPERATIONS			
Profit/(Loss) from discontinued operations	60	-	(1,833.70)
Tax expense/(credit) of discontinued operations	60	-	52.88
Profit/(Loss) after tax of discontinued operations		-	(1,886.58)
Profit for the year		7,025.56	4,185.94
Other comprehensive income			
(a) In respect of continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	49	(52.24)	18.00
Tax on post-employment benefit obligations	36	13.57	(6.23)
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating financials statement of foreign operations	16	(51.67)	104.86
(b) In respect of discontinued operations			
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating financials statement of foreign operations	60	-	(116.79)
		(90.34)	(0.16)
Total comprehensive income for the year		6,935.22	4,185.78



EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Statement of Profit and Loss (including Other Comprehensive Income) for the year ended March 31, 2022

Particulars	Note	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit attributable to:			
Owners of the company		6,622.00	3,921.47
Non-controlling interests (refer note under statement of changes in equity)	56	403.56	264.47
Other comprehensive income attributable to:			
Owners of the company		(84.70)	(2.42)
Non-controlling interests	56	(5.64)	2.26
Total comprehensive income attributable to:			
Owners of the company		6,537.30	3,919.05
Non-controlling interests	56	397.92	266.73
Total comprehensive income attributable to Owners of the company from:			
Continuing operations		6,537.30	5,922.42
Discontinued operations	60	-	(2,003.37)
Earnings per share (for continuing operations):			
Basic	46	36.62	32.11
Diluted	46	36.62	32.11
[Face value per share: Rs.10]			
Earnings /(Loss) per share (for discontinued operations):			
Basic	46	-	(10.43)
Diluted	46	-	(10.43)
[Face value per share: Rs.10]			
Earnings per share (for continuing and discontinued operations):			
Basic	46	36.62	21.68
Diluted	46	36.62	21.68
[Face value per share: Rs.10 (Previous year: Rs.10)]			
<p>The notes referred to above form an integral part of the consolidated financials statements.</p> <p>As per our report of even date attached.</p> <p>For B S R & Co. LLP Firm Registration: 101248W/W-100022 Chartered Accountants</p> <p>For and on behalf of the Board of Directors Emcure Pharmaceuticals Limited CIN : U2423 N1981PLC024251</p> <p> Berjis Dyal Chairman DIN : 00153675</p> <p> Satish Mehta Managing Director DIN : 00118691</p> <p> B Ranganathan Company Secretary Membership No. F2922</p> <p> Tajuddin Shaikh Chief Financial Officer</p> <p>Place: Pune Date: May 12, 2022</p> <p>Place: Pune Date: May 04, 2022</p>			

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
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					Other Comprehensive Income	Total	Non controlling interest	Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earning	Foreign currency translation reserve			
As at April 1, 2020		12.92	840.37	268.70	1,727.39	13,689.54	772.10	17,311.02	724.14	18,035.16
Total comprehensive income for the year ended March 31, 2021										
Profit for the year	16	-	-	-	-	3,921.47	-	3,921.47	264.47	4,185.94
Remeasurement of post-employment benefit obligations (Net Of tax)						9.51	-	9.51	2.26	11.77
Exchange differences in translating financials statement of foreign operations	16	-	-	-	-	-	(11.93)	(11.93)	-	(11.93)
Transactions with owners, recorded directly in equity										
Final dividend on equity shares (Rs. 1.00 per share)	16	-	-	-	-	3,930.98	(11.93)	3,919.05	266.73	4,185.78
		-	-	-	-	(180.85)	-	(180.85)	(40.95)	(221.80)
		-	-	-	-	(180.85)	-	(180.85)	(40.95)	(221.80)
Others										
Employee share based expense	50	-	-	63.48	-	-	-	63.48	-	63.48
Options settled in cash during the year		-	-	(182.12)	-	-	-	(182.12)	-	(182.12)
Options forfeited	16	-	-	(32.84)	32.84	-	-	-	-	-
Income tax on above	16	-	-	-	(8.88)	-	-	(8.88)	-	(8.88)
		-	-	(151.48)	23.96	-	-	(127.52)	-	(127.52)
As at March 31, 2021		12.92	840.37	117.22	1,751.35	17,439.67	760.17	20,921.70	949.92	21,871.62
Others including adjustment on account of demerger										
Profit for the year	16	(12.92)	(840.37)	-	(964.72)	(6,533.03)	(551.79)	(8,902.83)	-	(8,902.83)
Remeasurement of post-employment benefit obligations (Net of tax)		-	-	-	-	6,622.00	-	6,622.00	403.56	7,025.56
Exchange differences in translating financials statement of foreign operations	16	-	-	-	-	(33.03)	-	(33.03)	(5.64)	(38.67)
Transactions with owners, recorded directly in equity										
Interim dividend on equity Shares		-	-	-	-	6,588.97	(51.67)	6,537.30	397.92	6,935.22
Final dividend on equity Shares (Rs. 1.00 per share)	16	-	-	-	-	(361.70)	-	(361.70)	(61.43)	(423.13)
		-	-	-	-	(180.85)	-	(180.85)	(20.48)	(201.33)
		-	-	-	-	(542.55)	-	(542.55)	(81.90)	(624.45)
Others										
Employee share based expense	50	-	-	57.16	-	-	-	57.16	-	57.16
Options forfeited	16	-	-	(15.18)	15.18	-	-	-	-	-
Income tax on above	16	-	-	-	(3.82)	-	-	(3.82)	-	(3.82)
		-	-	41.98	11.36	-	-	53.34	-	53.34
As at March 31, 2022		-	-	159.20	797.99	16,953.06	156.71	18,066.96	1,265.94	19,332.90

Note :
1. The notes referred to above form an integral part of the consolidated financials statements.
2. For description of nature and purpose of Reserves refer note 16.

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

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN : U24231PN181PLC024251

Berjis Desai
Berjis Desai
Chairman
DIN : 00153675

Saysh Mehta
Saysh Mehta
Managing Director
DIN : 00118691

B Rengasathan
B Rengasathan
Company Secretary
Membership No. F2922

T. Radhakrishnan
T. Radhakrishnan
Chief Financial Officer

Place: Pune
Date: May 12, 2022

Place: Pune
Date: May 04, 2022

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Cash flow statement for the year ended March 31, 2022





Rs. in million

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flows from operating activities:		
Profit before tax from continuing operations	9,725.48	8,406.97
Profit/(Loss) before tax from discontinued operations	-	(1,833.70)
Adjustment for:		
Depreciation and amortisation ^	2,448.55	3,233.10
Impairment of intangible assets	-	436.95
Unrealised exchange loss / (gain) ^	(155.15)	190.23
Finance costs ^	1,759.78	1,981.32
Employee share-based payment expense	57.16	63.48
Interest income from banks and others ^	(101.97)	(73.53)
Income arising from government grant (EPCG)	(25.03)	(6.37)
(Profit) / Loss on sale of property, plant and equipments	4.08	(4.23)
	13,712.90	12,394.22
Working capital adjustments:		
- Increase in inventories	(3,071.63)	(3,412.80)
- Increase in trade receivables	(1,728.71)	(3,301.48)
- Increase in other financial assets	(156.54)	(127.28)
- (Increase)/decrease in other assets	(1,077.09)	164.46
- Increase in trade payables	3,157.03	2,315.31
- Increase in other financial liabilities	122.01	185.23
- Increase/(decrease) in other liabilities	(302.85)	790.74
- Increase in provisions	138.72	40.28
	(2,919.06)	(3,345.54)
Cash generated from operating activities	10,793.84	9,048.68
Income tax paid (net of refunds)	(3,111.77)	(2,004.33)
Net cash generated from operating activities (A)	7,682.07	7,044.35
Cash flows from investing activities		
Acquisition of property, plant and equipment, and capital work-in-progress	(3,782.04)	(1,254.05)
Acquisition of intangible assets and intangible assets under development	(187.87)	(202.65)
Proceeds from sale of property, plant and equipment	31.21	125.14
Government grant (refer note 2A)	50.00	-
Deferred consideration paid on acquisition of subsidiary, net of cash acquired (refer note 62)	(2,750.78)	(1,115.51)
Investment in LLP	(250.00)	-
Interest received from banks and others ^	59.49	75.81
Deposits (placed)/ matured (net)	(1,057.92)	(147.22)
Net cash generated from/ (used) in investing activities (B)	(7,887.91)	(2,518.48)
Cash flows from financing activities		
Repayment of long-term borrowings (refer note 1 below)	(4,467.02)	(4,110.75)
Proceeds from long term borrowings	3,714.18	5,774.88
Proceeds from / (Repayment) short-term borrowing (net)	1,759.03	(981.67)
Interest paid (refer note 2 below)	(1,553.23)	(1,844.83)
Repayment of lease liabilities	(347.01)	(436.80)
Government grant (refer note 61D)	-	114.05
Payment on account of settlement of Employee stock options (refer note 64)	-	(182.12)
Dividend paid by holding company	(542.56)	(180.85)
Dividend paid to non controlling interest	(81.90)	(40.95)
Net cash generated from / (used) in financing activities (C)	(1,518.51)	(1,889.04)
Net decrease in cash and cash equivalents (A+B+C)	(1,724.35)	2,636.83
Cash and cash equivalent as at 1 April (refer below)	(3,500.42)	(6,091.08)
Less: Transferred pursuant to composite scheme of arrangement (Refer Note 60)	2,141.19	-
Effect of exchange rate fluctuations on cash and cash equivalent	1.86	(46.17)
Cash and cash equivalent as at March 31	(3,081.72)	(3,500.42)
Breakup of cash and cash equivalent as at March 31		
Cash on hand	1.20	3.90
Balances with bank in current accounts	1,585.28	4,593.78
Balances with bank in cash credit accounts	41.32	83.03
Demand deposits (with original maturity of less than 3 months)	0.69	6.75
Bank overdrafts used for cash management purpose	(4,710.21)	(8,187.88)
Total cash and cash equivalent*	(3,081.72)	(3,500.42)

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

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.



EMCURE PHARMACEUTICALS LIMITED		
Cash flow statement for the year ended March 31, 2022 (continued)		
	Rs. in million	
Changes in liabilities arising from financing activities	Year Ended March 31, 2022	Year Ended March 31, 2021
Borrowings:		
Opening balance	15,140.81	14,443.02
Amount borrowed during the year	5,473.21	5,774.88
Amount repaid during the year	(4,467.02)	(5,092.42)
Others (includes unrealised foreign exchange differences, foreign exchange differences on translation of subsidiaries, etc.)	164.69	15.33
Closing balance (refer note 17 & 21)	16,311.69	15,140.81
Interest accrued on borrowings:		
Opening balance	105.28	113.37
Transferred pursuant to composite scheme of arrangement (Refer Note 60)	(15.84)	-
Finance cost incurred during the year ^	1,759.78	1,981.32
Amount paid during the year	(1,553.23)	(1,844.83)
Finance cost on account of unwinding of discount on note payable and preference shares	-	(158.59)
Interest accrued on lease liability	(123.96)	(119.27)
Others (includes borrowing cost capitalised during the year, foreign exchange differences, transaction cost, etc.)	(106.89)	133.28
Closing balance (refer note 23)	65.14	105.28
^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.		
Footnotes to the cash flow statement:		
1. This includes prepayment of term loan amounting to Rs.160.90 million (March 31, 2021: Rs. 1,711.23 million) and swap of loan with other banks amounting to Rs. 695.04 million (March 31, 2021- Nil)		
2. Includes interest expense of Rs. 91.93 million (March 31, 2021 Rs. 124.91 million) which have been capitalised in accordance with Ind AS 23, Borrowing Costs.		
3. Consolidated Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"		
4. For non- cash transaction pursuant to Composite to the Composite scheme, refer note 60.		
5. Refer note 3 for movement in lease liabilities.		
6. Refer note 58 for corporate social responsibility expenditure paid- in cash during the year.		
The notes referred to above form an integral part of the consolidated financials statements.		
As per our report of even date attached.		
For BSR & Co. LLP Firm Registration: 101248W/W-100022 Chartered Accountants	For and on behalf of the Board of Directors Emcure Pharmaceuticals Limited CIN : U24231PN1981PLC024251	
 Abhishek Partner Membership No. 062343	 Berjis Desai Chairman DIN : 00153675	 Sush Mehta Managing Director DIN : 00118691
	 B Renganathan Company Secretary Membership No. F2922	 Tajuddin Shaikh Chief Financial Officer
Place: Pune Date: May 12, 2022	Place: Pune Date: May 04, 2022	

1A. General information:

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

The Composite Scheme of Arrangement ("Composite Scheme") for demerger of the Holding 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 Holding 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.

The consolidated financial statements comprise the financial statements of the Holding Company and the following subsidiaries/ step down subsidiaries (together referred to as "Group").

Name of subsidiaries	Percentage of Holding (%)	Country of incorporation
Direct subsidiaries		
Gennova Biopharmaceuticals Limited	87.95%	India
Zuventus Healthcare Limited	79.58%	India
Emcure Nigeria Limited	100%	Nigeria
Emcure Pharmaceuticals Mena FZ LLC.	100%	UAE
Emcure Pharmaceuticals South Africa (Pty) Limited	100%	South Africa
Emcure Brasil Farmaceutica Ltda	100%	Brazil
Heritage Pharma Holdings Inc. (doing business as Avet Pharmaceuticals Holdings Inc.) ⁽⁶⁾	100%	USA
Emcure Pharma UK Ltd	100%	United Kingdom
Emcure Pharma Peru S.A.C.	100%	Peru
Emcure Pharma Mexico S.A. DE C.V.	100%	Mexico
Emcure Pharmaceuticals Pty Ltd	100%	Australia
Marcan Pharmaceuticals Inc.	100%	Canada
Avet Lifesciences Private Limited (Formerly known as Avet Lifesciences Limited) ^{(1) and (6)}	100%	India
Emcure Pharma Chile SpA ⁽²⁾	100%	Chile
Lazor Pharmaceuticals Limited ⁽³⁾	100%	Kenya
Emcure Pharma Philippines Inc ⁽⁴⁾	100%	Philippines
Step down subsidiaries ⁽⁵⁾		
Heritage Pharma Labs Inc.(doing business as Avet Pharmaceuticals Labs Inc) ⁽⁶⁾	100%	USA
Heritage Pharmaceuticals Inc.(doing business as Avet Pharmaceuticals Inc.) ⁽⁶⁾	100%	USA
Tillomed Laboratories Ltd	100%	United Kingdom
Tillomed Pharma GmbH	100%	Germany
Laboratories Tillomed Spain S.L.U.	100%	Spain
Tillomed Italia S.R.L.	100%	Italy
Emcure NZ Limited ⁽⁷⁾	100%	New Zealand
Tillomed France SAS	100%	France
Hacco Pharma Inc. ⁽⁸⁾	100%	USA
Tillomed Laboratories BV	100%	Netherlands
Tillomed d.o.o ⁽⁸⁾	100%	Croatia

Notes:

1. Avet Lifesciences Private Ltd.(formerly known as Avet Lifesciences Limited) was incorporated on August 26,2020 .
2. Emcure Pharma Chile SpA was incorporated on October 2, 2020.
3. Lazor Pharmaceuticals Limited was incorporated on February 4, 2021.
4. Emcure Pharma Philippines Inc was incorporated on May 07, 2021
5. Effective holding % of the Company through its subsidiaries.
6. Direct subsidiaries / Step down subsidiaries till March 31, 2021 (refer note 60)
7. Emcure NZ Limited dissolved on October 13, 2021.
8. Tillomed d.o.o., A direct subsidiary of Emcure Pharma UK Ltd was incorporated on August 26, 2021.



1B. Basis of preparation

a) Basis of preparation

i. Statement of compliance

The consolidated 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 group 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 financial statements disclosures, wherever applicable."

Details of the Group'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 consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Holding company's functional currency. All the amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million, unless otherwise indicated.

c) Basis of Measurement

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

Items	Measurement Basis
Liabilities for stock appreciation rights	Fair value
Equity settled shared based payment options	Fair value
Investments in LLP	Fair value
Contingent consideration in business combination	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 consolidated 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.

Assumptions and estimation uncertainties

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

Note 1C. a) Valuation of assets acquired as a part of contingent consideration;

Note 1C. d) Useful lives of property, plant, equipment and intangibles assets;

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

Note 1C (i) - Sales return, rebates and chargebacks;

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

Note 9. Valuation of inventories

Note 24(i) - Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;

Note 37 - Recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;

Note 49 - Measurement of defined benefit obligations: key actuarial assumptions.

Note 52- Impairment assessment for goodwill

e) Measurement of fair values

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

The Group 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 Group 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 Group 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 41 – fair value measurement;

- Note 50 – employee stock options plan.



1B. Basis of preparation (Continued)

f) Current versus non current classification:

All assets and liabilities have been classified as current or non-current as per the Group'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 Group 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 Group'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 Group'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 Group 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 Group is less than 12 months.

1C. Significant accounting policies

a) Basis of consolidation

The Group consolidates all entities which it controls. Control is established when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity's returns by using its power over the entity.

Subsidiaries are consolidated from the date control commences and until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i) Business combinations

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

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net assets and contingent liabilities.

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

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

ii. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.



1C. Significant accounting policies (continued)

'a) Basis of consolidation (continued)

iii. *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iv. *Non-controlling interests (NCI)*

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

v. *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss / reserves as applicable.

vi. *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) *Foreign Currency Transaction, translation and foreign operation*

Transaction in foreign currencies are translated into the respective functional currency of the respective components 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 at fair value in a foreign currency are translated into functional currency at exchange rate when the fair value was determined. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI/property, plant and equipment and intangible assets:

i. Translation of long term foreign currency monetary items pertaining to period prior to transition to Ind AS and are related to purchase of property, plant and equipment and intangible assets (refer note 2A,2B, 4 & 5).

ii. Foreign operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal or in case of a common control demerger, it is netted off against the loss of control number that would be accounted for in the reserves and surplus. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of cumulative amount is reclassified to profit or loss.

c) *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 Group becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivables which is measured at transaction price) 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 through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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 Group 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 Group 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.



1C. Significant accounting policies (continued)
c) Financial instruments (continued)

Financial assets: Business model assessment

The Group 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 Group'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.

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 Group'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 Group 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 Group 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 Group'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 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.

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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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 Group 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.



EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Notes to the financial statements (continued)
For the year ended March 31, 2022
d) 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.

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 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 Group.

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 estimate of 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).

e) Intangible assets

- Intangible assets

i. Initial recognition:

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortization and 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 Group.

Intangible assets are amortized over their respective estimated useful life using straight-line method. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives are as follows:

Intangible Asset	Management estimated useful life
Product Development, Abbreviated New Drug Applications (ANDAs)	5 to 10 years
Customer relationships	5 years
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.



1C. Significant accounting policies (continued)

e) Intangible assets (continued)

- 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 Group.

The Group irrespective of whether there is any indication of impairment, test 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.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of 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.

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 realisable value.

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

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

g) Impairment

i. Impairment of financial instruments

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

At each reporting date, the Group 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 Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group 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 Group 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) 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers financial asset to be in default when:

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

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 Group in accordance with the contract and the cash flow that the Group 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 Group 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 Group's procedures for recovery of amounts due.



1C. Significant accounting policies (continued)

g) Impairment (continued)

ii. *Impairment of non-financial asset*

The Group'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 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 CGU (or the asset).

The Group'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 Group 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.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods.

h) 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 Group 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 via the Group's Employees Stock Option Plan ("Emcure ESOS 2013").

The Group 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 Group 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 Group 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 an expense and corresponding increase in share options outstanding account.

If options granted cancelled or settled during the vesting period/ after vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) then group immediately recognises the remaining amount of goods & services that have not been recorded in Profit & loss statement so far through accelerated vesting and then any payment made to the employee on the cancellation or settlement of the grant shall be accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess shall be recognised as an expense.

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 Group 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 statement of 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.

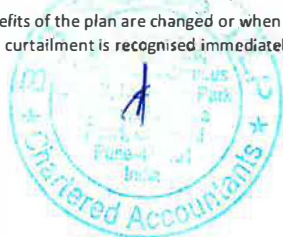
iv. *Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group'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 results is a potential asset for the Group, 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 Group 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 profit or loss.

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 Group recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.



1C. Significant accounting policies (continued)
h) Employee benefits (continued)

v. Stock Appreciation Rights (SAR's)

Stock Appreciation Rights (SAR's) are provided to certain senior executives level employees of the Group. Payout related to these SAR's is dependent on the achievement of the defined EBITDA level by the wholly own subsidiary of the Parent. As the final payout is not based on the subsidiary's share price these SAR's are not within the scope of Ind AS 102 and hence the payment is an employee benefit expense which is accounted for under Ind AS 19 'Employee Benefits'. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

vi. Other long term employee benefit

The Group'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.

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

A provision is recognised if, as a result of a past event, the Group 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.

ii. Onerous contracts

A contract is considered onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at present value of lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Group recognises any impairment loss on the assets associated with the contract.

iii. Contingencies

Provision in respect of 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.

iv. 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 consolidated 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 (Refer note 53)

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 Group 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.

The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group 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 Group recognises refund liability where the Group 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.

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

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.

Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Group has recognised a 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 Group has an obligation to replace the goods which will expire. The Group 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.



1C. Significant accounting policies (continued)

k) 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.

l) Leases

The Group as a lessee

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The group uses judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group 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 group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the group 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 group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The group 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 Group 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 Group uses incremental borrowing rate in the country of domicile of the leases. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Group 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 Group 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 Group 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.

m) Recognition of interest income or expenses

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.

n) 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.

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 Group 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.



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Consolidated Financial Statements
Notes to the financial statements (continued)
For the year ended March 31, 2022

1C. Significant accounting policies (continued)

n) *Income tax (continued)*

ii. *Deferred tax (continued)*

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

o) *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.

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.

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 Group are identified as Chief operating decision maker. Refer note 47 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 Group is such that its disclosure improves the understanding of the performance of the Group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the consolidated financial statements.

t) *Cash flow statement*

Cash flow from operating activities 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 Group 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 Group'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 as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

w) *Regroupings*

Appropriate regroupings have been made in the Consolidated Balance Sheet and Consolidated 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 Consolidated 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 Group 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 borrowings are now presented as current borrowings which was earlier forming part of other financial liabilities.

x) *Rounding of amounts*

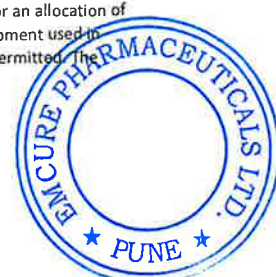
All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

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

Note 2A - Property, plant and equipment	Gross book value					Accumulated depreciation					Rs. in million				
	April 1, 2021	Transferred pursuant to composite scheme of arrangement (Refer Note 60)	Additions during the year	Deletion during the year	Exchange difference on translation of foreign operations	Others *	March 31, 2022	April 1, 2021	Transferred pursuant to composite scheme of arrangement (Refer Note 60)	Charge for the year	Deletion during the year	Exchange difference on translation of foreign operations	Others	March 31, 2022	Net book value March 31, 2022
Freehold land	42.28		480.27	-	-	-	522.55	-		21.23	-	0.19	-	-	522.55
Leasehold improvements	1,798.21	(1,508.77)	32.95	-	0.24	-	324.63	831.67	(645.78)	158.60	-	-	-	207.31	117.32
Building	4,609.14	-	291.68	-	-	-	4,900.82	708.32	-	1,023.77	(108.50)	(0.03)	(31.36)	6,146.87	4,023.90
Plant and machinery	14,060.34	(897.75)	1,541.26	(134.63)	(0.03)	(154.77)	14,414.42	5,764.67	(501.68)	-	-	-	-	-	8,267.55
Electrical installation	855.92		125.07	(1.40)	0.20	-	979.79	402.44		125.92	(1.31)	-	-	-	452.74
Air handling equipment	1,121.80	-	120.46	(1.88)	-	-	1,240.38	438.10		118.44	(0.47)	-	-	556.07	684.31
Computers	623.78	(109.21)	137.93	(6.85)	0.60	-	645.25	445.72	(67.74)	68.59	(2.67)	0.48	-	444.38	201.87
Office equipment	204.07	(23.20)	23.41	(0.24)	(0.05)	-	203.99	150.48	(18.90)	20.93	(0.39)	(0.09)	-	51.96	51.96
Furniture and fixtures	442.43	(23.07)	60.23	(0.40)	0.11	-	479.30	196.97	(21.80)	40.99	(0.39)	(0.05)	-	215.72	263.58
Vehicles	218.01	(1.91)	102.06	(12.00)	0.32	-	306.48	164.91	-	34.98	(10.60)	0.20	-	189.49	116.99
Total	23,975.98	(2,561.91)	2,915.32	(157.40)	1.39	(154.77)	24,018.61	9,103.28	(1,255.90)	1,623.45	(124.33)	0.70	(31.36)	9,315.84	14,702.77

*During the year ended March 31, 2022, the holding company has sold certain plant & machinery having gross block of Rs. 104.77 million and accumulated depreciation of Rs. 31.36 million to Genova Biopharmaceuticals Limited, one of its group companies who has recognised this as an addition to Capital work-in-progress.



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 2A - Property, plant and equipment	Gross book value				Accumulated depreciation				Rs. in million		
	April 1, 2020	Additions during the year	Deletion during the year	Exchange difference on translation of foreign operations	March 31, 2021	April 1, 2020	Charge for the year ^	Deletion during the year	Exchange difference on translation of foreign operations	March 31, 2021	Net book value March 31, 2021
Freehold land	27.45	14.83	-	-	42.28	-	-	-	-	-	42.28
Leasehold improvements	1,847.54	2.70	-	(52.03)	1,798.21	627.04	223.33	-	(18.70)	831.67	966.54
Building	4,383.02	226.12	-	-	4,609.14	544.08	164.24	-	-	708.32	3,900.82
Plant and machinery	11,967.15	2,178.45	(54.28)	(30.98)	14,060.34	4,671.17	1,143.18	(34.20)	(15.48)	5,764.67	8,295.67
Electrical installation	781.17	74.75	-	-	855.92	324.78	77.66	-	-	402.44	453.48
Air handling equipment	993.20	128.60	-	-	1,121.80	351.20	87.03	(0.13)	-	438.10	683.70
Computers	555.91	70.82	(0.21)	(2.74)	623.78	362.84	84.40	(0.18)	(1.34)	445.72	178.06
Office equipment	192.77	10.41	(0.57)	1.46	204.07	125.24	24.62	(0.26)	0.88	150.48	53.59
Furniture and fixtures	390.73	51.30	(0.87)	1.27	442.43	157.83	39.52	(0.48)	0.10	196.97	245.46
Vehicles	214.82	20.12	(16.77)	(0.16)	218.01	149.60	28.91	(14.76)	1.16	164.91	53.10
Total	21,353.76	2,778.10	(72.70)	(83.18)	23,975.98	7,313.78	1,872.89	(50.01)	(33.38)	9,103.28	14,872.70

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021



Rs. in million							March 31, 2022
Note 2B - Capital in work in progress	April 1, 2021	Transferred pursuant to composite scheme of arrangement (Refer Note 60)	Additions	Capitalised	Disposal	Exchange difference on translation of foreign operations	
Capital in work in progress	2,215.95	(98.72)	2,375.64	(1,394.84)	-	-	3,098.03
Total	2,215.95	(98.72)	2,375.64	(1,394.84)	-	-	3,098.03

Rs. in million							March 31, 2021
Note 2B - Capital in work in progress	April 1, 2020	Additions during the year	Capitalised during the year	Disposal during the year	Exchange difference on translation of foreign operations		
Capital in work in progress	3,319.35	1,102.67	(2,205.02)	(0.53)	(0.52)		2,215.95
Total	3,319.35	1,102.67	(2,205.02)	(0.53)	(0.52)		2,215.95

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	1,820.08	382.10	178.75	478.12	2,859.05
Projects overdue from original planned completion date	60.68	86.52	51.94	39.84	238.98
Total	1,880.76	468.62	230.69	517.96	3,098.03

Capital work-in-progress completion schedule

Rs. in million					
March 31, 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
New line at Hinjewadi Plant III	-	189.29	-	-	189.29
Central testing Lab at Pimpri	49.69	-	-	-	49.69
Total	49.69	189.29	-	-	238.98

Capital work-in-progress ageing schedule

Rs. in million					
March 31, 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	1,028.87	334.17	325.45	527.46	2,215.95
Projects overdue from original planned completion date	-	-	-	-	-
Total	1,028.87	334.17	325.45	527.46	2,215.95

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 effect of changes in foreign currency exchange rates on foreign currency translation on gross block of capital assets, relating to eligible assets have been added/ (deducted) from the gross block and accumulated depreciation of such assets. The information of such effect for respective year is;

Particulars	Rs. in million	
	Year ended March 31, 2022	Year ended March 31, 2021
Foreign currency exchange gain/ (loss) - Gross block	1.39	(83.18)
Foreign currency exchange gain/ (loss) - Accumulated depreciation	0.70	(33.88)

- The effect of changes in foreign currency exchange rates on foreign currency translation of Capital-work-in-progress, have been deducted from the cost of such assets in Capital work in progress. The information of such effect for respective year is;

Particulars	Rs. in million	
	Year ended March 31, 2022	Year ended March 31, 2021
Foreign currency exchange gain/ (loss) - Capital work in progress	-	(0.52)

- 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.
 - The capitalisation rate used to determine the amount of borrowing costs to be capitalised is @ 6.95% (March 31, 2021 : 8.50%)
 - The group does not have any CWIP projects which are suspended or which have exceeded its cost compared to its original plan.
- Refer note 54 for information on property, plant and equipment pledged as security by the group.



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 3 : Leases

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

Right-of-use assets

Rs. in million					
Particulars	Land	Land & Building	Plant & Machinery	Computers	Total
Balance As On April 1, 2021	888.52	1,300.95	-	53.38	2,242.85
Less: Transferred pursuant to composite scheme of arrangement (Refer Note 60)	-	(394.36)	-	-	(394.36)
Additions for new leases entered during the year	98.83	279.55	119.44	-	497.82
Deletions for leases terminated during the year	-	(1.33)	-	-	(1.33)
Depreciation charge for the year	(16.25)	(255.82)	(7.30)	(12.08)	(291.45)
Translation exchange differences	-	0.24	-	-	0.24
Balance As On March 31, 2022	971.10	929.23	112.14	41.30	2,053.77

Rs. in million					
Particulars	Land	Land & Building	Plant & Machinery	Computers	Total
Balance As On April 1, 2020	898.71	1,482.70	-	-	2,381.41
Additions for new leases entered during the year	-	203.99	-	60.38	264.37
Deletions for leases terminated during the year	-	(10.44)	-	-	(10.44)
Depreciation charge for the year [^]	(10.19)	(363.53)	-	(7.00)	(380.72)
Translation exchange differences	-	(11.77)	-	-	(11.77)
Balance As On March 31, 2021	888.52	1,300.95	-	53.38	2,242.85

[^] represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.

Lease Liabilities

Rs. in million		
Particulars	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	1,492.48	1,571.22
Less: Transferred pursuant to composite scheme of arrangement (Refer Note 60)	(428.29)	-
Additions for new leases entered during the year	496.57	264.73
Deletions for leases terminated during the year	(1.45)	(11.37)
Interest on lease liabilities [^]	123.96	119.27
Repayment of lease liabilities	(347.01)	(436.80)
Translation exchange differences	(0.53)	(14.57)
Balance as at the end of the year	1,335.74	1,492.48
Current	222.96	324.43
Non-current	1,112.78	1,168.05

[^] represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.

Maturity analysis - contractual undiscounted cash flows-

Rs. in million		
Particulars	March 31, 2022	March 31, 2021
Less than one year	355.33	422.46
One to five years	862.13	1,048.66
More than five years	974.03	540.50
Total undiscounted lease liabilities	2,191.49	2,011.62



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Amount recognised in Consolidated Statement of Profit and Loss

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
Interest on lease liabilities ^	(123.96)	(119.27)
Depreciation on ROU ^	(291.45)	(380.72)
Expenses relating to short term leases ^	(21.92)	(7.07)
Expenses relating to leases of low value assets ^	(26.29)	(16.25)
Expenses relating to variable lease payments ^	(5.33)	(10.17)
Total	(468.94)	(533.48)

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.

Amounts recognised in Consolidated Cash Flow Statement

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
Cash flow from financing activities		
- Repayment of lease liabilities	(347.01)	(436.80)

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.

The weighted average incremental borrowing rate in the range of 2.5% - 10.13% (March 31, 2021 : 2.5% - 10.13% p.a) has been applied to lease liabilities recognised in the balance sheet.



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 4 - Other Intangible asset	Gross book value					Accumulated amortisation & Impairment loss					Rs. in million		
	April 1, 2021	Transferred pursuant to composite scheme of arrangement (Refer Note 60)	Additions during the year	Deletion during the year	Exchange difference on translation of foreign operations	March 31, 2022	April 1, 2021	Transferred pursuant to composite scheme of arrangement (Refer Note 60)	Amortisation for the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2022	Net book value March 31, 2022
Brands	1,260.60	-	-	-	10.01	1,270.61	780.59	-	139.27	-	5.94	925.80	344.81
Software	631.05	(4.60)	70.16	(4.67)	0.50	692.44	468.89	(4.60)	100.28	(4.67)	0.31	560.21	132.23
Licensing Rights	1,904.11	(137.69)	115.67	-	61.17	1,943.26	1,093.24	(101.13)	243.17	-	40.37	1,275.65	667.61
Product Development	26.72	-	-	-	0.76	27.48	8.54	-	-	-	0.37	8.91	18.57
Customer relationships	1,816.22	-	-	-	77.94	1,894.16	1,725.39	-	-	-	74.04	1,799.43	94.73
Product pipeline	194.41	-	-	-	8.34	202.75	92.34	-	-	-	3.96	96.30	106.45
Abbreviated new drug application/s/ Marketing Authorisation	2,897.91	(2,443.83)	-	-	(11.44)	442.64	1,530.15	(1,279.30)	50.93	-	(7.37)	294.41	148.23
Total	8,731.02	(2,586.12)	185.83	(4.67)	147.28	6,473.34	5,699.14	(1,385.03)	533.65	(4.67)	117.62	4,960.71	1,512.63



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 4 - Other intangible assets	Gross book value				Accumulated amortisation & Impairment loss					Rs. in million		
	April 1, 2020	Additions during the Year	Deletion during the Year	Exchange difference on translation of foreign operations	March 31, 2021	April 1, 2020	Amortisation for the year	Impairment loss for the year	Disposal during the Year	Exchange difference on translation of foreign operations	March 31, 2021	Net book value March 31, 2021
Brands	1,241.78	-	-	18.82	1,260.60	633.50	137.97	-	-	9.12	780.59	480.01
Software	495.03	134.34	-	1.68	631.05	371.98	95.53	-	-	1.38	468.89	162.16
Licensing Rights	1,619.78	147.71	-	136.62	1,904.11	679.36	322.99	31.54	-	59.95	1,093.24	810.87
Product Development	25.30	-	-	1.42	26.72	8.21	0.57	-	-	(0.24)	8.54	18.18
Customer relationships	1,669.70	-	-	146.52	1,816.22	1,474.89	116.87	-	-	133.63	1,725.39	90.83
Product pipeline	178.73	-	-	15.68	194.41	78.93	6.26	-	-	7.15	92.34	102.07
Abbreviated new drug applications/Marketing Authorisations	2,370.86	591.79	-	(64.74)	2,897.91	848.49	299.90	405.41	-	(23.65)	1,530.15	1,367.76
Total	7,601.18	873.84	-	256.00	8,731.02	4,095.36	979.49	436.95	-	187.34	5,699.14	3,031.88

^ represents amount in respect of continuing and discontinued operations

Footnotes for note 4:

1. The effect of changes in foreign currency exchange rates on foreign currency translation on gross block of capital assets, relating to eligible assets have been adjusted from the cost of such assets and on accumulated amortisation, have been deducted to the accumulated amortisation of such assets. The information of such effect for respective periods is;

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Foreign currency exchange gain/ (loss) - Gross block	147.62	256.00
Foreign currency exchange gain/ (loss) - Accumulated amortisation	117.62	187.34

2. In the year ended March 31, 2021, the Group has impaired certain ANDA's as their future discounted cashflows did not support the net book values as on March 31, 2021. The impairment charge of Rs. 405.41 million related to discontinued operation was recognised during the year ended March 31, 2021 in Consolidated financial statements. Also the group has also impaired licensing rights related discontinuation of certain products. The impairment charge of Rs. 31.54 million was recognised during the year ended March 31, 2021 in Consolidated financial statements. These impaired assets relate to the North America segment of the group. This impairment charge been considered as an exceptional item related to discontinued operations in the Consolidated financial statements for the year ended March 31, 2021.

The recoverable amount was determined using the value in use based on the discounted future cashflows from the assets. The value in use has been calculated using a discount rate of 7.1%.



EMCURE PHARMACEUTICALS LIMITED
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Rs. in million

Note 5 - Intangible assets under development	April 1, 2021	Transferred pursuant to composite scheme of arrangement (Refer Note 60)	Additions during the year	Capitalised during the year	Exchange difference on translation of foreign operations	March 31, 2022
Intangible assets under development	800.31	(700.45)	11.20	(9.15)	(0.95)	100.95
Total	800.31	(700.45)	11.20	(9.15)	(0.95)	100.95

Rs. in million

Note 5 - Intangible assets under development	April 1, 2020	Additions during the year	Capitalised during the year	Exchange difference on translation of foreign operations	March 31, 2021
Intangible assets under development	1,530.31	16.83	(708.46)	(38.37)	800.31
Total	1,530.31	16.83	(708.46)	(38.37)	800.31

Intangible assets under development 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	12.98	6.80	12.00	42.99	74.77
Projects overdue from original planned completion date	-	-	0.04	26.14	26.18
Total	12.98	6.80	12.04	69.13	100.95

Intangible assets under development completion schedule

Rs. in million

March 31, 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Cell line at Gennova Research & Development lab, Hinjewadi	-	26.18	-	-	26.18

Intangible assets under development ageing schedule

Rs. in million

March 31, 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	5.59	237.53	447.54	109.65	800.31
Projects temporarily suspended	-	-	-	-	-

Footnotes for note :

1. The effect of changes in foreign currency exchange rates on foreign currency translation on Intangible under development, amount to Rs. 0.95 million in relation to eligible assets for the year ended March 31, 2022 has been deducted from cost of such asset in intangible asset under development (March 31, 2021: loss of Rs. 38.37 million).
2. Intangible assets under development at the year end mainly consist of licencing rights and other intangible assets under development (March 31, 2021- abbreviated new drug application, licencing rights and other intangible assets under development).
3. The group does not have any ITUD projects which are suspended or which have exceeded its cost compared to its original plan.



EMCURE PHARMACEUTICALS LIMITED
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	Rs. in million	
Note 6	March 31, 2022	March 31, 2021
Non-current investments		
Investment in LLP		
Unquoted (valued at FVOCI)		
ABCD Technologies LLP, India	250.00	-
Investment in government securities		
Unquoted- valued at amortised cost		0.03
National Savings Certificates		
Aggregate value of unquoted investments	250.00	0.03

	Rs. in million	
Note 7	March 31, 2022	March 31, 2021
Other non-current financial assets		
Unsecured considered good (unless otherwise stated)		
Term deposits with banks having remaining maturity period of more than 12 months (refer note below)	211.30	82.81
Security deposits	244.23	289.00
Deposit with Provident Fund authority	20.00	20.00
Interest accrued on deposits with bank	2.33	-
Total	477.86	391.81

Note: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees & others. (refer note no. 54)

	Rs. in million	
Note 8	March 31, 2022	March 31, 2021
Other non-current assets		
Unsecured considered good (unless otherwise stated)		
Capital advances	309.61	109.60
Prepaid expenses	10.64	2.53
Balances with government authorities	32.72	108.50
Total	352.97	220.63

	Rs. in million	
Note 9	March 31, 2022	March 31, 2021
Inventories		
Raw materials [includes in transit Rs.52.01 million (March 31, 2021 - Rs. 338.59 million)]	4,201.53	4,022.91
Packing materials [includes in transit Rs. 8.15 million (March 31, 2021 - Rs. 15.06 million)]	727.37	647.83
Work-in-progress	1,551.38	1,541.04
Finished goods	2,314.18	2,041.93
Stock-in-trade [includes in transit Rs. 394.38 million (March 31, 2021 - Rs. 828.36 million)]	5,127.02	6,508.60
Stores and spares [includes in transit 2.93 million (March 31, 2021 - Rs. 3.44 million)]	572.67	382.04
Total	14,494.15	15,144.35

Notes :

1. Amounts recognised in Consolidated statement of profit or loss

Write-downs of inventories as at the year end amounted to Rs. 647.04 million (March 31, 2021 - Rs. 897.44 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 54 for information on Inventories pledged as security by the group.



	Rs. in million	
Note 10	March 31, 2022	March 31, 2021
Trade receivables		
Unsecured		
Undisputed receivables - considered good	13,439.31	15,217.74
Disputed receivables - which have significant increase in credit risk	30.53	30.53
Less: Loss allowance	(384.78)	(494.65)
Total	13,085.06	14,753.62

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

	Rs. in million	
Particulars	March 31, 2022	March 31, 2021
Total trade receivables from related parties (refer note 48)	1,016.03	-
Less: Loss allowance	(47.47)	-
Net trade receivables	968.56	-

Refer note 54 for information on trade receivables pledged as security by the group.

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 40.

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	7,412.49	4,533.84	842.89	364.16	155.47	130.46	13,439.31
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	-	-	-	-	-	30.53	30.53
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	7,412.49	4,533.84	842.89	364.16	155.47	160.99	13,469.84
Less: Loss allowance							(384.78)
Net trade receivables							13,085.06

	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	7,842.30	5,563.90	1,249.04	301.89	90.06	170.55	15,217.74
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	-	-	-	-	-	30.53	30.53
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	7,842.30	5,563.90	1,249.04	301.89	90.06	201.08	15,248.27
Less: Loss allowance							(494.65)
Net trade receivables							14,753.62

	Rs. in million	
Note 11	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Cash on hand	1.20	3.90
Balances with bank in current accounts	1,585.28	4,593.78
Balances with bank in cash credit accounts	41.32	83.03
Demand deposits (with original maturity of less than 3 months)	0.69	6.75
Total	1,628.49	4,687.46

Refer note 54 for information on Cash and cash equivalents pledged as security by the group.



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Rs. in million

Note 12	March 31, 2022	March 31, 2021
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 note below)	1,455.42	547.91
Total	1,455.42	547.91

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees, bid bonds & others (refer note 54).

Rs. in million

Note 13	March 31, 2022	March 31, 2021
Other current financial assets		
Unsecured considered good (unless otherwise stated)		
Interest accrued on deposits with bank	49.06	9.88
Interest accrued on deposits with others	2.44	1.46
Government grant receivable (refer note 61)	80.92	114.25
Security deposits	22.91	-
Financial guarantee fees receivable from related parties (refer note 48)	14.44	-
Other amount due from related parties (refer note 48)	317.49	-
Other receivables	117.63	5.52
Total	604.89	131.11

Refer note 54 for information on Other financial assets pledged as security by the group.

Rs. in million

Note 14	March 31, 2022	March 31, 2021
Other current assets		
Unsecured considered good (unless otherwise stated)		
Advances for supply of goods and services	1,098.50	380.41
Balances with government authorities	1,490.38	1,228.89
Advance to employees	22.33	90.00
Prepaid expenses	330.53	160.49
Others	31.24	50.27
Total	2,972.98	1,910.06

Refer note 54 for information on Other assets pledged as security by the group.



Note 15 Equity Share Capital	March 31, 2022		March 31, 2021	
	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	March 31, 2022		March 31, 2021	
	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 Holding Company has also issued share options to its employees and employees of the subsidiaries, refer note 50.

d. Rights, preferences and restrictions attached to equity shares

The Holding 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 Holding 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 Holding Company and subsidiaries are described in note 50 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 group 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	March 31, 2022		March 31, 2021	
	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. Increase/(decrease) in percentage of shares held by promoters

Particulars	March 31, 2022	March 31, 2021
Satish Mehta	0.02%	0.02%
Sunil Mehta	-	-

i. Shares reserved for issue under options:

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	Value	Number of shares	Value
Equity shares with face value of Rs. 10 each (refer note 50)				
a. Under ESOS, 2013; at an exercise price of Rs. 165.07 per share ; (March 31, 2021 - Rs. 221.25 per share)	7,30,000	7.30	9,00,000	9.00
b. Under ESOS, 2013; at an exercise price of Rs. 452.57 per share (March 31, 2021 - Rs. 508.75 per share)	60,000	0.60	60,000	0.60
c. Under ESOS, 2013; at an exercise price of Rs. 465.82 per share (March 31, 2020 - Rs. 522 per share)	1,60,000	1.60	1,60,000	1.60
d. Under ESOS, 2013; at an exercise price of Rs. 523.82 per share (March 31, 2020 - Rs. 580 per share)	1,95,000	1.95	2,55,000	2.55
e. Under ESOS, 2013; at an exercise price of Rs. 563.82 per share (March 31, 2020 - Rs. 620 per share)	2,20,000	2.20	2,20,000	2.20
f. Under ESOS, 2013; at an exercise price of Rs. 862.07 per share	3,40,000	3.40	-	-
g. Under ESOS, 2013; 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

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Rs. in million			
Note 16	Note	March 31, 2022	March 31, 2021
Other Equity			
Reserves and Surplus			
Capital reserve	(i)	-	12.92
Securities premium	(ii)	-	840.37
Share options outstanding account	(iii)	159.20	117.22
Foreign currency translation reserve	(iv)	156.71	760.17
General reserve	(v)	797.99	1,751.35
Retained earnings	(vi)	16,953.06	17,439.67
Total		18,066.96	20,921.70

Rs. in million		
Other Equity	March 31, 2022	March 31, 2021
i) Capital reserve		
Balance as at the beginning of the year	12.92	12.92
Less: Adjustment on account of demerger (refer Note 60)	(12.92)	-
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
Less: Adjustment on account of demerger (refer Note 60)	(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	117.22	268.70
Employee share - based expense recognised in statement of profit and loss	57.16	63.48
Options forfeited, transferred to general reserve	(15.18)	(32.84)
Options settled in cash during the year	-	(182.12)
Balance as at the end of the year	159.20	117.22
iv) Foreign currency translation reserve		
Balance as at the beginning of the year	760.17	772.10
Less: Adjustment on account of demerger (refer Note 60)	(551.79)	-
Exchange differences in translating financials statement of foreign operations	(51.67)	(11.93)
Balance as at the end of the year	156.71	760.17
v) General reserve		
Balance as at the beginning of the year	1,751.35	1,727.39
Less: Adjustment on account of demerger (refer Note 60)	(964.72)	-
Options forfeited, transferred from share options outstanding account	15.18	32.84
Income tax on above items	(3.82)	(8.88)
Balance as at the end of the year	797.99	1,751.35
vi) Retained earnings		
Balance as at the beginning of the year	17,439.67	13,689.54
Others including adjustment on account of demerger	(6,533.03)	-
Profit for the year attributable to the owners	6,622.00	3,921.47
Remeasurement of post-employment benefit obligations (net of taxes) attributable to the owners	(33.03)	9.51
Dividend (refer note below)	(542.55)	(180.85)
Balance as at the end of the year	16,953.06	17,439.67
Total	18,066.96	20,921.70



Note 16 : Other equity (continued)

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

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
Interim dividend on equity Shares March 31, 2022: Rs. 2 per equity share (March 31, 2021: Rs. NIL)	361.70	*
Final dividend on equity shares March 31, 2022: Rs. 1 per equity share (March 31, 2021: Rs. 1 per equity 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.

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

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
By Holding company		
Final dividend on equity shares - 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
By subsidiary- Zuventus Healthcare Limited*		
Final dividend on equity shares - Rs. 5 per equity share, (March 31, 2021: Rs 5 per equity share) subject to approval at the annual general meeting.	100.28	100.28
Total	281.13	281.13

* It also includes dividend payable to holding company, which gets eliminated at consolidated level.

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 reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account

The Parent has established equity-settled share-based payment plans for certain categories of employees of the Group. Refer note 50 for further details of these plans.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

General reserve

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

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 group.



Note 17	Rs. in million	
	March 31, 2022	March 31, 2021
Non current borrowings		
Secured		
Term loans:		
Indian currency loans from banks	1,705.54	2,407.78
Indian currency loans from others	2,959.80	3,573.96
Foreign currency loans from banks	5,309.72	4,665.46
Vehicle loans	95.27	36.84
	10,070.33	10,684.04
Unsecured		
Indian currency loans from others	85.40	102.60
Less: Current maturities of non current borrowing (refer note 21)	(2,728.12)	(3,519.76)
Less: Current maturities of vehicle loan and others (refer note 21)	(25.72)	(15.39)
Less: Transaction cost attributable to the borrowings	(229.07)	(211.79)
Total	7,172.82	7,039.70

Note: Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 40.

(a) Security information of outstanding loans is as below;

Nature of facility	Security offered	Rs. in million	
		March 31, 2022	March 31, 2021
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 Holding Company	3,640.10	4,745.49
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by the Holding company	3,163.68	3,755.74
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	1,076.12
Term Loan	Secured by hypothecation of the entire movable fixed assets, both present and future owned by Gennova Biopharmaceuticals Limited; Second Pari Passu Charge over the entire current assets, both present and future of Gennova Biopharmaceuticals Limited and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).	214.21	-
Term Loan	Secured by hypothecation of all fixed assets, current assets and intangibles assets of Marcan Pharmaceuticals Inc. and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).	2,395.95	-
Term Loan	Secured by hypothecation of all fixed assets, current assets and intangibles assets of Marcan Pharmaceuticals Inc. and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company). and entire Equity Shares of Marcan Pharmaceuticals Inc. held by Emcure Pharmaceuticals Limited (holding company)	-	1,069.85
Vehicle Loan	Secured by vehicles for which loan is availed	95.27	36.84
	Total	10,070.33	10,684.04



(b) Repayment terms of secured borrowing outstanding as on March 31, 2022.

Nature of facility	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	LTCLR - 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	LTCLR - 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	LTCLR - 8.25%	INR	2	-	-	15.34	-
Term Loan	60 monthly installments from August 2019	LTCLR - 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	LTCLR - 10.00%	INR	48	160.00	160.00	320.00	-
Term Loan	48 Equal Monthly Installments from October 2022	1 Y MCLR + 0.65%	INR	48	26.78	53.55	133.88	-
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 February 2022	6M Libor+ 3.65%	USD	10	322.10	322.09	966.31	-
Term Loan	12 equal Quarterly Installments from March 2022	Prime Rate + 0.75%	CAD	15	209.45	209.45	366.54	-
Vehicle Loan	Monthly installments starting from March 2017	7.20% to 9.39%	INR	05-53	23.72	21.06	42.14	-
Vehicle Loan	Monthly installments starting from October 2017	7.20% to 7.87%	INR	06-52	1.99	1.75	4.61	-
	Total				2,735.42	2,610.16	4,724.74	-

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

(c) Repayment terms of unsecured borrowing outstanding as on March 31, 2022.

Nature of facility	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
Loan under New Millennium Indian Technology Leadership Initiative	10 Yearly installments starting from August 1, 2017	3%	INR	5.00	18.41	18.41	48.57	-
					18.41	18.41	48.57	-



(d) Repayment terms of secured borrowing outstanding as on March 31, 2021

Nature of facility	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	40.98	-	-
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 **	LTMR+75 bps	INR	10	212.50	212.50	106.25	-
Term Loan	16 equal quarterly installments from April 2020 **	LTMR+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	20	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	2 quarterly installment of C\$ 840 thousand from May 2017 to August 2017. 4 quarterly installment of C\$ 1050 thousand from November 2017 to August 2018 4 quarterly installment of C\$ 1570 thousand from November 2018 to August 2019 4 quarterly installment of C\$ 2100 thousand from November 2019 to November 2020** 7 quarterly installment of C\$ 2378 thousand from February 2021 to November 2022 1 quarterly installment of C\$ 2100 payable in February 2023. 1 quarterly installment of C\$ 2710 payable in May 2023.	CDOR+310 bps	CAD	8	537.87	531.98	-	-
Vehicle Loan	Monthly installments starting from Aug 2014	7.50% to 9.39%	INR	01-59	14.70	10.47	10.61	-
Vehicle Loan	Monthly installments starting from Oct 2017	7.87% to 8.36%	INR	18	0.69	0.37	-	-
	Total				3,516.73	2,581.06	4,135.40	450.85

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

(e) Repayment terms of unsecured borrowing outstanding as on March 31, 2021.

Nature of facility	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
Loan under New Millennium Indian Technology Leadership Initiative	10 Yearly installments starting from August 1, 2017	3%	INR	6.00	18.41	18.41	47.36	18.41
					18.41	18.41	47.36	18.41

Rs. in million

Note 18	March 31, 2022	March 31, 2021
Other non-current financial liabilities		
Trade deposits (refer note below)	121.30	122.97
Payables for capital asset	-	584.84
Allowance for expected sales returns (refer note 23)	317.62	321.67
Other liabilities	0.87	5.29
Total	439.79	1,034.77

Note : Includes deposit from firm in which directors of the Holding Company are interested - Rs. 10.15 million (March 31, 2021 - Rs. 10.00 million).

Rs. in million

Note 19	March 31, 2022	March 31, 2021
Non-current provisions		
Provision for employee benefits		
Provision for compensated absences	421.05	337.67
Total	421.05	337.67

Rs. in million

Note 20	March 31, 2022	March 31, 2021
Other non-current liabilities		
Deferred government grant (refer note 44B and 61)	158.02	125.49
Deferred revenue (refer note 53)	114.38	207.56
Total	272.40	333.05

Rs. in million

Note 21	March 31, 2022	March 31, 2021
Current borrowings		
Secured		
Current maturities of non current borrowing (refer note 17)	2,753.84	3535.15
Term Loans	225.00	-
Working capital loans from banks	5,930.96	4,293.71
Cash credit facilities / bank overdraft repayable on demand from banks	4,710.21	8,187.88
Less: Transaction cost attributable to the borrowings	(20.18)	(15.31)
Unsecured		
Other cash credit facilities from banks	-	60.46
Total	13,599.83	16,061.89

Note:

a) Statement of principal terms of secured short term loans outstanding as on March 31, 2022

Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. In million)	Security
Bullet Repayment in July 2022	7%	INR	225.00	Secured by hypothecation of the entire movable fixed assets, both present and future owned by Gennova Biopharmaceuticals Limited; Second Pari Passu Charge over the entire current assets, both present and future of Gennova Biopharmaceuticals Limited and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company)

b) Working capital loans from banks are secured by hypothecation of inventories, book debts and receivables, in addition, Working capital loans of few subsidiaries are also secured by corporate guarantee of parent company (refer note 54).

c) 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 of USD at LIBOR+85 bps to LIBOR + 250 bps, foreign currency loans in GBP at GBP LIBOR+115 bps and SONIA+ 3.00%, foreign currency loans in EURO at EURIBOR + 85 bps, Prime Rate + 75 BPS for foreign currency loans in Canada, EIBOR+2.47% in Dubai and for Rupee loans 6 M MCLR+0.95% to MCLR+1.25% i.e. 7.50% p.a. to 8.55% p.a., (March 31, 2021 : LIBOR+150 bps to LIBOR+350 bps for foreign currency loans in USD, GBP Libor+250 bps for foreign currency loans in GBP, 2.90 % for foreign currency loans in Canada, EIBOR+2.47% in Dubai, MCLR+0.75% to MCLR+1.75% and for Rupee loans 7.90% p.a. to 10.15% p.a.).

d) Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 40.



Rs. in million

Note 22	March 31, 2022	March 31, 2021
Trade payables		
Trade payables to related parties (refer note 48)	191.91	-
Other trade payables		
Total outstanding dues of micro and small enterprises (refer note 59)	330.91	-
Total outstanding dues of creditors other than micro and small enterprises	10,729.08	9,721.94
Total	11,251.90	9,721.94

Note :

1. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 40.
2. All trade payables are current.

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	-	330.91	-	-	-	330.91
Others	2,004.28	8,339.79	547.33	13.27	16.32	10,920.99
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	2,004.28	8,670.70	547.33	13.27	16.32	11,251.90

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	-	-	-	-	-	-
Others	2,661.56	6,869.87	142.87	25.41	22.23	9,721.94
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	2,661.56	6,869.87	142.87	25.41	22.23	9,721.94



Rs. in million

Note 23	March 31, 2022	March 31, 2021
Other current financial liabilities		
Interest accrued but not due on borrowings	63.64	103.57
Interest accrued and due on trade deposits (refer note (b) below)	1.50	1.71
Consideration payable (including contingent consideration) towards acquisition of subsidiary (refer note 62)	-	2,750.78
Employee benefits payable	1,557.87	1,627.96
Allowance for expected sales return (refer footnote (d) below)	617.80	1,072.76
Other payables (refer note (c) below)	44.15	23.88
Payables for capital asset	484.90	334.27
Total	2,769.86	5,914.93

Notes :

- a) The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 40.
b) Includes Interest accrued and due on deposit from a firm in which directors of the Holding Company are interested : Rs.0.17 million (March 31, 2021: Rs.0.17 million)
c) Includes amount payable to related parties amounting to Rs. 34.60 million (March 31, 2021 - Rs. 14.40 million).
d) Movements in provisions for sales return and breakage expiry

Rs. in million

Particulars	March 31, 2022	March 31, 2021
Beginning of the year	1,394.43	1,234.72
Less: Transferred pursuant to composite scheme of arrangement	(517.36)	-
Provisions made during the year ^	1,239.79	1,938.40
Effect for unwinding of discounts	40.73	38.32
Provisions utilised during the year	(1,223.96)	(1,811.96)
Change due to translation of provision of foreign operation	1.79	(5.05)
At the end of the year	935.42	1,394.43

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.

Rs. in million

Note 24	March 31, 2022	March 31, 2021
Current provisions		
Provision for employee benefits		
Provision for compensated absences	190.97	174.95
Provision for gratuity (refer note 49)	245.29	148.02
Provision for stock appreciation rights (refer note 51)	-	91.23
Other provisions	2.36	10.60
Total	438.62	424.80

Rs. in million

Note 25	March 31, 2022	March 31, 2021
Income tax assets / (liabilities) (net)		
Income tax assets (net of provisions)	509.97	1,665.62
Income tax liabilities (net of advance tax)	(621.52)	(616.91)
Net	111.55	(1,048.71)

Rs. in million

Note 26	March 31, 2022	March 31, 2021
Other current liabilities		
Statutory dues including provident fund and withholding taxes	460.11	559.62
Contract liabilities (advances from customers)	153.57	121.31
Deferred government grant (refer note 61)	117.82	245.76
Other liabilities	12.10	90.18
Total	743.60	1,016.87



Rs. in million

Note 27	March 31, 2022	March 31, 2021
Revenue from operations		
Revenue from contracts with customers		
Sale of products	56,586.44	49,320.50
Sale of services	1,075.60	535.28
Other operating revenues		
Scrap sales	58.58	48.32
Income from Government Grants:		
Export incentives	28.01	198.02
GST refund received (refer note 45)	7.04	33.00
Income arising from other government grant (refer note 61)	798.20	199.62
Total	58,553.87	50,334.74

Rs. in million

Note 28	March 31, 2022	March 31, 2021
Other income		
Interest income under the effective interest method from banks and others	101.97	69.87
Profit on sale of property, plant & equipment	-	4.29
Gains on foreign exchange fluctuation (net)	367.78	30.33
Miscellaneous income	164.98	234.27
Total	634.73	338.76

Rs. in million

Note 29	March 31, 2022	March 31, 2021
Cost of material consumed		
A: Raw material consumed		
Opening inventory	4,022.91	3,370.56
Less: Transferred pursuant to composite scheme of arrangement (Refer Note 60)	(1,092.80)	-
Add : Purchases (net)	12,172.86	13,314.77
	15,102.97	16,685.33
Less: Closing inventory	(4,201.53)	(4,022.91)
Cost of raw materials consumed during the year	10,901.44	12,662.42
B: Packing material consumed		
Opening inventory	647.83	531.56
Less: Transferred pursuant to composite scheme of arrangement (Refer Note 60)	(76.09)	-
Add : Purchases (net)	2,215.20	1,820.16
	2,786.94	2,351.72
Less: Closing inventory	(727.37)	(647.83)
Cost of packing materials consumed during the year	2,059.57	1,703.89
Less:- Cost of material consumed relating to discontinued operations (refer note 60)		(2,470.33)
Total (A+B)	12,961.01	11,895.98

Rs. in million

Note 30	March 31, 2022	March 31, 2021
Changes in inventory of finished goods, work in progress and stock-in-trade		
Opening inventory		
Work-in-process	1,541.04	692.78
Finished goods	2,041.93	1,479.48
Stock-in-trade	6,508.60	5,393.05
	10,091.57	7,565.31
Less: Closing inventory		
Work-in-process	1,551.38	1,541.04
Finished goods	2,314.18	2,041.93
Stock-in-trade	5,127.02	6,508.60
	8,992.58	10,091.57
Transferred pursuant to composite scheme of arrangement (Refer Note 60)	(2,552.94)	-
Less:- Changes in inventory of finished goods, work in progress and stock-in-trade relating to discontinued operations (refer note 60)		(509.01)
Changes in inventory of finished goods, work in progress and stock-in-trade	(1,453.95)	(3,035.27)



Rs. in million

Note 31	March 31, 2022	March 31, 2021
Employee benefit expenses		
Salaries, wages and bonus	8,908.91	7,970.41
Contribution to provident and other funds (refer note 49)	588.13	536.82
Gratuity (refer note 49)	158.42	156.37
Employee share-based payment expenses (refer note 50)	57.16	41.60
Staff welfare expenses	405.58	322.86
Total	10,118.20	9,028.06

Rs. in million

Note 32	March 31, 2022	March 31, 2021
Other expenses		
Processing charges	651.37	314.68
Factory consumables	1,718.84	1,180.14
Contractual Services	456.93	445.59
Power and fuel	972.77	948.45
Insurance	188.19	144.81
Repair and maintenance	532.78	417.93
Rent (refer note 3)	53.53	23.74
Rates and taxes	171.21	203.31
Freight	927.91	857.16
Advertisement and promotional materials	1,633.22	1,219.72
Travelling and conveyance	1,054.29	740.51
Commission on sales	904.53	546.81
Printing and stationery	116.67	104.04
Legal and professional fees	1,554.09	1,573.55
Payment to auditors (refer note below)	9.49	11.44
Inventory handling charges	507.97	556.12
Commission to non-whole time directors	35.35	16.40
Directors sitting fees	5.41	1.82
Loss allowance for doubtful debts	55.77	259.79
Loss on sale of property, plant and equipment	4.08	-
Bad debts written off	19.57	25.28
Expenditure towards corporate social responsibility (refer note 58)	109.10	84.90
Miscellaneous expenses	1,121.96	616.12
Total	12,805.03	10,292.31

Rs. in million

Note : Payment to auditors	March 31, 2022	March 31, 2021
As auditor:		
Audit fees excluding taxes	7.34	7.46
Other services *	1.87	3.65
Out of pocket expenses	0.28	0.33
Total	9.49	11.44

* Excludes payment to auditors amounting to Rs. 27.43 million towards IPO related services grouped under Prepaid expenses for year ended March 31, 2022.

Rs. in million

Note 33	March 31, 2022	March 31, 2021
Depreciation and amortisation expenses		
Depreciation on property, plant and equipment	1,623.45	1,535.34
Depreciation on right-of-use assets	291.45	265.60
Amortisation of intangible assets	533.65	699.00
Total	2,448.55	2,499.94



Rs. in million

Note 34	March 31, 2022	March 31, 2021
Finance cost		
Interest on long-term borrowings measured at amortised cost (refer note 2A & 2B of Property, plant and equipment and Capital work-in-progress)	696.84	568.04
Interest on short-term borrowings measured at amortised cost (refer note 2A & 2B of Property, plant and equipment and Capital work-in-progress)	469.54	422.61
Unwinding of discount on deferred consideration	-	50.02
Unwinding of discount on contingent consideration (refer note 62)	-	108.57
Interest on shortfall of advance tax	34.30	53.51
Interest accrued on lease liability	123.96	95.61
Other borrowing costs	289.90	251.05
Exchange differences to the extent regarded as an adjustment to borrowing costs	145.24	-
Total	1,759.78	1,549.41

Rs. in million

Note 35	March 31, 2022	March 31, 2021
Exceptional items		
Consultancy fees (see note(i) & (ii) below)	-	448.99
Less:- Exceptional items relating to discontinued operations (refer note 60)	-	(403.74)
Impairment of intangible assets (refer note 4 - Other Intangible assets)	-	436.95
Less:- Exceptional items relating to discontinued operations (refer note 60)	-	(436.95)
Total	-	45.25

Notes :

(i) The Holding 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' from the Food and Drug Administration of the USA ('US FDA'). Management took the necessary corrective actions based on the audit conducted by US FDA with the last response sent on 18th May 2020.

The Company has also engaged external consultants as a part of remediation action for its 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.

(ii) Consultancy fees towards Drug pricing litigation amounting to Rs. Nil, (March 2021 Rs. 386.00 million) has been classified as exceptional item.

Rs. in million

Note 36	March 31, 2022	March 31, 2021
Tax expenses recognised in statement of profit and loss		
Current tax		
Current Period	2,717.60	2,046.32
Tax related to prior years	142.93	(37.40)
Add: Current tax relating to discontinued operations (refer note 60)	-	611.10
Total current tax expense	2,860.53	2,620.02
Deferred tax		
Originating and reversal of temporary differences	(248.76)	179.03
Change in tax rate	(7.03)	-
Changes in temporary differences of earlier years	95.18	199.38
Less: Deferred tax relating to discontinued operations (refer note 60)	-	(663.98)
Total deferred tax	(160.61)	(285.57)
Total	2,699.92	2,334.45

Rs. in million

	March 31, 2022	March 31, 2021
Tax income recognised in OCI		
Remeasurements of post-employment benefit obligations	13.57	(6.23)
Total	13.57	(6.23)

Rs. in million

	March 31, 2022	March 31, 2021
Tax expense recognised in other equity		
General reserve	(3.82)	(8.88)
Total	(3.82)	(8.88)



Rs. in million

Note 37	March 31, 2022	March 31, 2021
Deferred tax assets		
Deferred tax assets :		
Intangible assets	427.81	548.26
Allowance for doubtful debts - trade receivables	4.34	3.75
Provision - employee benefit	22.22	11.88
Carry forward of tax losses	199.49	370.12
Government grant	47.11	71.56
Minimum alternate tax credit entitlement	178.36	156.95
Stock appreciation rights	-	20.86
Insurance receivable	-	66.43
Sales return	-	128.03
Inventories	641.61	763.14
Others	21.97	569.86
Lease Liability	48.92	41.65
Total	1,591.83	2,752.49
Deferred tax liabilities :		
Property, Plant and Equipment	182.17	136.64
Intangible assets	1.76	0.88
Others	204.74	1,090.27
Right-of-use assets	42.36	41.78
Total	431.03	1,269.57
Deferred tax assets - net	1,160.80	1,482.92

Rs. in million

Note 37	March 31, 2022	March 31, 2021
Deferred tax liabilities		
Deferred tax liabilities :		
Intangible assets	66.60	89.90
Property, Plant and Equipment	625.75	565.93
Others	39.10	34.84
Right-of-use assets	251.50	214.68
Total	982.95	905.35
Deferred tax assets :		
Allowance for doubtful debts - trade receivables	71.76	66.61
Provision - Employee benefit	201.93	199.47
Lease Liability	283.12	240.44
Total	556.81	506.52
Deferred tax liabilities - net	426.14	398.83

Note: Balances of deferred tax assets and deferred tax liability above, as on the reporting date includes the effects of changes in foreign exchange rates of foreign operations whose functional currency is different than the Group's functional currency, are considered in foreign currency translation reserve and is shown as others in deferred tax movement note 38



Note 37 : Tax expenses (continued)

Significant estimates

In assessing the realisability of the deferred tax asset balance with respect to Minimum alternate tax (MAT) credit entitlements and carry forward tax losses, management has considered whether partial or all of the MAT credit entitlement and carry forward tax losses will not be realised. The ultimate realisation of benefit related to MAT credit and carry forward tax losses is dependent upon the generation of future taxable income greater than book profit as per provisions of Income Tax Act, 1961, before expiry of credit and carry forward period. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the MAT credit are deductible as well carry forward losses will be utilised, management believes that the Group will realise the benefit. The amount of deferred tax asset on account of MAT credit and carry forward losses is considered to be realisable, however, could be reduced in the near term if estimates of future taxable income undergo any change as compared to the estimates made by the management as at reporting date. Management has performed the sensitivity analysis on the future expected taxable profits and do not expect any loss of benefit related to these items.

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	March 31, 2022		March 31, 2021	
	%	Amount	%	Amount
Profit before tax from continuing operations		9,725.48		8,406.97
Profit/(Loss) before tax from discontinued operations		-		(1,833.70)
		9,725.48		6,573.27
Tax using the Holding Company tax rate of 25.17%	25.17%	2,447.90	25.17%	1,654.49
<i>Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:</i>				
Non taxable income	-0.65%	(63.35)	0.11%	7.34
Non deductible expenses	0.84%	82.06	0.77%	50.34
Change in tax rate	-0.07%	(7.03)	0.00%	-
Additional allowance for tax purpose	0.00%	-	-1.11%	(73.07)
One time tax impact due to change in law *	0.00%	-	-4.00%	(263.02)
Difference in tax rates in foreign jurisdictions	-0.91%	(88.19)	1.25%	82.05
Difference in tax rates of Indian Subsidiaries	0.10%	10.00	2.86%	188.07
Creation/(reversal) of deferred tax liability on undistributed profits	0.00%	-	0.00%	-
Tax related to prior years	1.47%	142.93	-0.57%	(37.40)
Unrecognised deferred tax assets **	0.54%	52.25	8.46%	556.39
Changes in temporary differences of earlier years	0.98%	95.18	3.03%	199.32
Other items	0.29%	28.17	0.35%	22.82
Effective tax rate for continuing and discontinued operations¹	27.76%	2,699.92	36.31%	2,387.33

* The US Government enacted Coronavirus Aids, Relief and Economic Security Act (CARES Act) on 27-Mar-2020 in response to COVID-19 pandemic. The company's erstwhile subsidiary Heritage Pharma Holdings Inc. and its subsidiaries elected to carry back Net Operating Losses (NOLs) of current and preceding financial years to set off against taxable profits of earlier years.

** The group evaluates its deferred tax assets for realizability based on all positive and negative evidences. Accordingly for year ended March 31, 2021, the group has provided for entire valuation allowance amounting to Rs. 555.48 million against deferred tax asset recognised in the company's erstwhile subsidiary Heritage Pharma Holding Inc & its subsidiaries, which can not be carried back pursuant to Coronavirus Aids, Relief and Economic Security Act (CARES Act).



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Rs. in million

Note 38 Movement of Deferred tax assets / liabilities	Opening balance as at April 1, 2021*	Transferred to P&L	Transferred to OCI	Transferred pursuant to composite scheme of arrangement (Refer Note 60)	MAT credit utilised / Others	Closing Balance as at March 31, 2022*
Minimum alternate tax credit entitlement	156.95	25.62		-	(4.21)	178.36
Carry forward of tax losses	370.12	72.07		(242.70)		199.49
Stock appreciation rights	20.86	-		(20.86)		-
Provision - Employee benefit	211.35	(0.77)	13.57			224.15
Inventories	763.14	143.39		(264.92)		641.61
Insurance receivable	66.43	-		(66.43)		-
Government grant	71.56	(24.45)		-		47.11
Sales return	128.03	-		(128.03)		-
Allowance for doubtful debts - trade receivables	70.36	5.74		-		76.10
Others	(555.25)	(12.10)		531.80	(186.32)	(221.87)
Lease Liability	282.09	49.95		-		332.04
Property, Plant and Equipment	(702.57)	(122.39)		17.04		(807.92)
Intangible assets	457.48	60.95		-	(158.98)	359.45
Right-of-use assets	(256.46)	(37.40)		-		(293.86)
Total	1,084.09	160.61	13.57	(174.10)	(349.51)	734.66

Rs. in million

Note 38 Movement of Deferred tax assets / liabilities	Opening balance as at 01 April 2020*	Transferred to P&L ^	Transferred to OCI	MAT credit utilised /Others	Closing Balance as at March 31, 2021*
Minimum alternate tax credit entitlement	287.00	-	-	(130.05)	156.95
Carry forward of tax losses	389.02	(18.90)	-	-	370.12
Stock appreciation rights	24.19	(3.33)	-	-	20.86
Provision - Employee benefit	194.96	22.62	(6.23)	-	211.35
Inventories	732.80	30.34	-	-	763.14
Insurance receivable	68.27	(1.84)	-	-	66.43
Government grant	-	71.56	-	-	71.56
Sales return	162.00	(33.97)	-	-	128.03
Allowance for doubtful debts - trade receivables	54.82	15.54	-	-	70.36
Others	160.13	(746.58)	-	31.20	(555.25)
Lease Liability	263.65	18.44	-	-	282.09
Property, Plant and Equipment	(786.42)	83.85	-	-	(702.57)
Intangible assets	267.96	189.52	-	-	457.48
Right-of-use assets	(250.80)	(5.66)	-	-	(256.46)
Total	1,567.58	(378.41)	(6.23)	(98.85)	1,084.09

* Deferred tax assets (net) and deferred tax liabilities (net) as shown in the consolidated financial statements has been clubbed for the aforesaid disclosure.

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.



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Note 39 : Capital management

The group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group 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 group monitors capital on the basis of the gearing ratio

Net debt (total bank borrowings excluding transaction cost, net of cash and cash equivalent and other bank balances)

divided by

Equity attributable to the owners of Emcure Pharmaceuticals Limited (as shown in the Balance Sheet).

The group strategy is to maintain a gearing ratio less than 1.50x. The gearing ratio at year end is as follow:

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
Net Debt (as defined above)	17,726.69	18,010.52
Equity attributable to the owners of Emcure Pharmaceuticals Limited	19,875.48	22,730.22
Gearing ratio	0.89	0.79

Note 40 : Financial risk management

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

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging 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 inflow and outflow. Borrowing in foreign currency to fulfil foreign currency obligation
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate.

A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group grants credit terms in the normal course of business. The Group 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 and deposits.

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

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

The Group 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 most 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. However, the Group 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. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Group 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 dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount*	4,190.13	1,551.98	615.72	169.44	108.70	213.38	6,849.35
Expected loss rate (includes interest as well as credit loss)	-1.48%	-1.56%	-4.77%	-15.60%	-10.65%	-68.56%	-4.38%
Expected credit losses (loss allowance provision)	(62.21)	(24.16)	(29.38)	(26.44)	(11.58)	(146.29)	(300.06)
Carrying amount of trade receivables (net of impairment)	4,127.92	1,527.82	586.34	143.00	97.12	67.09	6,549.29



Note 40 : Financial risk management (continued)
A) Credit risk (Continued)

Year ended March 31, 2021:
Expected credit loss for trade receivables under simplified approach

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Rs. in million Total
Gross carrying amount*	3,193.65	1,620.33	366.21	233.83	38.92	185.72	5,638.66
Expected loss rate (includes interest as well as credit loss)	-1.32%	-1.62%	-4.89%	-7.48%	-21.76%	-78.33%	-4.57%
Expected credit losses (loss allowance)	(42.27)	(26.17)	(17.92)	(17.49)	(8.47)	(145.48)	(257.80)
Carrying amount of trade receivables (net of impairment)	3,151.38	1,594.16	348.29	216.34	30.45	40.24	5,380.86

During the year, the Group has made write-offs of trade receivables amount to Rs. 19.57 million (March 31, 2021- Rs. 25.28 million)
There are no financial assets which have been written off during the year which are subject to enforcement activity.

* In case of certain subsidiaries located in geographical segments - Africa, Asia (except India), Australia, North America, South America, Europe, management do not expect any expected credit loss against trade receivables based on the past trend of recovery and actual write offs. Therefore trade receivable at the date of financial position with respect to these subsidiaries are not included in the analysis above. Provision amounting to Rs. 84.72 million (March 31, 2021 - Rs. 236.85 million) was made against receivables of certain specific subsidiaries based on management assessment of recovery of these subsidiaries and such loss provision is not considered in analysis above.

ii) Reconciliation of loss allowance provision — Trade receivables

Particulars	Rs. in million
Loss allowance on April 1, 2020	225.51
Amounts written off ^	(25.28)
Net remeasurement of loss allowances	294.42
Loss allowance on March 31, 2021	494.65
Amounts written off	(19.57)
Net remeasurement of loss allowances	(90.30)
Loss allowance on March 31, 2022	384.78

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.
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.

B) 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, the Group maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the Group'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 Group 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 Group 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. The Group is confident of being able to roll forward its short term borrowings.

i) Financing arrangements

The Group 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.

ii) Maturities of financial

The tables below analyse the Group'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.



Note 40 : Financial risk management (continued)

B) Liquidity risk (continued)

ii) *Maturities of financial liabilities (continued)*

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Rs. in million				
	within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
March 31, 2022					
Trade Payable	11,251.90	-	-	-	11,251.90
Short term borrowing	10,845.99	-	-	-	10,845.99
Long term borrowing	2,753.84	2,573.85	4,598.97	-	9,926.66
Trade deposits	-	-	121.30	-	121.30
Lease Liabilities	355.33	321.12	541.01	974.03	2,191.49
Other financial liabilities	2,769.85	239.09	79.41	-	3,088.35
Total	27,976.91	3,134.06	5,340.69	974.03	37,425.69
March 31, 2021					
Trade Payable	9,721.94	-	-	-	9,721.94
Short term borrowing	12,526.74	-	-	-	12,526.74
Long term borrowing	3,535.15	2,478.68	4,112.20	448.82	10,574.85
Consideration (including contingent consideration) payable	2,750.78	-	-	-	2,750.78
Trade deposits	-	-	122.97	-	122.97
Lease Liabilities	422.46	374.68	673.98	540.50	2,011.62
Other financial liabilities	3,164.15	246.54	665.26	-	4,075.95
Total	32,121.22	3,099.90	5,574.41	989.32	41,784.85

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group'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.

i) *Foreign currency risk*

The Group operates in international market and a major 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 Group's foreign currency exposure is mainly in USD, EURO and GBP. The Group's financial liabilities mainly constitutes bank loans and trade payable. Further, the Group receives foreign currency against its exports receivables on regular basis against which the Group pays its loan and import commitments. To mitigate the risk arising on account of foreign exchange fluctuation management closely monitors the cash inflows based on review of expected future movement.

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

Foreign currency risk exposure:

Particulars	Currency	Foreign currency in million		Rs. in million	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets					
Receivables (including other receivables)	EURO	5.53	3.86	463.70	331.15
	USD	38.78	25.75	2,939.09	1,882.35
	Others*	2.61	0.85	49.22	48.51
Cash and cash equivalents	USD	4.13	2.62	313.26	191.77
	EURO	0.99	1.29	82.98	110.58
	Others*	0.06	0.13	0.06	0.13
Total				3,848.31	2,564.49
Financial liabilities					
Trade Payable	EURO	5.91	3.09	495.52	264.73
	USD	19.21	12.09	1,456.10	883.52
	GBP	0.04	0.07	3.58	7.26
	Others*	0.02	-	1.32	0.10
Other Financial Liabilities	USD	0.54	0.77	41.30	56.29
	GBP	0.01	-	1.00	-
Loans Payable	USD	73.68	66.18	5,583.73	4,838.09
	GBP	4.30	-	428.07	-
	Euro	3.00	-	251.67	-
Total				8,262.29	6,049.99

* Foreign currencies of insignificant value



Note 40 : Financial risk management (continued)

C) Market risk (continued)

i) Foreign currency risk (continued)

Sensitivity:

Particulars	Rs. in million	
	Impact on profit before tax	
	March 31, 2022	March 31, 2021
USD sensitivity		
USD/INR -Increase by 4% (March 31, 2021-4%)*	(153.15)	(148.15)
USD/INR -Decrease by -4% (March 31, 2021-4%)*	153.15	148.15
EURO sensitivity		
EURO/INR -Increase by 2% (March 31, 2021-2%)*	(4.01)	3.54
EURO/INR -Decrease by -2% (March 31, 2021-2%)*	4.01	(3.54)
GBP sensitivity		
GBP/INR -Increase by 8% (March 31, 2021-8%)*	(34.61)	(0.58)
GBP/INR -Decrease by -8% (March 31, 2021-8%)*	34.61	0.57

* Holding all other variables constant

iii) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During March 31, 2022 and March 31, 2021 and the Group's borrowings at variable rate were mainly denominated in INR, USD, CAD and GBP.

a) Interest rate risk exposure

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As a part of Group'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 interest rate 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 are at floating rate, except for those disclosed as fixed rate borrowings under note 17.

b) Sensitivity

The Group'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 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 interest rates arises.

Particulars	Rs. in million	
	Impact on profit before tax	
	March 31, 2022	March 31, 2021
Interest rates — increase by 25 basis points (25 bps) *	(52.55)	(58.17)
Interest rates — decrease by 25 basis points (25 bps) *	52.55	58.17

* Holding all other variables constant

The bank deposits are placed on fixed rate of interest of approximately 2.75% to 9.00% p.a. (March 31, 2021- 5.00% - 9.00%). As the interest rate does not vary unless such deposits are withdrawn and renewed, interest rate risk is considered to be low.



Note 41 : Fair value measurements

A. Accounting classifications and fair value

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

Rs. in million								
March 31, 2022 Carrying amounts and fair values of financial assets and financial liabilities	Carrying amounts valued at				Fair value			
	Fair value	Amortised Cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income Level 3 Investment in LLP (FVOCI)	250.00	-	-	250.00	-	-	250.00	250
Financial assets not measured at fair value*								
Security deposits	-	267.14	-	267.14	-	-	-	-
Trade receivables	-	13,085.06	-	13,085.06	-	-	-	-
Cash and cash equivalents	-	1,628.49	-	1,628.49	-	-	-	-
Term deposits with banks	-	1,666.72	-	1,666.72	-	-	-	-
Other financial assets	-	604.31	-	604.31	-	-	-	-
Total financial assets	250.00	17,251.72	-	17,501.72	-	-	250.00	250.00
Financial liabilities not measured at fair value*								
Long term borrowings (including current maturities)	-	9,926.66	-	9,926.66	-	-	-	-
Short term borrowings	-	10,845.99	-	10,845.99	-	-	-	-
Lease Liabilities	-	1,335.74	-	1,335.74	-	-	-	-
Trade deposits	-	121.30	-	121.30	-	-	-	-
Trade payables	-	11,251.90	-	11,251.90	-	-	-	-
Creditors for capital assets	-	484.90	-	484.90	-	-	-	-
Other financial liabilities	-	2,603.45	-	2,603.45	-	-	-	-
Total financial liabilities	-	36,569.94	-	36,569.94	-	-	-	-

Rs. in million								
March 31, 2021 Carrying amounts and fair values of financial assets and financial liabilities	Carrying amounts valued at				Fair value			
	Fair value	Amortised Cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*								
Investment	-	0.03	-	0.03	-	-	-	-
Security deposits	-	289.00	-	289.00	-	-	-	-
Trade receivables	-	14,753.62	-	14,753.62	-	-	-	-
Cash and cash equivalents	-	4,687.46	-	4,687.46	-	-	-	-
Term deposits with banks	-	630.72	-	630.72	-	-	-	-
Other financial assets	-	151.11	-	151.11	-	-	-	-
Total financial assets	-	20,511.94	-	20,511.94	-	-	-	-
Financial liabilities not measured at fair value*								
Long term borrowings (including current maturities)	-	10,574.85	-	10,574.85	-	-	-	-
Short term borrowings	-	12,526.74	-	12,526.74	-	-	-	-
Lease Liabilities	-	1,492.48	-	1,492.48	-	-	-	-
Trade deposits	-	122.97	-	122.97	-	-	-	-
Trade payables	-	9,721.94	-	9,721.94	-	-	-	-
Creditors for capital assets	-	919.11	-	919.11	-	-	-	-
Other financial liabilities	-	3,156.84	-	3,156.84	-	-	-	-
Financial liabilities measured at fair value								
Consideration (including contingent consideration)	2,750.78	-	-	2,750.78	-	-	2,750.78	2,750.78
Mark to market loss on forward exchange contract	-	-	-	-	-	-	-	-
Total financial liabilities	2,750.78	38,514.93	-	41,265.71	-	-	2,750.78	2,750.78

* The Group 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 ended March 31, 2022 and March 31, 2021.



B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation process are described in Note .

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and EBITDA, the amount to be paid under each scenario and the probability of each scenario.	- Forecasted annual Revenue growth RATE - Forecast EBITDA margin - Risk-adjusted discount RATE	The estimated fair value would increase (decrease) if: - the annual revenue growth rate were higher (lower); - the EBITDA margin were higher (lower); or - the risk adjusted discount rate were lower (higher). Generally a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
Estimating future cash flow and discounted cash flow analysis.

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty credit risk.

C. Level 3 fair values:

i. Reconciliation of Level 3 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.

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Rs. in million
	Contingent consideration payable towards acquisition of subsidiary
As at April 1, 2020	2,425.47
Interest accrued during the year	108.57
Change due to translation	216.74
As at March 31, 2021	2,750.78
Interest accrued during the year	-
Payment during the year	(2,750.78)
Change due to translation	-
As at March 31, 2022	-

* In December 2020, the holders notified their intent not to exercise their option and to redeem the preferred shares instead. The shares is redeemed on August 11, 2021 at the current value of Rs. 2,750.78 (CAD 47.25 Million) and thus is not subject to changes in value due to changes in inputs.



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Note 42 : - Contingent liabilities (to the extent not provided for)

Claims against the Group not acknowledged as debts as at year end

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
a) Provident fund	53.61	53.61
b) Sales/entry tax	36.69	42.72
c) Excise and service tax matters	30.39	31.60
Total	120.69	127.93

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 Holding Company and its two subsidiaries i.e. Zuventus Health Care Ltd and Gennova Biopharmaceuticals Ltd have received notices u/s. 153A and have filed the required returns of income for the respective assessment years. Based on the enquiries made by the Income tax department and the Group'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 group's financial position and performances as at and for the year ended March 31, 2022 or any of the earlier periods presented herein.

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

3) The Holding Company is also contesting other civil claims against which the Holding 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 group has also obtained a legal opinion on the matter and basis the same there is no material impact on the consolidated financial statements as at 31 March 2022 any of the earlier years presented herein. The group would record any further effect on its financial statements, on receiving additional clarity on the subject.

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

Note 43 : - 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.

HDT Bio Corp, USA ("HDT") Litigation

Gennova Biopharmaceuticals Ltd ("Gennova" – a subsidiary) entered into a License Agreement with HDT Bio Corp., USA ("HDT") in August 2021 ("the Agreement") for the use of HDT's LION technology appropriately to formulate a COVID-19 vaccine, register, market and sell said product in India, which was terminated subsequently.

Emcure Pharmaceuticals, Ltd. ("Emcure") was sued by 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 arising out of the Agreement. Simultaneously, HDT also filed Arbitration proceedings against Gennova before the London Court of International Arbitration ("LCIA") for breach of certain provisions in the Agreement and for misappropriation of HDT's trade secrets. 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.

Given the uncertainty of the proceedings, the merits of HDT's claims cannot be fully assessed at present and the Company cannot predict the outcome of the proceedings or reasonably estimate the possible loss or range of loss, if any, that may result from the proceedings.

However, Management believes that it has strong grounds of defense in the matter.

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 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.



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Note 43 : - Other legal matters (continued)

Drug Pricing Matters:

Department of Justice (DOJ)**

On December 2, 2015, 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 Heritage's generic drug business. The Heritage 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 and have been provided for in the financial statements for year ended March 31, 2019.

In addition to the above, on May 31, 2019, Emcure Pharmaceuticals Limited (Holding company) also entered into a cooperation and non-prosecution agreement ("NPA") with DOJ under which the holding 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. These resolutions fully resolve Heritage's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.

Attorneys General Litigation**

On December 21, 2015, 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 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.

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 Emcure and Emcure'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 of the liability, if any.



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Other Litigation Matters

Ranitidine Litigation**

In June 2020, 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 60 of the financial statements.

** Emcure Pharmaceuticals Limited (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 60 of the consolidated 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 our Company or our officers, directors and employees. As a result of such indemnity agreement, our 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.

Canadian Drug Pricing Litigation

Marcan Pharmaceutical Inc ("Marcan") received notice that a purported class action was filed on behalf of a class of direct purchasers against a number of defendants, including Marcan, alleging anticompetitive conduct under Canadian law with respect to the sale of generic drugs. The case is pending in Canadian Federal Court, Toronto, Ontario and captioned Eaton v. Teva Canada Ltd., et al., Court File No.: T-607-20

No provision has been made in the consolidated financial statements as the likelihood that the group will incur a loss is undeterminable at this time.

General

From time to time, the Group 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 Group 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 Group 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 Group records a provision in its 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 Group assessments involve complex judgments about future events and often rely heavily on estimates and assumptions. The Group 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 financial statements.



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Note 44 : - Capital and other commitments (to the extent not provided for)

A) Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 1,266.53 million (March 31, 2021: Rs. 587.87 million).

B) Other commitments

i) The Group 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 Group 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 Group shall be a positive net foreign exchange earner over a period of six years from the date of commencement of production.

As at year end, the Group is in compliance with the condition laid down by the authorities and will comply with requirements in the future.

ii) Genovra Biopharmaceuticals Limited has imported certain machinery under the Export Promotion Capital Goods (EPCG) Scheme and accordingly has an export obligation of Rs. 268.44 million (March 31, 2021 : Rs. 68.67 million). In this respect bank guarantees of Rs. 3.87 million (March 31, 2021 : Rs. 3.87 million) has been given to the Director General of Foreign Trade (DGFT) and Bond of Rs. 165.40 million (March 31, 2021 : Rs. 59.00 millions) to the Commissioner of Customs.

Year of issue	Export obligation to be fulfilled	Unfulfilled export obligation			
		As at March 31, 2022		As at March 31, 2021	
		USD million	Rs. million	USD million	Rs. million
2020-21	2026-27	0.33	25.18	0.94	68.67
2021-22	2027-28	3.21	243.26	-	-
		3.54	268.44	0.94	68.67

iii) Long-term contracts

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

iv) Derivative contracts

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

C) Financial Guarantee given

As on March 31, 2022, Emcure Pharmaceuticals Limited has given corporate guarantee of USD 65.00 million i.e. Rs.4,926.19 million (outstanding exposure value as on March 31, 2022- USD 57.47 million i.e. Rs. 4,355.41 million) to bankers of its erstwhile subsidiary Avet Lifescience Private Limited (formerly known as Avet Lifescience Limited) in respect of short term borrowings facility availed by erstwhile subsidiary.

Note 45 : GST refund received

The Holding Company and its subsidiary Zuventus Healthcare Limited (ZHL) are 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 period March 2026 in case of Holding Company and up to February 2027 in case of ZHL. There are no unfulfilled conditions or other contingencies attached to this grant.



Note 46 :- Earnings per share

Particulars	March 31, 2022	March 31, 2021
Basic earnings per share		
A. Profit from continuing operations attributable to equity shareholders (Rs. million)	6,622.00	5,808.05
B. Profit/(Loss) from discontinued operations attributable to equity shareholders (Rs. million)	-	(1,886.58)
C. Total Profit after tax attributable to equity shareholders (Rs. million) (A+B)	6,622.00	3,921.47
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)	36.62	32.11
Basic earnings/(loss) per share for discontinued operations (Rs.) (B/D)	-	(10.43)
Basic earnings per share for continuing and discontinued operations (Rs.) (C/D)	36.62	21.68
Diluted earnings per share		
E. Adjusted net profit from continuing operations for the year (Rs. million) (refer note below)	6,622.00	5,808.05
F. Adjusted net profit/(loss) from discontinued operations for the year (Rs. million) (refer note below)	-	(1,886.58)
G. Adjusted net profit for the year (Rs. million) (refer note below) (A+B)	6,622.00	3,921.47
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
Adjusted earnings per share for continuing operations (Rs.) (E/H)	36.62	32.11
Adjusted earnings/(loss) per share for discontinued operations (Rs.) (F/H)	-	(10.43)
Adjusted earnings per share for continuing and discontinued operations (Rs.) (G/H)	36.62	21.68
Face value per share (Rs.)	10.00	10.00

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

Note 47 :- Segment reporting

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Holding Company's board of directors along with its Managing director, examines the Group's performance and have identified single reportable operating segment, viz. 'Pharmaceuticals' for the purpose of making decision on allocation of resources and assessing its performance. Board of directors primarily use revenue as a measure to assess the performance of the operating segment.

The Group is domiciled in India. The amount of its revenue from external customers broken down by destination of shipment of goods is shown in the table below.

Entity – wide disclosures:	Rs. in million	
Revenue from external customers	March 31, 2022	March 31, 2021
Sales (Net)		
India (A)	32,046.66	25,101.29
Outside India		
Europe	8,968.17	7,383.14
North America	6,794.50	6,558.15
Other continents	10,744.54	11,292.16
Outside India Total (B)	26,507.21	25,233.45
Revenue from continuing operations (A+B)	58,553.87	50,334.74

The following table shows the distribution of the Company's property, plant and equipment including capital work in progress and Right-of-use assets based on the location of assets:

	Rs. in million	
Non - Current Assets	March 31, 2022	March 31, 2021
Non Current Assets		
India (A) [^]	19,765.82	17,439.45
Outside India		
North America [^]	24.98	1,819.55
Other continents [^]	63.77	72.50
Outside India Total (B) [^]	88.75	1,892.05
Total (A+B)[^]	19,854.57	19,331.50

[^] represents amount in respect of continuing and discontinued operations for the year ended March 31, 2021

Non-current assets other than property, plant and equipment including capital work in progress and Right -of- use assets are used in the group's business across the locations interchangeably and accordingly management is of the view that separate disclosure of for these is not required.

Major Customers:

The Group has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2022, March 31, 2021.



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Note 48 : - Related party disclosure

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

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 capital Investment IV Ltd) (Director)
Mr. P. S. Jaykumar (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. Bhavna Mehta

Enterprise over which Key Management Personnel have control:

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



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Summary of transactions/ balances with related parties are as follows:

Rs. in million

Sr. No.	Description of the nature of the transaction	Volume of transactions during year ended		Amount outstanding as at			
		31-Mar-22	31-Mar-21	March 31, 2022		March 31, 2021	
				Receivable	Payable	Receivable	Payable
1)	Sale of assets						
	Uth Beverage Factory Pvt. Ltd.	0.01	0.11	0.01	-	0.13	-
	Heritage Pharma Labs Inc.	8.77	-	-	-	-	-
2)	Purchase of goods & services						
	Parinam Law Associates	0.17	-	-	0.08	-	-
	Brandbucket Enterprises Private Limited	2.80	-	-	0.22	-	-
	Heritage Pharma Labs Inc.	38.05	-	-	0.37	-	-
3)	Sale /(Return) of goods and services						
	Uth Beverage Factory Pvt. Ltd.	-	-	-	-	-	-
	H.M. Sales Corporation	(2.78)	(5.03)	0.00	-	3.97	-
	Heritage Pharma Labs Inc.	234.17	-	96.78	-	-	-
	Heritage Pharmaceuticals Inc.	18.70	-	-	-	-	-
	Hacco Pharma Inc.	5.88	-	97.97	-	-	-
	Avet Lifesciences Private Limited	662.08	-	761.32	-	-	-
4)	Interest paid						
	H.M. Sales Corporation	0.75	0.75	-	0.17	-	0.17
5)	Trade/Security deposits accepted						
	H.M. Sales Corporation	-	-	-	10.00	-	10.00
	Avet Lifesciences Private Limited	0.15	-	-	0.15	-	-
6)	Commission paid						
	H.M. Sales Corporation	53.96	40.54	-	8.11	-	12.14
7)	Reimbursement of expenses made						
	H.M. Sales Corporation	0.73	3.44	-	0.07	-	1.01
	Heritage Pharmaceuticals Inc.	28.05	-	-	26.79	-	-
	Avet Lifesciences Private Limited	-	-	-	11.00	-	-
	Hacco Pharma Inc.	24.73	-	-	-	-	-
	Heritage Pharma Labs Inc.	3.03	-	-	2.94	-	-
8)	Royalty expense						
	Uth Beverage Factory Pvt. Ltd.	0.95	1.15	-	0.21	-	0.27
9)	Expenses Recovered / Reimbursement of Expenses received						
	Heritage Pharmaceuticals Inc.	3.07	-	3.11	-	-	-
	Avet Lifesciences Private Limited	403.03	-	297.32	-	-	-
10)	Remuneration paid						
	<i>Key management personnel: whole time directors</i>						
	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
	<i>Key management personnel: relatives</i>						
	Mr. Samit Mehta	36.69	29.43	-	4.28	-	3.58
	Mr. Vikas Thapar	38.87	30.37	-	4.47	-	3.53
	Mr. Sanjay Mehta	28.89	23.37	-	3.36	-	2.87
	<i>Key management personnel: other than whole time directors</i>						
	Mr. Tajuddin Shaikh	12.91	-	-	3.12	-	-



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Rs. in million

Sr. No.	Description of the nature of the transaction	Volume of transactions during year ended		Amount outstanding as at			
		31-Mar-22	31-Mar-21	March 31, 2022		March 31, 2021	
				Receivable	Payable	Receivable	Payable
11)	Post-employment obligation and other long term employee benefits						
	<i>Key management personnel: whole time directors</i>						
	Mr. Sunil Mehta	-	7.90	-	-	-	-
	Mrs. Namita Thapar	2.01	4.11	-	12.08	-	10.07
	<i>Key management personnel: relatives</i>						
	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
	<i>Key management personnel: other than whole time directors</i>						
	Mr. Tajuddin Shaikh	4.11	-	-	4.11	-	-
12)	Compensated absences Provisions						
	<i>Key management personnel: whole time directors</i>						
	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
	<i>Key management personnel: relatives</i>						
	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
	<i>Key management personnel: other than whole time directors</i>						
	Mr. Tajuddin Shaikh	0.78	-	-	0.78	-	-
13)	Employee share based payments						
	<i>Key management personnel: relatives</i>						
	Mr. Vikas Thapar	1.73	4.13	-	37.88	-	36.15
	<i>Key management personnel: other than whole time directors</i>						
	Mr. Tajuddin Shaikh	1.07	-	-	7.05	-	-
14)	Dividend Paid						
	<i>Key management personnel: whole time directors</i>						
	Mr. Satish Mehta	228.71	76.38	-	-	-	-
	Dr. Mukund Gurjar	0.89	0.30	-	-	-	-
	Mr. Sunil Mehta	33.47	11.09	-	-	-	-
	Mrs. Namita Thapar	19.02	6.34	-	-	-	-
	<i>Key management personnel: relatives</i>						
	Mr. Samit Mehta	40.64	13.55	-	-	-	-
	Mr. Vikas Thapar	1.13	0.38	-	-	-	-
	Mr. Sanjay Mehta	47.50	15.87	-	-	-	-
	Mrs. Bhavna Mehta	27.77	9.26	-	-	-	-
	Mr. Rutav Mehta	3.29	1.10	-	-	-	-
	Mr. Niraj Mehta	3.30	-	-	-	-	-
15)	Commission Paid						
	Mr. S.K. Bapat	6.00	6.50	-	6.00	-	6.50
	Mr. Humayun Dhanrajgir	-	2.00	-	-	-	2.00
	Mr. Berjis Desai	5.00	3.50	-	5.00	-	3.50
	Mr. P. S. Jaykumar	3.60	2.40	-	3.60	-	2.40
	Mr. Hitesh Jain	4.50	-	-	4.50	-	-
	Dr. Vidya Rajiv Yeravdekar	1.50	-	-	1.50	-	-
	Mr. Vijay Keshav Gokhale	2.00	-	-	2.00	-	-
	Dr. Shailesh Kripalu Ayyangar	12.00	-	-	12.00	-	-



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Rs. in million

Sr. No.	Description of the nature of the transaction	Volume of transactions during year ended		Amount outstanding as at			
		31-Mar-22	31-Mar-21	March 31, 2022		March 31, 2021	
				Receivable	Payable	Receivable	Payable
16)	Sitting fees Paid <i>Key management personnel: whole time directors</i> Mr. Satish Mehta	-	3.71	-	-	-	0.93
	<i>Key management personnel: relatives</i> Mr. Vikas Thapar	-	3.71	-	-	-	0.93
	<i>Key management personnel: other than whole time directors</i> Mr. S.K. Bapat	1.30	0.68	-	-	-	-
	Mr. Humayun Dhanrajgir	0.06	0.28	-	-	-	-
	Mr. Berjis Desai	0.82	0.28	-	-	-	-
	Mr. Samonnoi Banerjee	0.60	0.16	-	-	-	-
	Mr. P. S. Jaykumar	0.68	0.10	-	-	-	-
	Mr. Shailesh Ayyangar	0.57	-	-	-	-	-
	Mr. Vijay keshav Gokhale	0.34	-	-	-	-	-
	Ms. Vidya Rajiv Yeravdekar	0.22	-	-	-	-	-
	Ms. Hitesh Jain	0.70	-	-	-	-	-
17)	Loans and advances given* Avet Lifesciences Private Limited	10.65	-	-	-	-	-
18)	Loans and advances repaid * Avet Lifesciences Private Limited	10.65	-	-	-	-	-
19)	Interest Income* Avet Lifesciences Private Limited	0.32	-	-	-	-	-
20)	Financial guarantee fees charged Heritage Pharma Holdings Inc.	55.48	-	14.44	-	-	-
21)	Corporate Overhead Cross Charge (Income) Heritage Pharmaceuticals Inc.	24.00	-	13.92	-	-	-
	Avet Lifesciences Private Limited	7.72	-	2.88	-	-	-
22)	Corporate Overhead Cross Charge (Expense) Heritage Pharmaceuticals Inc.	18.21	-	-	44.77	-	-
	Hacco Pharma Inc.	-	-	-	97.36	-	-
	Heritage Pharma Labs Inc.	0.94	-	-	-	-	-
23)	Rent Paid <i>Key management personnel: whole time directors</i> Mr. Sunil Mehta	0.37	0.33	-	-	-	-
	<i>Key management personnel: relatives</i> Mr. Sanjay Mehta	0.37	0.33	-	-	-	-
	Mrs. Bhavna Mehta	0.27	0.24	-	-	-	-
24)	R&D service income Avet Lifesciences Private Limited	146.85	-	59.96	-	-	-
25)	Rent Income Avet Lifesciences Private Limited	0.41	-	0.26	-	-	-

* The unsecured loans given to related parties and interest thereon are measured at amortised cost. During the year ended March 31, 2022, Emcure Pharmaceuticals Limited' has given loan to Avet Lifescience Private Limited (formerly known as Avet Lifescience Limited) of Rs. 10.65 million at rate of interest of 8.50% p.a and is repayable on demand. As on March 31, 2022 outstanding amount of loan and interest outstanding thereon is Rs. Nil.

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 Holding Company or any of its subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Holding Company or any of its subsidiaries (Ultimate Beneficiaries). The Holding Company or any of its subsidiaries have not received any fund from any party(s) (Funding Party) with the understanding that the Holding Company or its subsidiaries shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Holding Company or its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Note 49 : Post-Employment Benefits:

a) **Defined contribution plans**

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

Contributions are made to employees family pension fund in India for employees as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the holding company and two of its Indian subsidiaries are limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined contribution plans: The group has recognised the following amount in the Statement of Profit and Loss for the year

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
i) Contribution to employees provident fund ^	264.33	229.82
ii) Contribution to employees family pension fund ^	130.37	129.15
iii) Contribution to Canada pension plan ^	6.90	5.57
iv) Contribution to defined contribution plan (401K) ^	31.94	48.85
v) Contribution to national insurance contributions ^	-	30.51
vi) Other defined Contribution plans ^	154.59	240.30
Total	588.13	684.20

^ represents amount in respect of continuing and discontinued operations for the year ended March 31, 2021.

b) **Post-employment obligations**

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

c) **Defined benefit plans**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Rs. in million		
	Present Value of Obligation	Fair Value of Plan assets	Total
As at April 1, 2021	914.15	(766.15)	148.00
Current service cost	148.64	-	148.64
Interest expenses/(income)	48.51	(43.39)	5.12
Others	-	-	-
Mortality charges and taxes	-	6.57	6.57
Impact of Transfer (in) / out	(2.48)	0.57	(1.91)
Total amount recognised in statement of profit and loss	194.67	(36.25)	158.42
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	3.93	(13.93)	(10.00)
Actuarial (gain)/ losses - financial assumptions	-	1.01	1.01
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	43.59	-	43.59
Actuarial (gain)/ losses - demographic changes	2.34	-	2.34
Actuarial (gain)/ losses - financial assumptions	15.40	(0.10)	15.30
Total amount recognised in other comprehensive income	65.26	(13.02)	52.24
Employer contribution	-	(113.37)	(113.37)
Benefit payments	(93.99)	93.99	-
As at March 31, 2022	1,080.09	(834.80)	245.29



Note 49 : Post-Employment Benefits: (continued)

Rs. in million			
Particulars	Present Value of Obligation	Fair Value of Plan assets	Total
As at April 1, 2020	812.45	(660.93)	151.52
Current service cost [^]	146.77	-	146.77
Interest expenses/(income) [^]	43.86	(39.34)	4.52
Others	(3.06)	9.39	6.33
Transfer in/(Out)	2.93	(2.54)	0.39
Total amount recognised in statement of profit and loss	190.50	(32.49)	158.01
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	(0.82)	(19.65)	(20.47)
Actuarial (gain)/ losses - financial assumptions	-	9.00	9.00
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	(7.96)	-	(7.96)
Actuarial (gain)/ losses - demographic changes	23.40	-	23.40
Actuarial (gain)/ losses - financial assumptions	(21.97)	-	(21.97)
Total amount recognised in other comprehensive income	(7.35)	(10.65)	(18.00)
Employer contribution	-	(125.22)	(125.22)
Benefit payments	(81.38)	63.09	(18.29)
As at March 31, 2021	914.22	(766.20)	148.02

[^] represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.

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

Rs. in million		
Particulars	March 31, 2022	March 31, 2021
Present value of obligation	1,080.09	914.22
Fair value of plan assets	(834.80)	(766.20)
Deficit of funded plan	245.29	148.02

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

Significant estimates: actuarial assumptions and sensitivity

Post-employment benefits (gratuity) - The significant actuarial assumptions were as follows:

Particulars	March 31, 2022	March 31, 2021
a) Discount rate	6.0% - 6.9%	5.4% - 6.6%
b) Expected rate of return on plan assets	5.4% - 6.6%	5.5% - 8.0%
c) Salary escalation rate	9.00%	7.0% - 8.0%
d) Withdrawal rate		
Field staff	15.0%-30.0%	15.0%-36.0%
Factory and corporate staff	10.0%-21.0%	10.0%-25.0%
e) Mortality table	IALM(2012-14)	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: The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	1.00%	1.00%	(43.60)	(35.68)	47.64	38.93
Salary escalation rate	1.00%	1.00%	36.18	29.37	(33.80)	(27.46)
Withdrawal rate	1.00%	1.00%	(5.91)	(3.90)	6.40	4.24

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in India



Note 49 : Post-Employment Benefits: (continued)

f) Risk exposure

Through its defined benefit plans, the group 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 group is successfully able to neutralize valuation swings caused by interest rate movements. Hence group is encouraged to adopt asset-liability management.

The Group's all assets are maintained in a fund managed by 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 Group 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 Group makes contribution as per the instructions received from LIC. The Group 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 Group considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for the next year are Rs. 222 million

The weighted average duration of the defined benefit obligation ranged between 3.79 - 10.25 years (March 31, 2021 - 4.41 - 9.40 years years). The expected maturity analysis of gratuity is as follows:

Particulars	Rs. In million				
	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
As at March 31, 2022					
Defined benefit obligation - gratuity	265.90	186.69	544.50	695.99	1,693.08
As at March 31, 2021					
Defined benefit obligation - gratuity	228.00	170.14	450.84	515.01	1,363.99

h) Major plan assets

Particulars	Rs. In million	
	March 31, 2022	March 31, 2021
	Unquoted	Unquoted
Investment funds		
- Insurance funds (LIC Pension and Group Schemes fund)	834.80	766.20
Total	834.80	766.20

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



Note 50: Employees stock option plan

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

Share option plans (equity settled)

"Emcure ESOS 2013": The Board of directors of the holding company ('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	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

Pursuant to Composite scheme of arrangement as disclosed in note 60, 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	As on 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 of the holding Company ('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 holding 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 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:

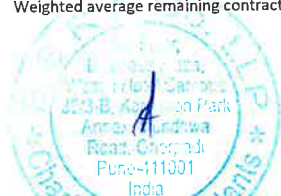
March 31, 2022	Grant Date	Opening balance as on April 1, 2021	Grant during the year	Cancelled during the year	Exercised during the year	Closing balance as on March 31, 2022	Exercisable	Exercise Price
Tranche - 01	01-Oct-13	9,00,000	-	(1,70,000)	-	7,30,000	-	165.07
Tranche - 02	14-Mar-16	60,000	-	-	-	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	Opening balance as on April 1, 2020	Grant during the year	Cancelled during the year *	Exercised during the year	Closing balance as on March 31, 2021	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 60 of the consolidated financial statements with mutual agreeable terms and conditions with employees.

No options have expired or exercised during the year 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	
	March 31, 2022	March 31, 2021
Employee share-based payment [^]	57.16	63.48

[^] represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.



Note 51 : - Stock appreciation rights

The Group through its erstwhile step down subsidiary, Heritage Pharmaceuticals Inc ("Heritage") had entered into Stock Appreciation Rights Agreement (the "Plan") with certain employees to grant stock appreciation rights (SARs) under a stock incentive plan.

The stock appreciation rights were considered as cash settled options and classified as a liability.

Heritage, vide board resolution passed on April 26, 2019 had decided to cease issuing new SAR awards under the SAR plan and to settle, resolve, discharge any vested awards that were previously issued under the SAR plan to current or former employees, advisors or consultants that remain open and unpaid as of the date thereof. It was also resolved that on settlement and discharge of all open SAR awards, Heritage will terminate and wind up the SAR plan.

As on March 31, 2021, Heritage was carrying SAR provision of US\$1.25 Million (Rs. 91.23 Million) (towards erstwhile employee who has left the organisation) which was frozen as on the date the employee left the organisation.

Post demerger, Heritage Pharmaceuticals Inc becomes subsidiary of the resulting company (Avet Lifesciences Limited). SAR provision is no longer part of Group's consolidated financial statements.

Note no. 52 - Impairment assessment for goodwill

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a the Group's Cash Generating Unit (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Goodwill acquired through business combinations with indefinite lives has been allocated to the following CGU's:

Name of the entities	Rs. in million	
	March 31, 2022	March 31, 2021
Goodwill on Consolidation:		
Heritage Pharma Holdings Inc	-	963.52
Heritage Pharmaceuticals Inc	-	460.56
Tillomed Laboratories Limited, UK	201.43	203.96
Emcure Nigeria Limited	0.26	0.27
Emcure Pharmaceuticals Mena FZ LLC	0.21	0.20
Tillomed GmbH, Germany	35.49	35.93
Sub-total	237.38	1,664.44
Goodwill acquired separately in		
Heritage Pharma Holdings Inc	-	605.87
Marcan Pharmaceuticals Inc.	1,936.57	1,704.46
Sub-Total	1,936.57	2,310.33
Total	2,173.95	3,974.77

Goodwill movement	Rs. in million	
	March 31, 2022	March 31, 2021
Opening balance	3,974.77	3,891.90
Less: Transferred pursuant to composite scheme of arrangement (Refer Note 60)	(2,029.96)	-
Other adjustments including impact of foreign currency translation	229.14	82.87
Impairment during the year	-	-
Closing balance	2,173.95	3,974.77

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

The carrying amount was computed by allocating the net assets to the CGU for the purpose of impairment testing.

The average range of key assumptions used for the calculations of value-in-use are as follows:

Particulars	March 31, 2022	March 31, 2021
Long term growth rate	3.9% -15%	6% -25.3%
Pre-tax discount rate	11.21%	12.30%-13.81%
Terminal growth rate	1%	1%

Based on the above, no impairment was identified as of March 31, 2022 and March 31, 2021 as the recoverable value of the CGUs exceeded the carrying value. The discount rates considered above reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections includes estimates for five years developed using internal forecasts and terminal growth rate thereafter. The planning horizon reflects the assumptions for short to mid-term market developments. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated on the weighted average cost of capital for respective CGU or group of CGUs.

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU would fall below the respective carrying amounts of non financial assets.



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 53 : - Revenue from contracts with customer

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
Revenue recognised from contracts with customers	57,662.04	49,855.78
Other operating revenue	891.83	478.96
Disaggregation of revenue		
Based on markets		
Within India	32,046.66	25,101.29
Outside India -		
a. Europe	8,968.17	7,383.14
b. North America	6,794.50	6,558.15
c. Other continents	10,744.54	11,292.16
Revenue from continuing operations	58,553.87	50,334.74
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year	121.31	50.36

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

B) The Group 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 subject to refund due to returns or chargeback claims and do not contain any financing component. The payment is generally due within 7-180 days. The Group is obliged for returns/refunds due to expiry, saleable returns and chargeback claims. 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 Group is agreed in the contract with the customer, which also include variable consideration.

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

Particulars	Rs. in million	
	March 31, 2022	March 31, 2021
Contract price	63,058.57	55,304.42
Less:		
Chargebacks claims	(4,154.69)	(4,180.86)
Amount recognised as sales returns & breakage expiry	(1,239.79)	(1,252.65)
Allowance for interest loss	(2.05)	(15.13)
Revenue recognised in consolidated statement of profit and loss	57,662.04	49,855.78

Note 54 : - Assets pledged as security

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

Particulars	Note	Rs. in million	
		March 31, 2022	March 31, 2021
Current			
Financial assets			
Cash and cash equivalents	11	868.32	3,800.15
Bank balances other than above	12	1,455.42	399.51
Trade receivables	10	10,429.37	12,178.46
Other financial assets	13	603.49	90.93
Non-financial assets			
Inventories	9	12,776.43	13,577.43
Other current assets	14	2,720.80	1,525.80
Total current assets pledged as security		28,853.83	31,572.28
Non current			
Financial assets			
Deposits with banks	7	20.93	71.85
Security deposits	7		47.03
Property, plant and equipment, Capital work in progress and Intangibles assets and Intangible assets under development	2A, 2B, 4 & 5	16,639.60	19,256.20
Total non current assets pledged as security		16,660.53	19,375.08
Total assets pledged as security		45,514.36	50,947.36

As on March 31, 2022, the holding company has pledged investment in equity shares of Emcure Pharma UK Ltd against the short borrowing facility obtained by the subsidiary. At consolidated level these investments are eliminated.

As on March 31, 2021, the group has pledged investment in equity shares of Marcan Pharmaceuticals Inc. and Heritage Pharma Holdings Inc. against the loan obtained by respective subsidiary. At consolidated level these investments are eliminated.



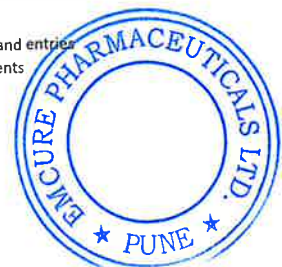
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Additional disclosure required by Schedule III

Emcure Pharmaceuticals Limited

Major differences between the Financial Statements and the Information submitted to the Banks are on account of:

Note 3: Items of Trade Payables like provisions and accruals are excluded while reporting to the bank on account of specified sanction terms and entered in the Books of Accounts post submission of quarterly statements do not form part of the information reported in the statements submitted.



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Zuventus Healthcare Limited

Rs. in million

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	Axis Bank Limited	Inventories	1,347.76	1,359.48	-11.73	Refer Note 1
30 June 2020	Axis Bank Limited	Trade Receivables	1,085.72	1,057.44	28.28	Refer Note 2
30 June 2020	Axis Bank Limited	Trade Payables	971.31	488.29	483.02	Refer Note 3
30 September 2020	Axis Bank Limited	Inventories	1,312.85	1,294.00	18.85	Refer Note 1
30 September 2020	Axis Bank Limited & Bank of Maharashtra	Trade Receivables	1,417.41	1,375.91	41.50	Refer Note 2
30 September 2020	Axis Bank Limited & Bank of Maharashtra	Trade Payables	601.76	366.42	235.34	Refer Note 3
31 December 2020	Axis Bank Limited & Bank of Maharashtra	Inventories	1,213.32	1,221.63	-8.30	Refer Note 1
31 December 2020	Axis Bank Limited & Bank of Maharashtra	Trade Receivables	1,105.52	1,077.16	28.36	Refer Note 2
31 December 2020	Axis Bank Limited & Bank of Maharashtra	Trade Payables	968.46	131.12	837.35	Refer Note 3
31 March 2021	Axis Bank Limited & Bank of Maharashtra	Inventories	1,147.19	1,138.61	8.58	Refer Note 1
31 March 2021	Axis Bank Limited & Bank of Maharashtra	Trade Receivables	898.71	929.33	-30.62	Refer Note 2
31 March 2021	Axis Bank Limited & Bank of Maharashtra	Trade Payables	542.16	303.07	239.09	Refer Note 3
30 June 2021	Axis Bank Limited & Bank of Maharashtra	Inventories	1,466.19	1,444.65	21.55	Refer Note 1
30 June 2021	Axis Bank Limited & Bank of Maharashtra	Trade Receivables	987.29	891.32	95.97	Refer Note 2
30 June 2021	Axis Bank Limited & Bank of Maharashtra	Trade Payables	1,312.43	814.66	497.77	Refer Note 3
30 September 2021	Axis Bank Limited & Bank of Maharashtra	Inventories	1,345.90	1,340.24	5.67	Refer Note 1
30 September 2021	Axis Bank Limited & Bank of Maharashtra	Trade Receivables	1,068.05	1,131.73	-63.68	Refer Note 2
30 September 2021	Axis Bank Limited & Bank of Maharashtra	Trade Payables	775.31	303.91	471.40	Refer Note 3
31 December 2021	Axis Bank Limited & Bank of Maharashtra	Inventories	1,524.19	1,491.90	32.29	Refer Note 1
31 December 2021	Axis Bank Limited & Bank of Maharashtra	Trade Receivables	913.49	821.09	92.40	Refer Note 2
31 December 2021	Axis Bank Limited & Bank of Maharashtra	Trade Payables	994.20	505.88	488.32	Refer Note 3
31 March 2022	Axis Bank Limited & Bank of Maharashtra	Inventories	1,739.01	1,725.70	13.31	Refer Note 1
31 March 2022	Axis Bank Limited & Bank of Maharashtra	Trade Receivables	787.56	718.05	69.51	Refer Note 2
31 March 2022	Axis Bank Limited & Bank of Maharashtra	Trade Payables	942.24	638.26	303.98	Refer Note 3

Major differences between the Financial Statements and the Information submitted to the Banks are on account of:

- Note 1:** Inventories reported to the Bank 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 informations 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.



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Gennova Biopharmaceuticals Limited

Rs. in million					
Quarter ended	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return /statement	Reason for difference or discrepancies
30 June 2020	Bank of Maharashtra	Inventories	351.46	317.93	33.54 Refer Note 1
30 June 2020	Bank of Maharashtra	Trade Receivables	298.36	289.65	8.71 Refer Note 2
30 June 2020	Bank of Maharashtra	Trade Payables	218.18	86.88	131.30 Refer Note 3
30 September 2020	Bank of Maharashtra	Inventories	407.04	288.28	118.76 Refer Note 1
30 September 2020	Bank of Maharashtra	Trade Receivables	353.36	384.83	-31.47 Refer Note 2
30 September 2020	Bank of Maharashtra	Trade Payables	269.04	120.05	148.99 Refer Note 3
31 December 2020	Bank of Maharashtra	Inventories	350.77	333.72	17.06 Refer Note 1
31 December 2020	Bank of Maharashtra	Trade Receivables	470.48	449.09	21.39 Refer Note 2
31 December 2020	Bank of Maharashtra	Trade Payables	270.89	110.93	159.97 Refer Note 3
31 March 2021	Bank of Maharashtra	Inventories	407.04	382.19	24.85 Refer Note 1
31 March 2021	Bank of Maharashtra	Trade Receivables	353.36	343.71	9.65 Refer Note 2
31 March 2021	Bank of Maharashtra	Trade Payables	269.05	205.08	63.97 Refer Note 3
30 June 2021	Bank of Maharashtra	Inventories	386.84	367.45	19.39 Refer Note 1
30 June 2021	Bank of Maharashtra	Trade Receivables	321.49	301.48	20.01 Refer Note 2
30 June 2021	Bank of Maharashtra	Trade Payables	320.99	150.54	170.45 Refer Note 3
30 September 2021	Bank of Maharashtra	Inventories	531.84	562.00	-30.16 Refer Note 1
30 September 2021	Bank of Maharashtra	Trade Receivables	336.14	355.81	-19.67 Refer Note 2
30 September 2021	Bank of Maharashtra	Trade Payables	494.55	60.55	434.00 Refer Note 3
31 December 2021	Bank of Maharashtra and Citibank N.A.	Inventory	1,035.55	1,028.40	7.15 Refer Note 1
31 December 2021	Bank of Maharashtra and Citibank N.A.	Trade Receivables	377.76	376.19	1.57 Refer Note 2
31 December 2021	Bank of Maharashtra and Citibank N.A.	Government Grant Receivables	247.80	247.74	0.06 Refer Note 2
31 December 2021	Bank of Maharashtra and Citibank N.A.	Trade Payables	892.76	124.29	768.47 Refer Note 3
31 March 2022	Bank of Maharashtra and Citibank N.A.	Inventory	1,325.53	1,300.00	25.53 Refer Note 1
31 March 2022	Bank of Maharashtra and Citibank N.A.	Trade Receivables	482.73	474.37	8.36 Refer Note 2
31 March 2022	Bank of Maharashtra and Citibank N.A.	Government Grant Receivables	80.92	80.92	- Refer Note 2
31 March 2022	Bank of Maharashtra and Citibank N.A.	Trade Payables	1,157.53	180.60	976.93 Refer Note 3

Major differences between the Financial Statements and the Information submitted to the Banks are on account of:

- Note 1:** Inventories reported to the Bank 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 informations 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 55 : - Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In million)	As % of consolidated profit or loss	Amount (Rs. In million)	As % of consolidated other comprehensive income	Amount (Rs. In million)	As % of total comprehensive income	Amount (Rs. In million)
Parent								
Emcure Pharmaceuticals Limited								
March 31, 2022	81.0%	17,125.25	63.6%	4,468.11	8.7%	(7.90)	64.3%	4,460.21
March 31, 2021	97.2%	23,017.72	100.4%	4,204.75	-687.5%	1.10	100.5%	4,205.85
Subsidiaries								
Indian								
Gennova Biopharmaceuticals Limited								
March 31, 2022	7.9%	1,675.17	2.1%	147.39	7.4%	(6.71)	2.0%	140.68
March 31, 2021	6.5%	1,532.18	10.0%	417.74	556.3%	(0.89)	10.0%	416.85
Zuventus Healthcare Limited								
March 31, 2022	19.7%	4,162.68	21.3%	1,494.12	20.4%	(18.41)	21.3%	1,475.71
March 31, 2021	12.7%	3,006.56	19.3%	807.57	-5806.2%	9.29	19.5%	816.86
Avet Lifesciences Private Limited (Formerly known as Avet Lifesciences Limited) - 1 and 2								
March 31, 2022	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2021	0.0%	(0.73)	0.0%	(0.83)	0.0%	-	0.0%	(0.83)
Foreign								
Heritage Pharma Labs Inc.- 2								
March 31, 2022	0.0%	-	0.0%	-	-	-	0.0%	-
March 31, 2021	-13.3%	(3,143.05)	-32.5%	(1,360.75)	0.0%	-	-32.5%	(1,360.75)
Emcure Nigeria Limited								
March 31, 2022	-0.6%	(117.12)	-0.3%	(20.94)	0.0%	-	-0.3%	(20.94)
March 31, 2021	-0.4%	(102.79)	0.4%	14.76	0.0%	-	0.4%	14.76
Emcure Pharmaceuticals Mena FZ LLC.								
March 31, 2022	0.1%	22.95	1.4%	99.81	0.0%	-	1.4%	99.81
March 31, 2021	-0.3%	(75.85)	0.5%	20.50	0.0%	-	0.5%	20.50
Emcure Pharmaceuticals South Africa								
March 31, 2022	0.7%	154.85	0.4%	28.97	0.0%	-	0.4%	28.97
March 31, 2021	0.5%	118.51	2.9%	119.74	0.0%	-	2.9%	119.74
Emcure Brasil Farmaceutica Ltda								
March 31, 2022	-0.7%	(141.07)	0.0%	1.85	0.0%	-	0.0%	1.85
March 31, 2021	-0.5%	(112.65)	0.1%	2.50	0.0%	-	0.1%	2.50
Heritage Pharma Holdings Inc. - 2								
March 31, 2022	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2021	-15.2%	(3,592.02)	5.8%	242.61	0.0%	-	5.8%	242.61
Heritage Pharmaceuticals Inc - 2								
March 31, 2022	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2021	38.8%	9,189.80	-28.2%	(1,181.34)	0.0%	-	-28.2%	(1,181.34)
Emcure Pharma UK Ltd								
March 31, 2022	16.8%	3,541.57	-0.3%	(20.56)	0.0%	-	-0.3%	(20.56)
March 31, 2021	15.0%	3,558.21	-0.1%	(6.07)	0.0%	-	-0.1%	(6.07)
Tillomed Pharma GmbH								
March 31, 2022	1.1%	229.67	-2.5%	(175.53)	0.0%	-	-2.5%	(175.53)
March 31, 2021	1.7%	408.77	-1.6%	(66.12)	0.0%	-	-1.6%	(66.12)
Tillomed Laboratories Ltd								
March 31, 2022	18.5%	3,908.81	13.0%	915.25	0.0%	-	13.2%	915.25
March 31, 2021	12.9%	3,044.31	7.2%	303.06	0.0%	-	7.2%	303.06
Emcure Pharma Peru S.A.C.								
March 31, 2022	0.0%	0.45	0.2%	17.45	0.0%	-	0.3%	17.45
March 31, 2021	-0.1%	(17.61)	-0.8%	(34.59)	0.0%	-	-0.8%	(34.59)
Emcure Pharma Mexico S.A. DE C.V.								
March 31, 2022	-0.4%	(87.01)	-0.2%	(12.14)	0.0%	-	-0.2%	(12.14)
March 31, 2021	-0.3%	(68.79)	0.4%	14.77	0.0%	-	0.4%	14.77
Marcan Pharmaceuticals Inc.								
March 31, 2022	2.4%	512.02	8.2%	577.66	0.0%	-	8.3%	577.66
March 31, 2021	0.4%	96.10	11.8%	492.61	0.0%	-	11.8%	492.61

EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 55 : - Additional information required by Schedule III (continued)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In million)	As % of consolidated profit or loss	Amount (Rs. In million)	As % of consolidated other comprehensive income	Amount (Rs. In million)	As % of total comprehensive income	Amount (Rs. In million)
Emcure Pharmaceuticals Pty Ltd								
March 31, 2022	0.1%	19.00	0.0%	2.25	0.0%	-	0.0%	2.25
March 31, 2021	0.1%	16.35	0.0%	(1.37)	0.0%	-	0.0%	(1.37)
Laboratories Tillomed Spain S.L.U.								
March 31, 2022	0.2%	44.56	-0.1%	(3.81)	0.0%	-	-0.1%	(3.81)
March 31, 2021	0.2%	49.34	0.0%	(0.05)	0.0%	-	0.0%	(0.05)
Tillomed Italia S.R.L.								
March 31, 2022	0.0%	4.89	-1.3%	(90.47)	0.0%	-	-1.3%	(90.47)
March 31, 2021	0.2%	48.77	-1.2%	(50.29)	0.0%	-	-1.2%	(50.29)
Emcure NZ Limited - 3								
March 31, 2022	0.0%	-	0.0%	(0.15)	0.0%	-	0.0%	(0.15)
March 31, 2021	0.0%	1.72	0.0%	0.18	0.0%	-	0.0%	0.18
Tillomed France SAS								
March 31, 2022	0.3%	57.63	0.2%	15.16	0.0%	-	0.2%	15.16
March 31, 2021	0.2%	43.94	0.3%	11.82	0.0%	-	0.3%	11.82
HACCO Pharma Inc. - 2								
March 31, 2022	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2021	0.0%	6.30	0.2%	6.39	0.0%	-	0.2%	6.39
Tillomed Laboratories BV								
March 31, 2022	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2021	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Emcure Pharma Chile SpA - 4								
March 31, 2022	0.0%	4.37	0.0%	1.51	0.0%	-	0.0%	1.51
March 31, 2021	0.0%	2.99	0.0%	(0.72)	0.0%	-	0.0%	(0.72)
Lazor Pharmaceuticals Limited -5								
March 31, 2022	0.1%	13.81	0.1%	6.73	0.0%	-	0.1%	6.73
March 31, 2021	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Emcure Pharma Philippines Inc - 6								
March 31, 2022	0.1%	14.27	0.0%	0.08	0.0%	-	0.0%	0.08
March 31, 2021	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Tillomed d.o.o - 7								
March 31, 2022	0.0%	(0.74)	0.0%	(9.91)	0.0%	-	0.0%	(9.91)
March 31, 2021	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Non controlling Interest in all subsidiaries								
March 31, 2022	6.0%	1,265.94	5.7%	403.58	6.2%	(5.64)	5.7%	397.94
March 31, 2021	3.9%	949.92	6.3%	264.47	-1412.5%	2.26	6.4%	266.73
Elimination/adjustment for consolidation at group level								
March 31, 2022	-53.3%	(11,270.53)	-11.7%	(820.85)	57.2%	(51.68)	-12.6%	(872.53)
March 31, 2021	-60.4%	(14,297.86)	-0.8%	(35.40)	7450.0%	(11.92)	-1.1%	(47.32)
Total								
March 31, 2022	100.0%	21,141.42	100.0%	7,025.56	100.0%	(90.34)	100.0%	6,935.22
March 31, 2021	100.0%	23,680.14	100.0%	4,185.94	100.0%	(0.16)	100.0%	4,185.78

1. Avet Lifesciences Private Limited (formerly known as Avet Lifesciences Limited) was incorporated on August 26, 2020.
2. Direct subsidiaries / Step down subsidiaries till March 31, 2021 (refer note 60)
3. Emcure NZ Limited dissolved on October 13, 2021.
4. Emcure Pharma Chile SpA was incorporated on October 2, 2020.
5. Lazor Pharmaceuticals Limited was incorporated on February 4, 2021.
6. Emcure Pharma Philippines Inc was incorporated on May 07, 2021
7. Tillomed d.o.o., A direct subsidiary of Emcure Pharma UK Ltd was incorporated on August 26, 2021.





b) Non controlling interests :

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized balance sheet	Gennova Biopharmaceuticals Limited		Zuventus Healthcare Limited		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Ownership interest held by non controlling interests	12.05%	12.05%	20.42%	20.42%		
Current assets	2,693.58	1,741.91	4,282.30	3,304.16	6,975.88	5,046.07
Current liabilities	2,718.36	1,129.53	2,001.28	1,610.45	4,719.64	2,739.98
Net current assets	(24.78)	612.38	2,281.02	1,693.71	2,256.24	2,306.09
Non-current assets	2,877.40	1,480.98	3,477.09	2,582.34	6,354.49	4,063.32
Non-current liabilities	979.65	382.29	527.28	498.46	1,506.93	880.75
Net non-current assets	1,897.75	1,098.69	2,949.81	2,083.88	4,847.56	3,182.57
Net assets	1,872.97	1,711.07	5,230.83	3,777.59	7,103.80	5,488.66
Accumulated NCI	197.80	178.89	1,068.14	771.03	1,265.94	949.92

Summarized statement of profit and loss	Gennova Biopharmaceuticals Limited		Zuventus Healthcare Limited		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue	3,402.42	2,578.05	10,514.47	8,120.88	13,916.89	10,698.93
Profit for the year	167.58	475.00	1,877.49	1,014.78	2,045.07	1,489.78
Other comprehensive income	(7.63)	(1.01)	(23.14)	11.68	-30.77	10.67
Total comprehensive income	159.95	473.99	1,854.35	1,026.46	2,014.30	1,500.45
Total comprehensive income allocated to NCI	19.28	57.13	378.64	209.60	397.92	266.73
Dividends paid to NCI	-	-	81.90	40.95	81.90	40.95

Summarized cash flow	Gennova Biopharmaceuticals Limited		Zuventus Healthcare Limited		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash flows from operating activities	73.17	1,019.63	2,165.03	1,017.27	2,238.20	2,036.90
Cash flows from investing activities	(1,019.70)	(232.60)	(1,659.77)	96.08	(2,679.47)	(136.52)
Cash flows from financing activities	351.51	(324.57)	(519.88)	(360.32)	(168.37)	(684.89)
Net Increase/(decrease) in cash & cash equivalents	(595.02)	462.46	(14.62)	753.03	(609.64)	1,215.49



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 57 : Expenditure on research and development during the year

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

Particulars	Rs. in million	
	March 31, 2022	March, 31 2021
Revenue ^	3,068.37	2,189.16
Capital ^	336.12	84.47
Total	3,404.49	2,273.63
R&D expenditure as a % of revenue from operations ^	5.81%	3.75%

^ represents amount in respect of continuing and discontinued operations for year ended March 31, 2021.

Note 58 : Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the holding company and its Indian subsidiaries. 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	
	March 31, 2022	March 31, 2021
(a) amount required to be spent by the company for the full year	107.14	80.20
(b) amount of expenditure incurred till date,	-	-
Paid		
Construction/acquisition of any asset	-	-
On purposes other than (i) above	107.47	80.91
Yet to be paid		
Construction/acquisition of any asset	-	-
On purposes other than (i) above	1.63	3.99
Total (b)	109.10	84.90
(c) shortfall at the end of the year	-	-
(d) total of previous years shortfall (Cumulative)	0.84	10.24
(e) reason for shortfall	Non-identification of feasible CSR initiatives.	Non-identification of feasible CSR initiatives.
(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
(h) Movement in provision with respect to a liability incurred by entering into a contractual obligation		
Opening provision	3.99	-
Add: Provision during the year	1.63	3.99
Less: Utilisation during the year	(3.99)	-
Closing provision	1.63	3.99

Note 59 : 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	
	March 31, 2022	March 31, 2021
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	330.84	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	41.14	-
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	0.07	0.15
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 60 : Composite Scheme of Arrangement

The Board of Directors of the Holding Company, in its meeting held on November 09, 2020, had approved Composite Scheme of Arrangement between Emcure Pharmaceuticals Limited ("Demerged Company") and Avet Lifesciences 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 and a certified copy of the same has been filed by the Company with the Registrar of Companies, Maharashtra, on July 25, 2021 with an appointed date of April 01, 2021.

Accounting of Demerger as per approved Composite Scheme:

(i) the Demerged 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 Holding Company amounting to Rs. 1.40 million were cancelled; and

(iii) the Demerged 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 from consolidated financials are as under:

Particulars	Rs. in million
Property, plant and equipment	1,306.01
Capital work-in-progress	98.72
Right-of-use assets	394.36
Goodwill	2,029.96
Other Intangible assets	1,201.09
Intangible assets under development	700.45
Financial assets	
i) Other non-current financial assets	68.97
Deferred tax assets (net)	162.29
Income tax assets (net)	1,382.59
Other non-current assets	-
Total non-current assets (A)	7,344.44
Current assets	
Inventories	3,721.83
Financial assets	
i) Trade receivables	3,397.28
ii) Cash and cash equivalents	2,385.22
iii) Bank balances other than (ii) above	
iv) Other current financial assets	(280.56)
Other current assets	82.00
Total current assets (B)	9,305.77
Total Assets (C)	16,650.21
Liabilities	
Non-current liabilities	
Financial liabilities	
i) Borrowings	-
ii) Lease Liabilities	319.50
iii) Other non-current financial liabilities	584.84
Deferred tax liabilities (net)	(10.65)
Total non-current liabilities (D)	893.69
Current liabilities	
Financial liabilities	
i) Borrowings	4,526.42
ii) Lease Liabilities	108.79
iii) Trade payables	
Total outstanding dues of micro and small enterprises	-
Total outstanding dues to others	1,627.07
iv) Other current financial liabilities	176.13
Provisions	611.12
Other current liabilities	6.26
Total current liabilities (E)	7,055.79
Total Liabilities (F)	7,949.48
Total Equity (C-F)	8,700.73



For the year ended March 31, 2022

The Group has presented The United States of America ('US') Business as discontinued operations during the year ended on 31 March 2021 in accordance with Ind AS 105 and accordingly reclassified the comparative financial information of the previous year presented as below:

Rs. in million

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Revenue:		
Revenue from operations	-	10,229.41
Other income	-	15.15
Total income	-	10,244.56
Expenses:		
Cost of materials consumed	-	2,470.33
Purchases of stock-in-trade	-	3,385.03
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	509.01
Employee benefit expenses	-	1,993.19
Depreciation and amortisation expense	-	733.16
Finance cost	-	431.91
Other expenses	-	1,714.94
Total Expenses	-	11,237.57
Profit/(loss) before exceptional items and tax	-	(993.01)
Exceptional items	-	840.69
Profit/(loss) before tax	-	(1,833.70)
Tax (Benefit)/ Expenses		
Current tax	-	(611.10)
Deferred tax	-	663.98
Profit for the year	-	(1,886.58)
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of post-employment benefit obligations	-	-
Tax on post-employment benefit obligations	-	-
<i>Items that will be reclassified subsequently to profit or loss</i>		
Exchange differences in translating financials statement of foreign operations	-	(116.79)
Income tax relating to these items	-	-
Total	-	(116.79)
Total comprehensive income for the year	-	(2,003.37)
Profit attributable to:		
Owners of the company	-	(1,886.58)
Non-controlling interests (refer note under statement of changes in equity)	-	-
Other comprehensive income attributable to:		
Owners of the company	-	(116.79)
Non-controlling interests	-	-
Total comprehensive income attributable to:		
Owners of the company	-	(2,003.37)
Non-controlling interests	-	-
Earnings per share:		
Basic	-	(10.43)
Diluted	-	(10.43)
[Face value per share: Rs.10 (Previous year: Rs.10)]		

Rs. in million

Particulars	31-Mar-22	31-Mar-21
Operating activities	-	220.42
Investing activities	-	(115.18)
Financing activities	-	3,116.72
Net cash (inflow)/ outflow	-	3,221.96

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, 2021 would have been higher by Rs. 3,482.22 million and the total expenses would have been higher by Rs. 3,558.68 Million.



Note 61 : Government Grant

A) Government grants are related to exemption of basic customs duty on purchase of imported machineries to be used for the manufacturing of products. Gennova Biopharmaceuticals Limited, a subsidiary of the company is required to fulfil the export obligation against duty benefit received. Refer Note 45B for the details of unfulfilled obligations. Based on past experience, the management is confident that it will fulfil conditions attached to the grant received. During the year Gennova Biopharmaceuticals Limited has fulfilled the export obligation and recognised income Rs. 25.03 million (March 31, 2021 Rs. 6.37 million).

	Rs. in million	
EPCG Grants	March 31, 2022	March 31, 2021
Balance at beginning of the year - deferred grant	11.45	6.37
Duty saved during the year	57.55	11.44
Released to the statement of profit and loss	(25.03)	(6.37)
Balance at end of the year	43.97	11.45
Current	-	-
Non-current	43.97	11.45

B) Gennova Biopharmaceuticals Limited has received a sanction for various Government grants towards research and development expenses for life saving drugs and vaccines. During the year ended March 31, 2022 grant amounting to Rs. 773.10 million (March 31, 2021 : Rs. 193.25 million) has been recognised as 'Other Operating Revenue' in statement of profit or loss for the eligible expenses incurred towards respective projects, out of which Rs. 80.92 million (March 31, 2021: Rs. 114.25 million) has been accrued as Government Grant receivable under 'other current financial assets'.

	Rs. in million	
Government grants receivable	March 31, 2022	March 31, 2021
Balance at beginning of the year	114.25	-
Received during the year	(114.25)	-
Recognised in statement of profit or loss	80.92	114.25
Balance at end of the year	80.92	114.25
Current	80.92	114.25
Non-current	-	-

C) Gennova Biopharmaceuticals Limited has also received grants amounting to Rs. 117.82 million (March 31, 2021 :Rs. 245.76 million) for which eligible expenses will be incurred in the next year, accordingly it has been disclosed the same as Deferred Revenue grants under other current liabilities.

	Rs. in million	
Deferred revenue grants	March 31, 2022	March 31, 2021
Balance at beginning of the year	245.76	-
Received during the year	564.31	324.76
Recognised in the statement of profit and loss	(692.25)	(79.00)
Balance at end of the year	117.82	245.76
Current	117.82	245.76
Non-current	-	-

D) Gennova Biopharmaceuticals Limited has also received government grants amounting to Rs. 114.04 million (March 31, 2021 : Rs. 114.05 million) disclosed under other non-current liabilities related to the amount received to incur capital expenditure for building manufacturing facility. The company will offset these grants at the time of incurring capital expenditures for the eligible manufacturing facility.

	Rs. in million	
Deferred capital grant-Gennova Biopharmaceuticals Limited	March 31, 2022	March 31, 2021
Balance at beginning of the year	114.04	-
Received during the year	-	114.04
Eligible capital expenditure incurred during the year	-	-
Balance at end of the year	114.04	114.04
Current	-	-
Non-current	114.04	114.04

Note 62 : Consideration on acquisition of subsidiary

The Group acquired 100% equity shares in Marcan Pharmaceuticals Inc., International Pharmaceuticals Generics Ltd. and IPG (2015) vide Asset and Share Purchase Agreement (the "agreement") dated November 8, 2015 (the "acquisition Date") through a special purpose vehicle viz. Emcure Pharmaceuticals Canada Limited.

Immediately following this agreement, on November 9, 2015, all entities above were amalgamated and new entity called Marcan Pharmaceuticals Inc. ("Marcan") was formed, the current operating company. The acquisition was for a total consideration of Rs. 4,619.12 million* (CAD 93 million*). As per the Share Purchase Agreement, there is consideration payable to the selling shareholders of Marcan Pharmaceuticals Inc. in the form of preference shares, based on achievement of specific EBITDA levels of Marcan for the year ended March 31, 2021, or at the option of selling shareholders for the year ended March 31, 2022, limited to a maximum of Rs. 2,384.06 million (CAD 48 Million).

In December 2020, the holders notified their intent not to exercise their option to extend the redemption term by a year and redeem the preferred shares. The shares were redeemed on August 11, 2021 at the current value of Rs. 2,750.78 (CAD 47.25 Million) (Refer note 23)

*Considering 1 CAD = 49.67 Rupees, the rate as on the date of acquisition



EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

Note 63 - Business Combination

In July 2021, Emcure Pharmaceuticals Limited ("Holding Company") incorporated a wholly-owned subsidiary named as Emcure Canada Inc. On August 11, 2021, Emcure Canada Inc., a company under common control with Marcan Pharmaceuticals Inc., acquired all of the issued and outstanding shares of Arsh Holdings Inc. and Rs313 Holdings Ltd. for consideration of CAD 47.25 million. Arsh Holdings Inc. and Rs313 Holdings Ltd. held all of the outstanding preference shares mentioned in note no. 62 above.

Emcure Canada Inc. financed the acquisition with CAD 17.00 million in form of unsecured loan provided by the Holding Company, and a secured term loan from bank of USD 25.475 million (equivalent to CAD 31.89 million).

Subsequently, Marcan Pharmaceuticals Inc., Emcure Canada Inc., Arsh Holdings Inc., and Rs313 Holdings Ltd., were amalgamated on August 13, 2021 and the name of the amalgamated company was Marcan Pharmaceuticals Inc.

No gains or losses were recognized in the consolidated financials as a result of the amalgamation transaction.

As a result of the amalgamation, assets of CAD 49.06 million, liabilities of CAD 48.91 million, deficit of CAD 0.04 million and equity share capital of CAD 0.1 million were amalgamated in the books of Marcan Pharmaceuticals Inc.

Note 64. Material regrouping:

(a) During the year ended 31 March 2021, the payment on account of settlement of Employee stock options amounting to Rs. 182.12 Million has been inadvertently classified as cash flows from operating activities instead of cash flows from financing activities in the Cash Flow Statement. This inadvertent classification has been restated in the Cash Flow Statement presented in the Consolidated Financial Information for the year ended 31 March 2022. The following table summarises the impact on the Cash Flow Statement:

Particulars	Rs. in million		
	For the year ended March 31, 2021 (As per audited financials of March 2021)	Adjustment	For the year ended March 31, 2021 (as per consolidated financials for March 31, 2022)
Net cash generated from operating activities	6,862.23	182.12	7,044.35
Net cash used in financing activities	(1,706.92)	(182.12)	(1,889.04)



Note 65 : Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The group 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 group 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 group will continue to closely monitor any material changes to future economic conditions.

Note 66 : Code of Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Indian companies in the group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Holding Company and its Indian subsidiaries will assess the impact and complete the evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 67 : Initial Public Offering ("IPO")

During the year ended March 31, 2022, the Holding 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 Holding Company has received observation letter dated December 08, 2021 from SEBI, which is valid for 12 months. The Holding Company has also received In-principle approval from BSE & NSE on August 30, 2021 & September 08, 2021 respectively.

Note 68 : Events occurring after the reporting period

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

Note 69 : Authorisation of Consolidated Financial Statements

The Consolidated financial statements were approved by the Board of Directors on May 04, 2022.

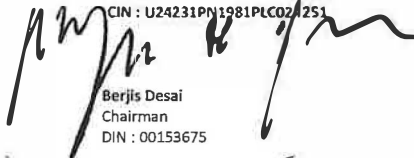
For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants



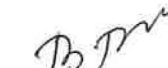
Abhishek
Partner
Membership No. 062343

For and on behalf of the Board of Directors

Emcure Pharmaceuticals Limited
CIN : U24231PN1981PLC021251



Berjis Desai
Chairman
DIN : 00153675


B Renganathan
Company Secretary
Membership No. F2922



Satish Mehta
Managing Director
DIN : 00118691



Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: May 12, 2022

Place: Pune
Date: May 04, 2022