FDC Limited

Annual Report
2021-22

DELIVERING EXCELLENCE

ADVANCING
WITH
ENDURANCE

Corporate Information

Late Anand L. Chandavarkar

(1905-1959) Founder

Late Ramdas A. Chandavarkar

(1933-2001) Chairman Emeritus

Directors

CA Uday Kumar Gurkar
Chairman of the Board & Independent Director

Mr. Mohan A. Chandavarkar
Managing Director

Mr. Nandan M. Chandavarkar
Joint Managing Director

Mr. Ashok A. Chandavarkar
Executive Director

Mr. Ameya A. Chandavarkar
CEO – International Business & Executive Director

Ms. Nomita R. Chandavarkar
Non-Executive & Non-Independent Director

CA Swati S. Mayekar
Independent Director

Mr. Melarkode Ganesan Parameswaran
Independent Director

Ms. Usha Athreya Chandrasekhar
Independent Director

Dr. Mahesh Bijlani
Independent Director

CA Sanjay Jain
Chief Financial Officer

CS Varsharani Katre
Company Secretary & Compliance Officer

Auditors

B S R & Co. LLP, Mumbai

Plants

- Roha, Raigad, Maharashtra
- Waluj, Aurangabad, Maharashtra
- Sinnar, Nashik, Maharashtra
- Goa (Plants I, II & III)
- Baddi, Himachal Pradesh

In-House R&D Centres

- Jogeshwari R&D Centre at 142-48, S. V. Road, Jogeshwari (West), Mumbai – 400 102
- Kandivali R&D Centre at 54 – EFGH, Kandivali Co-operative Industrial Estate Ltd., Charkop, Kandivali (W), Mumbai – 400067

Across the Pages

For more investor-related information, please visit https://www.fdcindia.com/financial-report.php

Scan this QR code to access the online version of this Report

INVESTOR INFORMATION

CIN	: L24239MH1940PLC003176
BSE Code	: 531599
NSE Symbol	: FDC
AGM Date and Time	: September 22, 2022; 10:00 AM IST
AGM Venue	: Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

Forward-looking statements: This Report contains some forward-looking statements to enable investors to comprehend our prospects and take wise investment decisions, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified that information independently and shall not be liable for any variance from the forward-looking statements.

Advancing with Endurance

Challenges are the test of our endurance. The last couple of years were full of uncertainties. It was a period of turmoil brought on by a string of extraordinary events. However, we managed to traverse through these difficult times and surpass every obstacle in our way. The Company has displayed exceptional resilience and agility over the years, embracing transformations with the greatest degree of flexibility.

FDC has stood the test of time towards becoming a leading integrated pharma Company. For decades, our flagship brand, 'Electral', has remained constant in people's minds and established itself as the pinnacle of our legacy. Our operational competence, sound financial standing, and strategic prudence have allowed us to easily navigate the difficulties in our way.

With ongoing product development and expanded capabilities, we aim to increase our market share in both the domestic and international markets. Through the creation of new products and increase in manufacturing capacity, we are bolstering our local industry. To expand the international business, we are introducing our successful brands in multiple international destinations. We are adding new countries to our export list to generate a greater share of revenue from the export business. We have a thorough roadmap onboard for our future endeavours which portray our stance on '***Advancing with Endurance'***.

Board of Directors

CA Uday Kumar Gurkar
Chairman of the Board & Independent Director

Mr. Mohan A. Chandavarkar
Managing Director

Mr. Nandan M. Chandavarkar
Joint Managing Director

Mr. Ashok A. Chandavarkar
Executive Director

Mr. Ameya A. Chandavarkar
CEO – International Business & Executive Director

Ms. Nomita R. Chandavarkar
Non-Executive & Non-Independent Director

CA Swati S. Mayekar
Independent Director

Mr. Melarkode Ganesan Parameswaran
Independent Director

Ms. Usha Athreya Chandrasekhar
Independent Director

Dr. Mahesh Bijlani
Independent Director

Message from the Chairman

Dear Stakeholders,

We have successfully passed yet another year of resilience and transformation at FDC, and hereby, present to you FDC Limited's Annual Report FY 2021-22. Previous fiscal year was filled with uncertainties caused by multiple waves of the pandemic. Our unwavering ability has helped us sail through the toughest times. Our strategic decision-making with effective implementations have helped us gain momentum to establish ourselves as one of the distinctive entities in the global pharmaceutical industry.

Immediately after being hit by the worst headwind in a century, the first wave of COVID-19 pandemic, FY 2021-22 started with its deadlier successor in the form of a second wave. Post that, a series of unprecedented events took place throughout the year which left us baffled. A sharp rise in crude and power prices, disruptions in supply chains, the outbreak of more infectious Omicron variant, and escalating geo-political tension between Russia and Ukraine greatly impacted business across sectors. Despite these challenges, Indian economy has grown at a faster rate, demonstrating its extraordinary strength. In FY 2021-22, the Indian economy grew by 8.7%. As the majority of the population received vaccinations and overall operating activity throughout the sectors restarted, we gained excellent momentum for our future.

The price competitiveness of an Indian pharma Company drives its growth globally. The Indian pharma industry is among the major exporters of pharmaceutical drugs across the world. 60% of world vaccines and 20% of generic medicines are generated from India and was recognised as pharmacy of the world.

With the recent rise in raw material prices, the industry has witnessed a strain on its margins, however, with favourable demographics and economic growth, the Government's policies and increased investments will help to shape the sector and continue giving it a promising future.

Although the export division's revenue numbers were somewhat flat during the year, this was primarily owing to the muted US business. On the other hand, our domestic business experienced significant growth. During the year, we expanded our capacities to further our promise as a global pharma Company.

FDC recognises its people as the backbone of organisational success. As a responsible corporate, we ensure the highest level of health and safety measures for our people. A dedicated workforce is the most valuable asset for an organisation. Their commitment and sincerity have earned us the brand reputation we possess today. During the difficult times, these kept us running and once the atmosphere became normal, they geared up to the next level to support us attain greater organisational excellence.

Your company's commitment towards our community remained unshaken during the previous year. Through our CSR activities, we extended our helping hands towards the society. We addressed some of the most critical aspects of a society which includes promoting education, health and sanitisation, community development through training and livelihood support, and many more. We aim for inclusive growth that benefits both our community and society as a whole, and moving ahead, will continue to enhance our efforts to achieve the same, better.

We want to express our gratitude to our workforce, customers, partners, the medical community, Government, and shareholders for their support. Additionally, I want to thank my fellow Board members who constantly acted like a lighthouse to guide the ship to get through this unpleasant time. FDC will continue to collaborate with all stakeholders, carry out its objective, and create value for the society at large.

CA Uday Kumar Gurkar
Chairman of the Board

MD's Communique

Dear Shareholders,

I am delighted to present FDC Limited's Annual Report for the financial year 2021-22.

FDC has evolved as a significant player in the domestic as well as in the international pharma industry. This has been possible only by the support we have received from our stakeholders. In return, we always strive to create value. We will continue to expand and reach new heights in the future with your constant support and enthusiasm.

The year 2021-22 was a roller coaster ride for all of us. Tackling the pandemic-related threats coupled with other unprecedented events, led businesses to reconsider their strategies at every point in time. Price hikes of raw materials challenged our margins for FY 2021-22.

Our domestic formulation business grew by 31% on a Y-o-Y basis in FY 2021-22. This growth is mainly driven by our renowned brands, like ZIFI, Electral and Enerzal. These brands also enjoy the leading market share among the competition. ZIFI has 24.2% market share in the cefixime category. Electral is the category creator and market leader in the oral rehydration salt solutions, with an outstanding 72.7% market share. Enerzal is constantly dominating the market in the energy drink segment with 39.1% market share. Also, ZIFI and Electral have crossed ₹ 300 crores mark as per the MAT IQVIA data for the first time, on March 31, 2022. Leveraging our strength, we have established ourselves as one of the largest suppliers in the ophthalmic segment, with backward integrated API plan. One year down the line, after restabilising the operations and several new product launches, we plan to strengthen our ophthalmic segment globally.

For our export business, we plan to launch our established brands into the new markets and add new countries in our portfolio. By conducting extensive market research, we identified some of the markets where our products witness high demand. We intend to expand Electral and our other key brands in these geographies. The Company has created a strong dealer network in order to promote our brands globally. We plan to register 30 new products in the export market which will generate revenue and profitability from the very first year of launch. The United States (US) market is the leading export destination for us. We plan to strengthen our US business by expanding our formulation business in this region. At FDC, we have implemented an exhaustive road map to widen our export business. With this, we expect to generate greater revenue share from our export division in the future.

Our financial figures on a year-on-year basis stood as follows:

- Revenue from Operations stood at ₹ 1,519 crores in FY 2021-22, compared to ₹ 1,325 crores in FY 2020-21, recording a growth of 12%
- Net profit after tax stood at ₹ 220 crores in FY 2021-2022

Following the industry trend where players are concentrating on a diversified product portfolio to mitigate various risks, we, at FDC, are also looking towards the same. We are planning to penetrate the chronic segment.

I would also like to take this opportunity to thank all our stakeholders for their unwavering support and confidence, including our customers, partners, suppliers, healthcare providers, shareholders, and others. FDC has a fundamental goal in improving lives which unites us all, and we are firm in our commitment to work towards this goal with absolute integrity.

Best Regards,

Mohan A. Chandavarkar
Managing Director

About FDC Limited

FDC Limited ('We', 'The Company' or 'FDC') has a long-standing presence in the pharma industry, with deeply curated knowledge running through our business practices. We have evolved as a globally recognised, fully integrated pharmaceutical company that enjoys strong customer loyalty. We are a pioneer in the manufacturing of specialised formulations with an established track record. Our market-leading Oral Rehydration Salt (ORS) solution, 'Electral' enjoys over 70% of the market share in the ORS segment. Moreover, our globally accepted ophthalmic portfolio, which includes Timolol, Latanoprost, Dorzolamide, has recognition for quality, excellence efficacy and reasonable pricing, making it a doctor's favourite. These qualities continue to be the foundation of our ability to provide long-term, sustainable value for all of our stakeholders.

OUR VISION

Expanding Health Horizons

OUR MISSION

FDC is a people-oriented organization, dedicated to innovate, manufacture, and market high-quality healthcare products that enhance the quality of human life all over the globe, and in turn, increase shareholders' value.

OUR CORE VALUES

Synergy
The whole organization, working as a team, is stronger than the sum of its parts.

Trust
An organization built on trust, is a better place to work in and is more likely to produce results, in the long run

Integrity
Always speak the truth, fulfil expectation, and keep promises

Openness
Willingness to share information and discuss differences within the organization

Competitiveness
A desire to perform better than one's competitors, by challenging oneself, to attain new heights

Creativity
Thinking of new ideas and new ways to add value to the organization

Quest for excellence
A desire to be the best and be recognized as 'the best'

Discipline
Adherence to prescribed regulations of global standards

Certified Manufacturing Facilities

The Company has manufacturing facilities across India that cater to the domestic and international markets. Our plants in Roha, Waluj, Goa, Sinnar and Baddi follow state-of-the-art manufacturing processes and technologies, and are approved by global authorities such as the US-FDA, WHO, and UKMHRA, among others. We have mastered the art of running an end-to-end diversified organisation. The Company offers a wide range of products which includes :

- Active Pharmaceutical Ingredients (APIs)
- Formulations
- Functional Foods

Product-wise Revenue Share FY 2021-22

Anti-infectives	35%
Gastro-intestinal	26%
Vitamins/Minerals/Nutrients	8%
Dermatology	7%
Ophthalmology/Otologicals	5%
Cardiac	4%
Respiratory	3%
Gynaecology	3%
Anti-viral	3%
Others	5%

We market 159 brands with 279 SKUs in the therapeutic segment, exporting to nearly 50 nations worldwide.

Diversified Product Portfolio

FDC has a diverse range of products for it's customers. FDC has gained the experience and efficiency to cater to various customer needs under one umbrella. We have widened our presence in numerous therapeutic divisions as well as in the functional food and API divisions. Some of our brands are dominating the market since our inception and have earned a distinguished brand reputation.

Functional Foods

We, have a wide range of functional foods under our foods division. We develop our products while maintaining high standards, to consistently deliver health benefits to our customers. Our functional foods division is categorised into three sub-divisions i.e.,

- Anti-oxidants
- Balanced Energy & Protein Drinks
- Vitamins and Nutraceuticals

Some of the market leading brands under our functional food division are:

Electral　Enerzal　Humyl　Mum Mum 1　ProSoyal　Simyl　Zefrich

Formulations

FDC is a pioneer in producing specialised formulations. We have a wide presence across therapeutics including:

- Anti-Infectives
- Gastrointestinals
- Opthalmics
- Vitamins, minerals, dietary supplements, cardiovascular , anti-diabetics, respiratory, gynaecology, dermatology, analgesics, and others.

Some of our well-known brands in the therapeutic segment are:

Zifi　Vitcofol　Pyrimon DF　Zocon　Zoxan　Zathrin　Zipod

Amodep-AT　Zefu　Cotaryl　Mycoderm　Ziglim Plus 2　Ziglim-M1

Active Pharmaceutical Ingredients (APIs)

At FDC, maintaining the highest standards and characteristics for our products is our top priority. We are recognised for manufacturing high-quality, affordable APIs. We formulate our APIs using a strict ICH approach. Major regulatory agencies including the US-FDA and WHO-GMP have given their approval to our manufacturing facilities for API manufacturing.

23
APIs developed

14
Commercialised APIs

11 USDMFs & 6 CEPs
Filed for APIs

Our Technological Edge

Blow, Fill & Seal (BFS) technology

We use BFS technology for formation, filling and sealing of opthalmic product bottles to assure a higher degree of aspesis for our products. This technology ensures that the bottles are formed, filled with product solution, and sealed in a single operation with no human intervention.

Fluidised Bed Processor (FBP) technology

We develop our products with FBP technology to manufacture environmentally responsible, sustained release or delayed release pallets that can be manufactured in-house and can be further filled in the capsules to form the finished product.

Bi-layer Tablet technology

The Company follows Bi-layer Tablet technology to develop tablets include multiple drug component compatible to each other and can be given as a single tablet to the patient.

2D Barcoding system

As per DFGT norms, the Company has installed 2D Barcoding system to establish parent-child relationship between primary, secondary and tertiary packs of the products for export consignments.

Quality Control laboratories

The Company has set up quality control laboratories, equipped with sophisticated instruments such as HPLC, GC, ICP-MS, LC-MS, GC-MS etc for testing its products and ensuring the integrity of the data generated from lab instruments.

Further, the Company has implemented Paperless Laboratory Concept like LIMS - Laboratory Information Management system for the Quality Control Laboratories and E-Lab Notebook for the R&D Analytical Laboratories. This is a major step towards compliance and ensuring data security

International Business

Our world-class products, manufacturing analytical capabilities and expertise in key compliance areas make us a preferred supplier to leading global customers including, non-profit organisations such as UNICEF, IDA, MSF and PSI.

We export our products to 50+ countries in the world. Our exports business is divided into three broad sub-divisions viz. USA-LATAM-UK-EU-MiddleEast, Africa and APAC-Russia-CIS region.

Highlights

We have gained a significant market share in our global operating markets in Ophthalmic. Further, we are planning to extend our exports business by...

- Adding new countries in those regions which have a good demand for our products
- Expanding our existing market by introducing new products and distribution channels
- Strengthening our ophthalmic product division range
- Transforming our business from a generic business to a branded business

USA-LATAM-UK-EU-Middle East region

43%

Export share

- The US business is the major contributor in terms of value and volume
- Our presence in the UK market is on the basis of our wholly owned subsidiary and branch office there
- In Peru, we introduced our Ophthalmic solution Gentamycin, 0.3% with 45,000 bottles exported in FY 2021-22, and is likely to attain positive results for FY 2022-23 as well
- We began exporting our infant milk substitute MUMMUM 1 and MUMMUM 2 to Yemen on a trial basis, and are optimistic about the product's success ahead
- We added UAE to our list of export destinations with the launch of our flagship brand Electral in FY 2021-22

Africa

17%
Export share

- Strategic imperatives to enhance our market share and expand our profitability in the African region
- Establish a strong distribution channel to market our brands in selected countries in the region
- Plan to add Malawi, Rwanda, Ghana, Congo, Nigeria, Sudan, and Francophone in our exporting countries
- Registered 2 new products in South Africa for exporting to Swaziland and Lesotho
- Strengthening of FDC - South Africa business, which continue to grow despite of various challenges

APAC-Russia-CIS region

40%
Export share

- Dynamic plan to expand in the APAC region
- Intend to expand in Myanmar by increasing our investment in Electral's brand promotion initiatives
- Gradually expanding in the CIS (Commonwealth of Independent States) region as well as in countries such as Maldives and Laos
- Exported two new products viz. Chloramphenicol Eye Drops and Dorzolamide + Timolol Eye Drops in FY 2021-22 to Australia and Hong Kong, respectively
- In the process of registering 30 new products and launching them in the APAC-Russia-CIS markets
- Expansion of business through international tenders

Key International Markets API and Formulation

Export Formulation Sales

1. USA
2. Ethiopia
3. United Kingdom
4. New Zealand
5. Nepal
6. Chile
7. Tanzania
8. Hong Kong
9. Malaysia
10. Australia

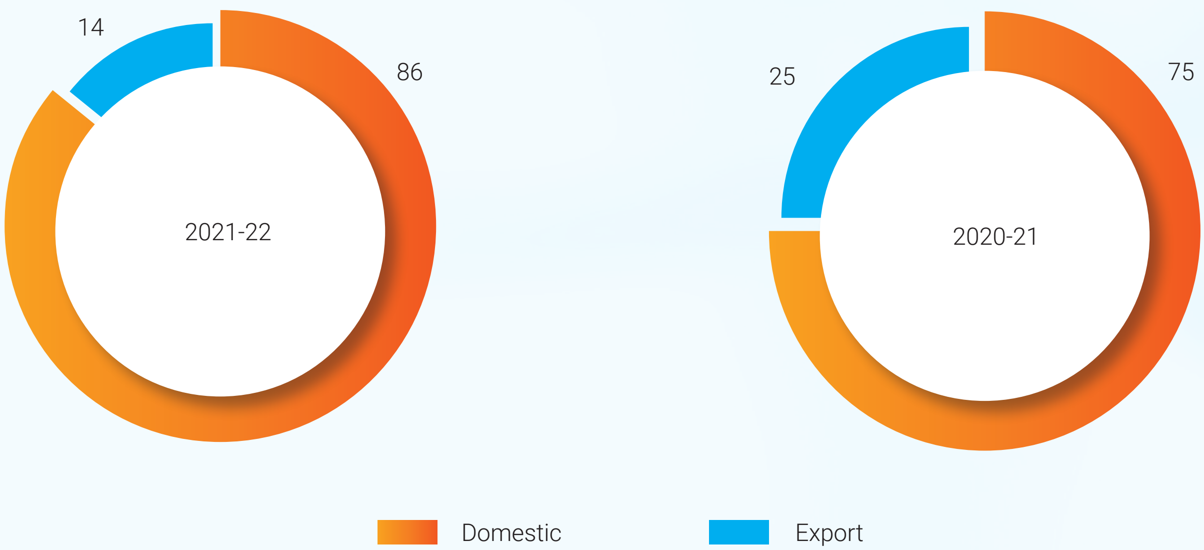
Export API Sales

1. Japan
2. Germany
3. Switzerland
4. Taiwan
5. Saudi Arabia
6. Bangladesh
7. South Korea
8. Spain
9. UAE
10. USA

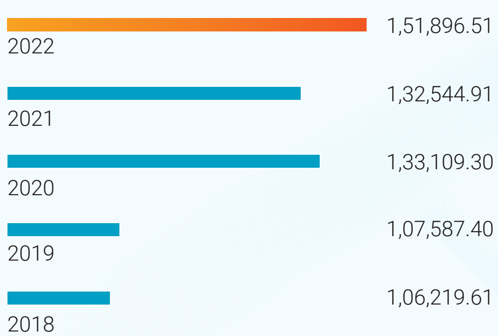
Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

Financial Highlight

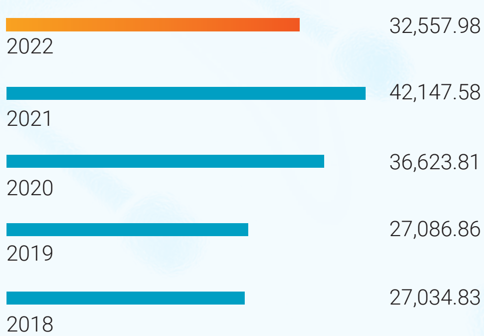
Revenue Mix (%)



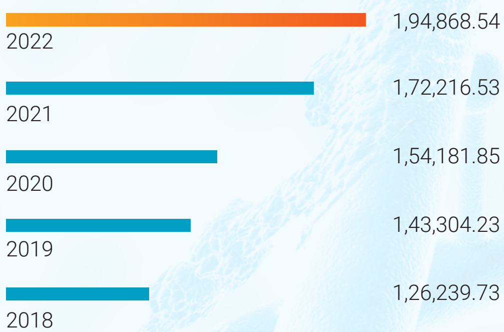
Revenue from Operations (₹ in Lakhs)



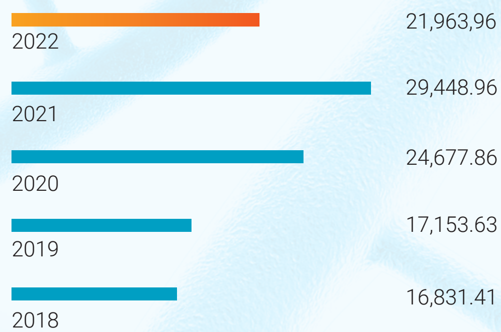
EBITDA (₹ in Lakhs)



Net Worth
(₹ in Lakhs)

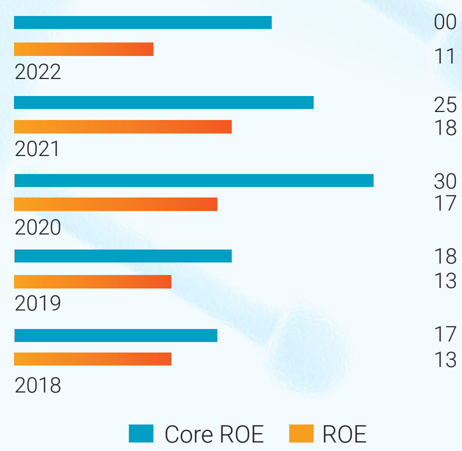


Net Profit After Tax
(₹ in Lakhs)



Earnings Per Share
(₹)

Core Return on Equity and Return on Equity
(%)



ESG Commitments

Environmental Initiatives

We are engaged in ensuring long-term contribution towards the environmental care. We carry out our environmental endeavours through our sustainable business approaches and strategies. Our primary focus is to reduce our carbon footprint while efficiently handling the emissions and wastes that are generated during our manufacturing processes in line with National efforts.

Climate Change and Carbon Emission

The incremental amount of greenhouse effect is causing serious global warming issues, thus affecting the delicate environmental balance of earth and causing drastic climate change. We, as a responsible corporate citizen, stay vigilant towards these alarming issues and do our best to conserve the nature.

Mitigation Strategies:

- Switched to Light diesel oil (LOI) Briquette Fired boilers from conventional furnace oil fired boilers. Further, we also switched to electric based system instead of HSD fired hot water system to subsequently reduce the carbon emission.
- Rooftop PV Solar system with a total capacity of 2.5 MWp has been installed across the FDC Limited Group for energy conservation and reduction in carbon emission.
- Most of the roofs are sandwiched Rockwool insulated to achieve temperature gradient up to 8 – 10 °C. This results in maintaining ambient conditions below 30 °C without Air conditioning, Thereby savings in electricity and ultimately reduction in carbon emission.

Air and Water Pollution

We are conscious of the effects that the plants' emissions and waste disposal have on the environment. From the outset of our activities, we took certain actions to reduce such risks, and we have worked to reinforce these practices.

Mitigation Strategies:

For Air Pollution

- Installed exhaust HEPA system and Air Handling Units (AHU) where the air of process area is exposed to atmosphere to reduce the pollutant particle emission.
- Wet scrubbers are used to scrub the solvent fumes for process equipment, this avoids Emission of hazardous solvent fumes in the atmosphere.
- Cyclone separators are used to separate out solid particulate matter from boiler flue gases. This maximizes air filtration of boiler flue gases resulting in reduction of air pollution
- Dust collector separates and collect the dust generated during manufacturing and filling process, this reduces dusting in product manufacturing and filling area.

For Water Pollution

- Constantly monitoring water usage and enhancing the use of treated water to minimise the reliance on fresh water sources.
- Upgraded the effluent treatment plants through constant investments.
- Dissolved air flotation unit is used in ETP to separate emulsified items like oil, grease, ghee etc. from the Effluent feed water. This results in clean effluent for further ETP treatment.
- Reverse Osmosis and Multi effect evaporator (RO-MEE) system to treat High pollutant and low pollutant stream is operational at our API plant to achieve Zero liquid discharge.

Water management:

- Employed the principle of 4R Reduce, Reuse, Recycle and Recharge in our water conservation endeavours. Dedicated efforts to ensure water usage minimisation in operations and abide by the 4R principle. We have rolled out various initiatives to ensure the conservation of water such as:

Reduce	Reuse	Recycle	Recharge
• High-pressure water cleaning system. • Auto water dispensing taps for hand wash. • Auto CIP system for process equipments.	• Boiler steam condensate water recovery system. (Approx. reused 7850 KL of boiler steam condensate water in FY21-22) • ETP treated water for toilet flushing. (Approx. reused 4910 KL of ETP water for toilet flushing in FY21-22) • RO reject water for toilet flushing. (Approx. reused 2100 KL of RO reject water for toilet flushing in FY21-22)	• ETPs are operational at all the manufacturing and R&D plants and the discharge water parameters are maintained within the limits provided by respective State Pollution Control Board. • Sewage treatment plant.	• Rainwater harvesting and Ground water recharging system.

Deforestation

To mitigate the pollution that may have been caused by the plant emissions and wastes, we undertook tree plantation programmes in the surroundings of our factory premises. This eventually helps in creating a thicker green belt and also reducing the pollution significantly in the plant areas.

Mitigation Strategies:

- Approx. 25 to 30 % area of our factory premises is covered with green belt which comprises of plants, shrubs, grass lawn, trees etc.
- A total of approx. 2000 plus trees are planted in the premises of all manufacturing and R&D plants.

Energy Efficiency

We have taken a myriad of measures to enhance energy efficiency at the operational level. While scaling up with our production units we also follow our energy consumption pattern and set our energy conservation strategies accordingly.

Mitigation Strategies:

- Installed utility equipment that are energy efficient, such as HVAC Chillers, Air compressors, boilers, fans, pumps, and motors.
- For any new project LED lights are used and for old facilities existing CFL/FTL/MVL/SVL are replaced with LED lights. Approx. savings of 40% to 60% in electrical energy consumption.
- Installed Rooftop PV solar systems across the group with an approx. capacity of 2.5 MWp which has generated 27.42 Lacs of electricity units in the FY21-22.
- Boiler steam condensate water recovery system installed to recycle the thermal energy and water. This results into the thermal energy conservation.
- Replacement of existing conventional ceiling fans with energy efficient BLDC fans, contributing to reduction in electrical energy consumption by approx. 65%.

Waste Management

At FDC, we place a high priority on effectively managing waste, and we strictly adhere to all relevant laws and regulations. Our effective waste management solutions include waste classifications, segregation, minimisation, handling as well as monitoring, regulation, and control of the processes therein. Also, our stringent internal procedures ensure that the waste is collected by authorised entities registered with the regulatory authorities to guarantee a safe disposal.

Mitigation Strategies:

- Dust collector is used to separate and collect the dust generated during manufacturing and filling process. The collected product in the form of dust is handed over to authorized Solid waste management agency on regular basis.
- Regular recycling of waste materials such as waste water, glass, plastic liners, fibre drums, metal drum sheets and HDPE sheets.
- Ensuring secured transportation of Hazardous waste to authorised waste management entities for safe and secure disposal.
- Arrangements with authorised agencies for e-waste management.
- Reduced usage of plastic and adopted measures for plastic waste disposal.

Social Impact

Our Responsibility towards the Community

We recognise that the communities form an integral part of our business environment. Thereby, we closely monitor our business' impact on them and strive to contribute towards uplifting their lives. We invest in our communities to ensure their progress and place substantial emphasis on our social development commitments. Through our investments in initiatives and organisations - various NGOs, trusts and other implementing agencies - we strive to address society's most challenging issues.

The main focus areas of our CSR activities are:

- Rural development programmes
- Education
- Healthcare initiatives
- Sports training programmes
- Hunger eradication initiatives
- Disaster relief
- Skill development programmes

Rural Development Programme

FDC Comprehensive Rural Development Project

FDC Comprehensive Rural Development Project (FDC - CRDP) through BAIF Institute's Sustainable Livelihoods and Development (BISLD) programme for the welfare and benefit of the people residing in the peripheral villages around Sinnar District, Nashik. The said project encompasses activities such as forestry plantations, improved agriculture, livestock developement, etc.

Impact of watershed – Increased water table, Increased area brought under cultivation, Enhanced cropping intensity by going in for second crop

Ongoing Soil and water conservation work

Sweet Corn cultivation under improved agriculture

Distribution of seeds under improved agriculture

Distribution of mineral mixture under Livestock Development programme

Set up vermicomposting beds

Chaff-cutter machine provided under income generation activity to female SHGs

Supporting Education

Every individual has the fundamental right to education. It is the preliminary step in developing people's awareness, critical thinking, and capacity for self-improvement. We have extended our education and health support to Sudarta High School, managed by Balak Vrunda Education Society (BVES) in Mumbai, for underprivileged students.

To ensure proper health, sanitisation and provide nutritional meals to the underprivileged children, we have associated with anashram shala in Palgarh district. Further, the initiatives include construction of toilet blocks for girl students, repairing work of the ashram shala, installation of solar heaters and providing nutrition, etc.

FDC's Support to Saraswat Education Society (SES), Mangalore

The Company extended support to Saraswat Education Society (SES), Mangalore for repair and construction of primary and secondary schools (class 1 to 10) buildings at Kotekar, Someshwar, Karnataka.

Promoting Healthcare and Medical Programmes

One of our prime priorities is to promote proper healthcare and medical facilities, which we consider an investment for the future. We, take initiatives to promote medical facilities and spread awareness about proper healthcare to our communities.

Our Initiatives

- Provided ventilators for treatment of COVID-19 patients amid the second wave of the pandemic to Bhatia Hospital, Mumbai
- Provided vitrectomy machine and accessories as a part of infrastructure support for ophthalmology department of Dr. R. N. Cooper Hospital, Juhu, Mumbai, to help the underprivileged or needy patients in getting the best ophthalmic treatment
- Supported the AIDS Combat International (ACI), an NGO, Mumbai for Breast Cancer Surgery for patients
- Contribution to Dilkhush Welfare Society (Sanjan Home) for repairing their vocational centres dedicated to the specially-abled adults

FDC's Support to Bhatia Hospital, Mumbai

The Company has also supported Bhatia Hospital, Mumbai by providing ventilators for treatment of COVID-19 Patients amid the second wave of the pandemic.

Medical Rehabilitation for Street Youth Through SUPPORT

We provided medical care and rehabilitation through our association with Society Undertaking Poor People's Responsibility for Rehabiliation (SUPPORT) NGO to the homeless children/youth who indulge in drug consumption. Under this initiative, we conducted detox camp and rehab programme along with vocational training. The camps covered about 74 children/youth in total.

FDC's infrastructural support to Department of Ophthalmology at Dr. R. N. Cooper Hospital, Juhu, Mumbai

Vitrectomy Machine and accessories provided as a part of infrastructure support for Department of Ophthalmology at Dr. R. N. Cooper Hospital, Juhu, Mumbai to help the underprivileged/needy patients who can get the best ophthalmic treatment

Group session with girls and boys on health-related awareness, by medical staff

Medical Camp were organised for children during World Adoption Week

Malaria test camp organised with the help of BMC hospital

FDC's support to AIDS Combat International (ACI)

The Company supported AIDS Combat International (ACI), an NGO, Mumbai for Breast Cancer Surgery for patients.

FDC's Support for Sports Trainings Programme

The Company has partnered with Gosports Foundation, Karnataka for supporting the talented women cricketers across India under their Equal Hue Excellence Programme by providing them scholarship.

FDC's Support to Ashram Shala in Palghar District

To promote education and provide nutritional meals to the less privileged, the Company has been associated with an Ashram in Palghar District. Financial assistance is being extended to the Trust of the Ashram shala, which is being used to empower the differently-abled and children from underprivileged families for various purposes such as construction of toilet blocks for girl students, repairing works of the Ashram, installation of Solar Heaters, Nutrition, etc.

Disaster Relief Work

We supported communities during the Maharashtra floods, by distributing medicines to the flood-affected areas through Food & Drug Administration (FDA), Mumbai.

Other Initiatives

- The Company contributed towards replacing the existing roof sheets with new Galvanized Sheets in the school buildings at Swami Parijnanshram Educational and Vocational Centre (SPEVC) through Shree Trust, Mumbai
- FDC contributed to Dilkhush Welfare Society (Sanjan Home) for repairing their vocational centres for differently-abled adults.

Our Human Resource

Main focus areas at FDC

- Employee engagement
- Gender diversity
- Human rights
- Labour standards

6336
Total Workforce

Employee engagement :

Our employee engagement initiatives have been a key factor in enabling us to reduce our attrition rate. The ultimate goal of these initiatives is to create a work environment that motivates and inspires our employees each day.

Gender diversity:

The principle of "equal opportunity for all" lies at the heart of our approach to human resource management. At FDC, nurturing diversity is one of the top priorities. Our organisation is committed to breaking down barriers in terms of gender, caste, religion, geography, different physical abilities, and sexual orientation. The diversity of our workforce enables our employees to build cross-cultural, ethnic, and lifestyle collaboration skills, which is essential to their overall development. Our four core pillars of teamwork, achievement, respect, and knowledge, serve as catalysts for a cohesive and inclusive work environment.

Human Rights:

Our core values and guiding principles at FDC are honesty, integrity, and compliance with all relevant laws and regulations. These serve as the bedrock upon which our human rights policy is constructed. We are dedicated to abide by the human rights, hence our policies ensure that our functions strictly adhere to the relevant laws and regulations at all times. We ensure our business practices remain in line with the Universal Declaration of Human Rights of the United Nations in order to protect the interests of our employees.

Labour Standards:

Under our principle of "equal opportunity for all", we take a fair approach and absolutely forbid discriminatory treatment. Therefore, we offer a wide range of benefits to all of our employees, including a Group Mediclaim Policy covering employee and family, Group Personal Accident Insurance, Leave Benefits, National Pension Scheme, Provident Fund, and Transportation. Alongside this, to ensure a secure environment, we also have strong grievance redressal polices on 'Prevention of Sexual Harassment' to safeguard our female employees at the work place.

STATUTORY REPORTS

DIRECTORS' REPORT

To the Members,

The Board of Directors have pleasure in presenting the 82nd Annual Report together with the Audited Accounts for the year ended March 31, 2022.

1. STANDALONE FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2020-21
Revenue from Operations	**1,51,896.51**	**1,32,544.91**
Other income	7,873.35	9,714.59
Total Income	**1,59,769.86**	**1,42,259.50**
Profit (before finance costs and depreciation / amortization)	**32,557.98**	**42,147.58**
Finance costs	304.79	340.22
Depreciation and amortization	3,708.11	3,762.33
Profit before tax	28,545.08	38,045.03
Less: Taxation		
-Current Tax	6,800.00	8,451.58
-Deferred Tax	(218.48)	144.49
Profit After Tax	21,963.56	29,448.96
Other Comprehensive Income/ (Loss) for the year	764.62	605.99
Total Comprehensive Income/ (Loss) for the year	**22,728.18**	**30,054.95**
Earnings per equity share (Basic & Diluted) (Face value Re.1)	**13.01**	**17.32**

During the year under review your company registered consolidated total income of ₹ 160401.44 lakhs as compared to ₹ 143022.90 lakhs in the previous year.

2. BUYBACK OF SHARES

The Board of Directors, at their meeting held on February 09, 2022 had approved a proposal of the Company to buy-back its 29,00,000 fully paid–up equity shares having face value of Re. 1 each from the eligible equity shareholders of the Company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on April 12, 2022 and was completed on April 27, 2022 and the Company bought back and extinguished a total of 29,00,000 equity shares at a price of ₹ 475/- per equity share, comprising of 1.71% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 13,775 Lakhs excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed for the buyback and other incidental costs.

3. DIVIDEND

The Company has not declared Dividend during the Period under review.

The Company has formulated Dividend Distribution Policy which is annexed as **"Annexure A"** and it is also uploaded on the website of the Company i.e. www.fdcindia.com.

4. SHARE CAPITAL

During the year under review, the paid up Equity Share Capital of the Company as on March 31, 2022 is as follows:

Subscribed and Paid-up share capital :	March 31, 2022	March 31, 2021
16,88,10,084 (Previous year 16,88,10,084) Equity shares of Re. 1 each, fully paid-up	16,88,10,084	16,88,10,084
Total:-	**16,88,10,084**	**16,88,10,084**

(*The Company had approved Buy Back of 29,00,000 equity shares in the Board Meeting held on February 09, 2022 which was completed on May 09, 2022.)

5. Management Discussion and Analysis

The Management of the Company presents the analysis of the Company's performance for the financial year ended March 31, 2022, and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

GLOBAL ECONOMIC OVERVIEW

The economic developments have been encouraging, despite the uncertainties surrounding resurgence of the pandemic and the possible hazards. In 2021, the global economy saw 6.1% GDP growth backed by reduction of infection rates, commercialization and adoption of multiple vaccines, rise in economic activities across regions, resumption of global trade & travel, along with the general rise in public morale. The developing nations witnessed a GDP growth of 6.8% in 2021, while the advanced economies grew by 5.2%.

(Source: World Economic Outlook April, 2022, World Economic Overview 2022)

GLOBAL PHARMACEUTICAL INDUSTRY

The Global Pharmaceuticals market was grew from US$ 1,454.66 billion in 2021 to US$ 1,587.05 billion in 2022, at a CAGR of 9.1%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach US$ 2,135.18 billion in 2026, at a CAGR of 7.7%.

Global pharmaceutical companies are investing more in development of personalized medicines to offer drugs for customized individual treatment for various diseases. Personalized medicine (also referred to as precision medicine) aims to provide medical care according to the patient's individual characteristics and genetic makeup. Precision therapies are increasingly being adopted as organizations let go of the one-size-fits-all model for common medical conditions.

(Source: ReportLinker.com Mar' 22)

INDIAN ECONOMY OVERVIEW

India's GDP rose to 8.7% in FY 2021-22 after shrinking by 7.3% the previous fiscal year. This has been possible due to widespread vaccination, benefits of supply-side reforms and regulatory liberalization, sustained export growth, and a boost in capital spending as a consequence of fiscal support.

According to IMF, India is expected to remain the fastest growing major economy in the world during FY 2021-24. This prediction is a result of increased vaccination rates and reduced impact of the pandemic. Increased foreign investments, as well as Government initiatives like Aatmanirbhar Bharat and Production-Linked Incentive (PLI) programs, have provided the economy a much-needed boost, allowing it to recover. India's GDP is expected to increase by 7.2% in FY 2022-23, according to the Reserve Bank of India (RBI). However, uncertainties regarding the impacts of rising inflation, potential COVID-19 outbreak and geopolitical crisis still remain.

INDIAN PHARMACEUTICAL INDUSTRY

The Indian pharmaceutical market has grown by 18.2% in FY 2021-22 with turnover of ₹ 1,854 billion. In the last nine years, Indian Pharma sector has grown steadily by CAGR of 9.43%. India's domestic pharmaceutical market stood at US$ 42 billion in 2021. It is likely to reach US$ 65 billion by 2024 and further expand to reach ~US$ 120 billion by 2030. According to the Indian Economic Survey 2021, the domestic market is expected to grow 3 times in the next decade. Pharma sector has been consistently earning trade surplus. Indian pharmaceutical exports totalled US$ 22.21 billion in FY 2021-22 through February 2022, down from US$ 24.44 billion in FY 2020-21. The India ayurvedic products market reached a value of ₹ 515.5 billion in 2021. Looking forward, IMARC Group expects the market to reach ₹ 1,536.9 billion by 2027, exhibiting a CAGR of 19.78% during FY 2022-27. Indian Pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently the Indian Pharma ranks third in pharmaceutical production by volume. Indian pharmaceutical industry also plays significant role globally. India has the highest number of USFDA-compliant Pharma plants outside of USA. There are 500 API manufacturers contributing about 8% in the global API Industry. In supplying generic medicines India has 20% share in the global supply, manufacturing 60,000 different generic brands across 60 therapeutic categories.

(Source: Department of Pharmaceuticals, PwC, McKinsey, AIOCD AWACS, IQVIA, CII, Annual Report 2021-22 of Govt of India DoP)

COVID-19 Impact Fightback from the Indian Pharmaceutical Industry

The Indian Pharma industry played an important role in meeting the challenges for mitigation of the infection in COVID-19 pandemic. This industry worked in close collaboration with the Government and academic institutes among others to quickly develop and refine manufacturing processes which helped to ensure a consistent supply of medicines needed for the management of COVID-19 (e.g., Remdesivir, Ivermectin, Hydroxychloroquine, Dexamethasone, Tocilizumab, and Favipiravir, among others). Indian drug supplies throughout the pandemic provided relief to over 120 countries for Hydroxychloroquine (HCQ), 20 countries for Paracetamol and about 96 countries for vaccines across the world.

(Source: Annual Report 2021-22 of Govt of India DoP)

Vaccination: As of March 21, 2022, more than 181.52 Crore of COVID-19 vaccine doses have been administered across the country. On September 17, 2021, India set a record with 2.5 Crore COVID-19 jabs in one day. In March 2022, a Hyderabad based pharmaceutical company applied for Emergency Use Authorization (EUA) for its COVID-19 vaccine named Corbevax, suitable for 5 to 12 years age group. In September 2021, a Russian-origin vaccine, Sputnik Light, was approved for commencing its Phase 3 trials in India. In January 2022, India's first intranasal vaccine against COVID-19, developed by Bharat Biotech in association with Washington University School of Medicine in St Louis (the US), began its Phase 3 trials.

Government Initiatives: Union Government agreed/decided to streamline and fastrack the regulatory system for COVID-19 vaccines that have been approved for restricted use by the US FDA, EMA, UK MHRA, PMDA Japan or those listed in the WHO Emergency Use Listing (EUL). This decision is likely to facilitate quicker access to foreign vaccines by India, and encourage imports.

Indian Pharmaceutical Exports

- India is the world's largest provider of generic medicines and contributes 20% of global generic drug exports (in terms of volumes). Indian drugs are exported to more than 200 countries in the world, with the US being the key market.
- India is the 12th largest exporter of medical goods in the world, including bulk drugs, intermediates, drug formulations, biologicals, AYUSH & herbal products and surgical products, valued at US$ 16.28 billion in FY 2021-20. India's drugs and pharmaceuticals exports stood at US$ 24.44 billion in FY 2020-21 and US$ 22.2 billion between April 2021 to February 2022.
- North America ranked as the largest market for India's pharma exports in FY 2020-21, with a 34% share and exports to the U.S., Canada and Mexico, recording a growth of 12.6%, 30% and 21.4%, respectively.
- According to a report released in September 2021 by the global consulting firm Kearney in collaboration with the Confederation of Indian Industry (CII), India's vaccines industry could grow from US$ 2 billion to US$ 5 billion in the next decade, as new Indian and Global Pharmaceutical Companies have started including vaccines as a key part of their portfolios.
- The World Health Organization (WHO), which co-leads COVAX, has been pushing India to resume supplies for the program, particularly after it sent 4 Million doses to neighbours and allies in October 2021.

(Source: Department of Commerce India, Department of Pharmaceuticals, India Business News, Global Trade Atlas, KPMG US-India Dynamic June 2018, Pharmexcil)

Cost Efficiency: Low cost of production and R&D boosts efficiency of Indian pharma companies, leading to competitive exports. Indian drugs and pharmaceuticals exports reached US$ 5.78 billion between April 2021 and June 2021. India's ability to manufacture high quality, low-priced medicines, presents a huge business opportunity for the domestic industry.

Economic Drivers: Economic prosperity improves drug affordability and increasing penetration of health insurance is expected to drive expenditure on medicine. With increasing penetration of pharmacies, especially in rural India, OTC drug will be readily available to most people.

Policy Support: Government of India approved Production Linked Incentive (PLI) scheme for the pharmaceuticals sector from FY 2020-21 to FY 2028-29. The scheme is expected to attract investments of ₹ 15,000 Crore (US$ 2.07 billion) into the sector. It is also expected to lead to incremental sales of ₹ 2,94,000 Crore (US$ 40.63 billion) and exports of ₹ 1,96,000 Crore (US$ 40.63 billion) between FY 2022-23 and FY 2027-28. Announced by Finance Minister an additional outlay of ₹ 197,000 Crore (US$ 26,578.3 Million) to be utilized over five years for the pharmaceutical PLI scheme in 13 key sectors, such as active pharmaceutical ingredients, drug intermediaries and key starting materials.

Industry Growth Drivers

Demand Side Drivers

- **Accessibility:** New business models are expected to penetrate tier-2 and 3 cities. Over 160,000 hospital beds – expected to be added each year in the next decade. Accounting for 20% of global exports in terms of volume, India's generic drugs sector is the largest provider of generic medicines, globally.
- **Acceptability:** Rising levels of education to increase acceptability of pharmaceuticals. Patients to show greater propensity to self-medicate, boosting the OTC market. Acceptance of biologics and preventive medicines to rise. Furthermore, medical tourism is expected to witness a demand surge due to increased patient inflow from other countries
- **Epidemiological Factors:** The number of patients is likely to increase over 20% in the next 10 years (until 2030), mainly due to higher population. Moreover, a changed lifestyle resulting in diseases, mostly unknown, are expected to infuse demand in the pharmaceutical industry.

  (Source: ICRA Report on Indian Pharmaceutical Sector, Pharmaceutical Industry: Developments in India- Deloitte, Mckinsey Pharma Report 2020)

Supply Side Drivers

- **Medical Infrastructure:** Pharma companies are spending more on tapping rural markets and developing better medical infrastructure. The market size of the hospitals is likely to increase by US$ 200 billion by 2024. India's medical devices market stood at US$ 10.36 billion in FY 2019-20. This market is predicted to increase at a CAGR of 37% from 2020 to 2025, reaching US$ 50 billion.
- **Scope in Generic Market:** India's generic drugs account for 20% of global exports in terms of volume, making it the largest provider of generic medicines, globally. The generics drug market accounts for around 70% of the India pharmaceutical industry. India supplies more than 40% generics to the US market.
- **OTC:** India's OTC drugs market stood at US$7.62 billion in 2021 and is estimated to grow at a CAGR of 19.4% to reach US$ 18.49 billion in 2026, driven by a shift in consumer attitudes towards self-medication, product advancements and pharmaceutical preferences for OTC drugs over prescription drugs.
- **Patent Expiry:** Over the next decade, approximately 120 drugs are expected to go off-patent with a forecasted worldwide revenue of between US$ 80 to US$ 250 billion.

(Source: BMI, India Biz, Nicholas Hall & Company, IQVIA)

Opportunities in Healthcare

- **Healthcare Infrastructure:** Additional three Million beds will be needed for India to achieve the target of 3 beds per 1,000 people by 2025. Also, India will have one doctor to every 800 patients by 2030. Additional 1.54 Million doctors and 2.4 Million nurses will be required to meet the growing demand for healthcare. By 2025, 58,000 job opportunities are expected to be generated in the healthcare sector, while over US$ 500 billion is expected to be spent on medical infrastructure by 2030. India has made strategic interventions in National Health Mission and the national disease control programs over the years, to ensure quality and affordable healthcare for all.
- **Health Tech:** India currently holds the fourth position in attracting VC funding to the health-tech sector, with investments of US$ 4.4 billion between 2016 and 2021, with US$ 1.9 invested in 2021 alone. A start-up named HealthifyMe, garnered a total user base of 30 Million people, is adding half a Million new users every month and crossed US$ 40 Million ARR in January 2022. In June 2021, Tata Digital Limited, a 100% subsidiary of Tata Sons Private Limited, announced that it will acquire a majority stake in the digital health company '1mg'.
- **Clinical Trial Market:** India is among the leaders in the clinical trial market. Due to a genetically diverse population and availability of skilled doctors, India has the potential to attract huge investments to its clinical trial market. In October 2021, an Indian company launched a Clinical Data and Insights (CDI) division to further strengthen its global presence and manage data-related aspects of its clinical trials. In November 2021, US-based company announced that it will start the clinical trial of its second generation COVID-19 vaccine 'AKS-452' in India soon.
- **Crams:** The Contract Research and Manufacturing Services industry (CRAMS) is expected to reach US$ 20 billion by 2024 and is expected to grow at a CAGR of 12%. Presently, this market has a presence of more than 1,000 players.

(Source: BMI, Drug Controller General of India)

Industry Risks and Outlook

According to the Economic Survey, spending on the health sector increased by approximately 73% from ₹ 2.73 Lakhs Crore in FY 2019-20 (pre-COVID-19) to ₹ 4.72 Lakhs Crore (BE) in FY 2021-22 (Source: https://economictimes.indiatimes.com/news/india/economic-survey-govt-spending-on-public-healthcare-rose-73-last-year/articleshow/89257199.cms). The Government has been taking initiatives to drive the growth of the pharmaceutical market in India. Several steps have also been taken by the Government to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. Additionally, the thrust on rural health programs, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies. Finally, the Indian pharmaceutical industry has been relatively resilient to the COVID-19 disruption and is poised to gain from favourable currency tailwinds and stable outlook for India and US business.

COMPANY OVERVIEW

FDC Limited is an established player in the pharmaceutical industry and a pioneer in developing specialized formulations. The Company is a market leader in the Oral Rehydration Salt category along with ophthalmic range of solutions. The Company's R&D facility is the backbone of its affordable and highly efficient products across categories. It enjoys active operational base in India as well as abroad. During FY 2021-22, FDC Limited earned a total revenue of ₹ 1597.69 Crore out of which revenue from export stood at ₹ 210 Crore.

SEGMENT WISE/ PRODUCT WISE PERFORMANCE

DOMESTIC

FDC Limited grew by 19%, where leader's Zifi & Electral crossed ₹ 300 Crore. Barrier & Enerzal reached ₹ 125 Crore while Zathrin grew significantly by 51%. During the year, the Company's Anti Infective, Gastro-Intestinal, Vits/ Mins/ Nutri, Ophthal and Cardiac segments performed well, registering growth of 35%, 19%, 22% and 11%, respectively. In FY 2020-21, the incremental value measuredly came from Anti Infective, Gastro-Intestinal & Vits/Mins/Nutri.

The Indian Pharma Market has grew by 18% in FY 2021-22. The growth was sharper in April 2021 and May 2021 at 61% and 53% respectively. All Therapies have grown double digit except Anti Diabetic. However from June 2021 onwards, the IPM maintained double digit growth till January 22.

Due to 2nd wave of the pandemic in Q1 21-22 Anti-Viral Market had grown but suddenly dropped down from Q2 due to slow down of COVID-19 cases.

Brand Electral Completed 50 years in the market and maintains 1st position and touched Rs. 300 Crores in IPM & grew at 21%.

(Source: IQVIA Secondary Sales Audit Mar' 22)

EXPORTS

USA

The Company is more focused on the US market, which is the largest market for generics products. FDC's US business derives benefit of vertical integration with most of the business's commercial formulations integrated with in-house APIs supplied from its USFDA-approved Roha plant. This helps the Company to reduce the costs and maintain optimal efficiency. In the Company's US generics business, it witnessed pricing pressure in some of the product categories despite which in FY 2021-22, the United States continued to be the single-largest pharmaceutical market in international business. During the year, the Company received ANDA-approval of Ofloxacin Otic solution 5 ml & 10 ml, which it plans to launch in the US market in FY 2023-24. With the market scenario slowly stabilizing in the US, FDC is confident of sustaining the momentum in the world's largest pharmaceutical market.

UK

The Company has its own subsidiary in the UK market with stable sales over the past years.

LATIN AMERICA & MIDDLE EAST

The business is gradually expanding in emerging markets like Latin America & the Middle East, which grew significantly by 22% in FY 2021-22.

The UAE market successfully opened in FY 21-22, with export of its flagship product 'Electral', after securing registration from the Ministry of Health and Prevention of UAE.

It also commercialized Gentamicin 0.3% Eye Drops in own label of a marketing company in Peru market. Its growth will be driven by new dossier filings and product launches in these key markets.

Asia

In the Financial Year 2021-22, the business from Asia was majorly from New Zealand, Australia, Hong Kong and Malaysia. New Zealand market has been a major contributor for FDC's Asia business over the period of years & also in FY 2021-22.

FDC has generated Finished Formulation growth of 92% in Myanmar with its flagship brand Electral. To accelerate the growth, the Company is also investing in marketing and brand promotion activities of Electral in Myanmar.

Over 70% of the total business in Asia was contributed by the top 10 products. Ophthalmic, followed by ORS, are the two prime categories on which FDC's export business thrives on.

The top 10 products comprise of Ophthalmic category products like Latanoprost Eye drops, Dorzolamide Eye drops

& Olopatadine Eye Drops . In the ORS category comes FDC's flagship brand Electral and Flunarin in OSD category. Going forward, for the first time, the Company is also planning to establish its business into niche segments of CE mark Ophthalmic Medical Devices in Malaysia and Australia. In addition, the Company is gradually expanding in emerging markets of CIS region such as Uzbekistan, Russia, Ukraine and Moldova.

Africa

In FY 2021-22, Africa region registered a business of ₹ 25.66 Crore, contributing 26% to overall exports. This region is growing at CAGR of 41% (FY 2016-17 to FY 2021-22). FDC's Presence is in 21 countries, with the top countries contributing (Ethiopia/Tanzania/Zimbabwe/Botswana/ Uganda) 84% of regional sales. The successful launch of Electral Zinc kits enabled the Electral brand to register a CAGR of 66% (FY 2016-17 to FY 2021-22).

RESEARCH AND DEVELOPMENT

Formulations

The objective of the R&D Formulations team at FDC limited is to develop quality products at affordable prices. The team constantly innovates to develop top-quality pharmaceutical products for the domestic and global markets. The scientists are engaged in developing new products using innovative technologies and robust development strategies. A stimulating work environment provides the impetus to deliver the best. There is a constant thrust to address patient needs, and efforts to develop products for their treatment are undertaken and delivered with utmost priority. The team has successfully developed and transferred challenging complex products from the laboratory to the commercial level.

Key highlights:

- Commercialization of challenging MUPS (Multi unit particulate systems) at plant scale
- Improvement in process efficiency and yield for Cephalosporin range of products at Baddi, using more advanced technique and machinery – Zifi 200, Zefu 250/500, Zipod 200, Zipod CV 200, Zefu CV 500
- ANDA Exhibit Batches of Pilocarpine Ophthalmic Solution 2%, Pilocarpine Ophthalmic Solution 4%, Olopatadine Ophthalmic Solution 0.2% and Cefpodoxime Proxetil Tablets 100mg and 200mg (as part of CMO)
- ANDA approval for Ofloxacin Otic 0.3%

Synthetics

The Research and Development centre located at Kandivali (Mumbai) engages in process development of niche products, particularly in area of Ophthalmic, Antihypertensive, Antifungal, Anti diabetic, Antihistaminic, Bronchodilator, Antibacterial and New Chemical entity (NCE).

The work on synthesis of generic Peptide molecules for treatment of Leukoderma (skin Pigmentation), Osteoporosis and Anti diabetic are also being carried out. These initiatives are aimed at cost effectiveness, backward integration and meeting regulatory requirement, to attain accreditation from various World Drug Regulatory Authorities.

Other highlights of the process developments of generic drug molecules are:

- Non-infringing processes
- Usage of environment-friendly chemicals
- Application of green chemistry principles for protection of environment and reduces aqueous effluents
- Development of desired polymorphs
- Usage of classical chemistry for development of chiral drugs
- Advanced state-of-the-art new flash and preparative chromatography technique for enhancing purity and yield on commercial scale
- Implementation of electronic laboratory notebook software with 21 CFR compliance for recording daily experiments; moving towards state-of-the-art 21 CFR compliant R&D centre
- Scale-up and technology transfer activities, ensuring overall chemical safety and protection of inventions through intellectual property rights, i.e., patents
- Life-cycle management of existing products from green chemistry point of view, yield improvement and cost reduction
- Selective enzymatic process for single required isomer

Nutraceuticals

R&D foods, majorly formulates Nutraceuticals products which include liquid and other food products derived from food sources that offer additional health benefits besides their basic nutritional value. There is growing recognition of the potential role for nutraceuticals and dietary supplements in helping to reduce health risks and improve health quality. In the global market, nutraceuticals and functional foods have become one of the fastest-growing segments. Hence, the R&D team constantly delivers market research, and new formulation according to ongoing trend, with cost effective solutions.

Key highlights:

- Enerzal Blitz launched
- Enerzal Zero in powder format trial & Stability completed
- Zefrich RTD 10gm protein trial completed, product stable launch activity initiated
- Infant Milk substitute formulation for MumMum 1, MumMum 2, Simyl MCT, Simyl LBW Trials completed to match the specifications and requirements as per Foods for Infant Nutrition Regulation of FSSAI, also addition changes done according to market trend by completely removing sugar from product
- Immunity Boosting drink trials completed
- Zefrich Advance trial completed with DHA and new flavour vendor developed for Milk masala
- Artwork revision for Enerzal, Zefrich, IMS, Humyl, Zefrich RTD for all SKU's completed as per new packaging and Labelling regulation
- Other products such as, Enerzal Powder Fortification with Natural Vitamin C & ZINC, Enerzal Colour Incorporation, Enerzal & Enerzal Zero Carbonation, and Simyl MCT Oil fortification, among others, under development

Biotechnology

Third Generation Thrombolyte Project

The Company has signed a master service agreement with new external party to develop the Purification strategy for Reteplase molecule. It performed the upstream processing on few batches at lab scale (10L capacity) in its R&D Bioprocess facility and forwarded the cell paste and inclusion bodies to the external party for further processing. The party has completed the first and second milestone i.e., Literature search, and feasibility analysis and solubility screening studies at shake flask level. The party is getting positive response in the third milestone i.e., solubility screening study at Bio-reactor level, to obtain the best process condition for soluble expression and scale-up at Bioreactor level. This will simplify the purification strategy way-forward and hence, economise the process.

Microbial Testing Lab

MTL has completed the testing of racemic mixture and single polymorph sample of NCEs TNF-18 and HY-27. The single polymorph samples showed activity better than the racemic mixture NCEs. The large quantity samples of single polymorph NCEs - TNF-18 and HY-27, were handed over to R & D Formulation for further formulation activity after reconfirmation of the anti-fungal activity. Excipient compatibility and BCS solubility studies for both these molecules are underway at R&D formulation department.

FINANCIAL PERFORMANCE HIGHLIGHTS

In FY 2021-22, the Company registered a standalone total income of ₹ 1,59,769.86 Lakhs compared to ₹ 1,42,259.50 Lakhs in the previous year. The Earnings before Interest and Depreciation amounted to ₹ 32,557.98 Lakhs in FY 2021-22 as compared to ₹ 42,147.58 Lakhs in the previous year. The Net Profit after Taxation stood at ₹ 21,963.56 Lakhs in FY 2021-22 as compared to ₹ 29,448.96 Lakhs in the previous year. On a consolidated basis, the Company registered a total income of ₹ 1,60,401.44 Lakhs in FY 2021-22 as compared to ₹ 1,43,022.90 Lakhs in the previous year.

Financial Ratios	FY 2020-21	FY 2021-22	Difference	% Change
Debtors Turnover Ratio (days)	30	19	(11)	(36)
Inventory Turnover Ratio (days)	59	73	14	24
Interest Coverage Ratio (times)	124	107	(17)	(14)
Current Ratio	4.57	3.65	(1)	(20)
Debt Equity Ratio	-	0.01	0	0
EBIDTA Margin (%)	32	21	(0)	(33)
Net profit Margin (%)	22	14	(0)	(34)

INTERNAL FINANCIAL CONTROL AND ADEQUACY

The Company believes that internal control is a prerequisite of governance and that action emanating out of agreed business plans should be exercised within a framework of checks and balances. The Company has a well- established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The Management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

The Company has an internal audit department which carries out audits throughout the year and appropriate actions are taken by the Management based on their recommendations.

HUMAN RESOURCE

We are fully committed to giving its employees a safe, secure, and healthy working environment. It consistently aims to outperform both external and internal benchmarks set by the industry in terms of employee performance and productivity. The goals and philosophies of the organization are intimately related to the professional ambitions for individuals and teams at all levels. This communicates and gives all employees a sense of direction and purpose. The Company places a lot of emphasis on developing a culture of inclusiveness and respect, making sure the workplace is safe, concentrating on developing skills and careers, and defending human rights as its main areas for driving HR initiatives. One of the essential elements of sustainable growth is being future ready. As part of its core goal, the Company is creating synergy and cultural integration through well-coordinated leadership programs for top leaders. For the purpose of assisting the sales force with products, scientific knowledge, and selling strategies, the Company has an internal training and development team. Additionally, the Company runs a number of programs on management effectiveness to enhance personnel skills and leadership potential for sales leadership. FDC is planning to transition its sales team to an e-learning platform in the upcoming fiscal year after seeing the value of contemporary training methods. Self-paced learning will be offered through interactive approaches in the web-based training. In line with the requirement of SEBI listing regulations, the Company has adopted a 'Code of Conduct and work ethics policy and Whistle Blower Policy'. The policy on Whistle Blower is uploaded on the Company's website i.e., www.fdcindia.com.

CAUTIONARY STATEMENT

The statement, forming a part of this Report, may contain certain forward-looking remarks with the meaning of applicable Securities Law and Regulations. The Company's actual results, performances, or achievements may differ significantly from any projected results, performances, or achievements due to a variety of variables. Economic conditions on a national and worldwide level, changes to government laws, the tax system, and other statutes are all significant variables that could have an impact on the Company's operations.

6. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relates and the date of this report.

7. AUDITORS REPORT

The report given by B S R and Co. LLP Statutory Auditors on the Financial Statement of the Company for the year ended March 31, 2022 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in the said audit Report.

8. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of the Company forms part of this Annual Report. This statement has been prepared on the basis of Audited Financial Statement received from the subsidiary companies as approved by their respective Board of Directors.

9. SUBSIDIARIES AND ITS OPERATIONS

The Company has 2 (Two) wholly owned Subsidiaries namely FDC Inc., USA and FDC International Limited, UK and 1 (One) Subsidiary, namely Fair Deal Corporation Pharmaceutical SA (Pty) Limited, South Africa. The Financials of the Subsidiary Companies are disclosed in the Consolidated Financial Statements, which forms a part of this Annual Report.

A statement containing salient features of the Financial Statements of Subsidiary Companies is annexed to this Report as **"Annexure B"** pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Rules made thereunder in the prescribed Form No. AOC-1 and hence, the same is not repeated for the sake of brevity.

In accordance with the provisions of Section 136 (1) of the Companies Act, 2013, the following information has been uploaded on the website of the Company i.e., www.fdcindia.com

(a) Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statement; and

(b) Audited Financial Statement pertaining to the Subsidiary Companies.

10. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is annexed as **"Annexure C".** Further, the report on Environmental and Social matters across the Company is annexed thereto.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

(a) In the preparation of Annual Accounts for the year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;

(b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit of the Company for the year ended on that date;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the annual accounts on a going concern basis;

(e) They have laid down proper Internal Financial Controls to be followed by the Company and they were adequate and operating effectively; and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments made by the Company are given in the notes to the Financial Statement.

Your Company has not given any Loans or Guarantees or Investments in contravention of the provisions of Section 186 of the Companies Act, 2013.

13. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the Public and as such no amount of principal or interest on deposits from Public was outstanding as on the date of the Balance Sheet.

14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to energy conservation, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134 of the Companies Act, 2013 and the Rules made there under, is annexed as **"Annexure D"** to this Report.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, there were no appointments/ resignations of any Board Members of the Company.

Re-appointment of Directors:

The Shareholders in the Annual General Meeting held on September 29, 2021 had approved re-appointment of CA Uday Kumar Gurkar as the Independent Director of the Company for a further period of 5 (Five) years with effect from April 01, 2021.

Appointment of Chairman of the Board:

CA. Uday Kumar Gurkar continues to be the Chairman of the Board pursuant to his re-apointment.

Appointment and Resignation of Directors:

During the year under review, there were no new Appointments or Resignation of Directors.

Ms. Nomita R. Chandavarkar has stepped down from the position of the Executive Director to Non-Executive Director of the Company with effect from April 01, 2022. She continues to be on the Board of the Company as Non-Executive Non-Independent Director and hence Ms. Nomita Chandavarkar was re-designated as Non-Executive Non-Independent Director of the Company with effect from April 01, 2022.

Retirement by Rotation:

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Nomita R. Chandavarkar, Non-Executive Non-Independent Director, retires by rotation at the 82nd Annual General Meeting and being eligible, has offered herself for re-appointment. The Profile of Director seeking reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Notice of the 82nd Annual General Meeting and the statement annexed thereto.

Key Managerial Personnel:

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on March 31, 2022:

1. Mr. Mohan A. Chandavarkar, Managing Director
2. Mr. Sanjay B. Jain, Chief Financial Officer
3. Ms. Varsharani Katre, Company Secretary & Compliance Officer

During the year, no KMP has been appointed or has retired or resigned.

16. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Information pursuant to Rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **"Annexure E".**

17. CORPORATE GOVERNANCE

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with a Compliance Certificate issued by the Statutory Auditors of the Company, forms part of the Annual Report.

18. RISK MANAGEMENT

The Risk Management Committee identifies and evaluates the business risks, in addition to overseeing the Risk Management Policy of the Company, from time to time. The details of the Risk Management Committee are included in the Corporate Governance Report.

The Risk Management Policy is placed on the website of the Company through web link http://www.fdcindia.com/admin/images/Risk_Management_Policy.pdf

19. NOMINATION AND REMUNERATION POLICY

Your Company has in place, a Nomination and Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Team.

The details of this Policy are provided in the Corporate Governance Report and the same is also available on the website of the Company through:

http://www.fdcindia.com/admin/images/Nomination_&_Remuneration_Policy.pdf

20. MEETINGS OF THE BOARD AND COMMITTEES THEREOF

The information has been furnished in the Corporate Governance Report.

21. AUDIT COMMITTEE

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the Corporate Governance and other matters as per terms of reference to Audit Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 and also all the matters listed under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Board as on March 31, 2022 comprises 2 (Two) Non- Executive Independent Directors and 1 (One) Executive Director. CA. Swati S. Mayekar is the Chairperson of the Committee. CA. Uday Kumar Gurkar and Mr. Mohan A. Chandavarkar are the other members of the committee. The Company Secretary acts as the Secretary to the Committee. The CFO is the permanent invitee to the Committee meeting. The Internal Auditor and the concerned partners/ authorized representatives of Statutory Auditors are regular invitees of the Committee meetings.

The Powers and Role of the Audit Committee are provided in the Corporate Governance Report. All recommendations made by the Audit Committee were accepted by the Board of Directors.

22. BOARD & DIRECTORS EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance, Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees, based on the evaluation parameters formulated by the Nomination and Remuneration Committee. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

23. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Independent Directors are familiarized with their roles, rights, responsibilities of the Company, the business model of the Company, etc., through various programmes on a continuous basis.

24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy for reporting genuine concerns or grievances on fraud and mismanagement. The said Policy is explained in detail in the Corporate Governance Report.

The Company has not denied any person from accessing the Audit Committee. There were no allegations/ disclosures/ concerns received during the year under review, in terms of the vigil mechanism established by the Company. The said Policy is also uploaded on the website of the Company: http://www.fdcindia.com/admin/images/Whistler_Blower_Policy.pdf

25. CODE OF CONDUCT

The Company has in place a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code of Conduct lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel and the duties of Independent Directors towards the Company.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2022. A Certificate duly signed by the Managing Director and Mr. Ashok A. Chandavarkar, Executive Director, on the compliance with the Code of Conduct is given in the Corporate Governance Report. The said Code is available on the website of the Company i.e. http://www.fdcindia.com/admin/images/Code_of_Conduct_of_FDC_Limited.pdf

26. PREVENTION OF INSIDER TRADING

The Company has in place a Policy on the Code of Conduct for Prevention of Insider Trading with a view to regulate the trading in securities by the Promoters, Directors and the Designated Employees of the Company.

The same has also been uploaded on the website of the Company i.e. http://www.fdcindia.com/admin/images/Code_of_Conduct_for_Prevention_of_ Insider_Trading.pdf

The Promoters, Directors and the Designated Employees have affirmed compliance with the Company's Code of Conduct for Prevention of Insider Trading.

27. RELATED PARTY TRANSACTIONS

During the year under review, all Related Party Transactions entered into by the Company were on an arm's length basis and in the ordinary course of business. Your Company has not entered into any contract, arrangement or transaction with any Related Party which would be considered as the material under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has also approved a policy on Related Party Transactions and the same has been uploaded on the Website of the Company i.e. http://www.fdcindia.com/admin/images/Policy_on_Related_Party_Transactions.pdf

A statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board on a quarterly basis. Omnibus prior approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions.

The Related Party Transactions as required under Accounting Standard are reported in the notes to financial statement The particulars as required under Section 134(3)(h) of the Companies Act, 2013 are furnished as **"Annexure - F"** to this report.

28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN OF WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on the Prevention, Prohibition and Redressal of Sexual harassment at workplace in line with the requirements of The Sexual Harassment of Women of Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said Policy is available on the website of the Company.

An internal Sexual Harassment Committee has also been set up to redress the complaints received regarding sexual harassment. The Company has not received any complaints during the year under review.

29. AUDITORS AND AUDIT REPORTS

a. STATUTORY AUDITORS

The Auditor's report for the year under review does not contain any qualifications, reservations or adverse remarks.

The existing Statutory Auditors of the Company i.e. M/s. BSR & Co. LLP hold office upto the ensuing 82nd Annual General Meeting and are eligible for re-appointment thereafter, under the provisions of Section 139 of the Companies Act, 2013, as they had completed the tenure of Five (5) years.

The Board recommended the re-appointment of BSR & Co. LLP, Chartered Accountants., as the Statutory Auditors at the ensuing Annual General Meeting, to hold office for a period of 5 (Five) years, from the conclusion of the 82nd Annual General Meeting till the conclusion of the 87th Annual General Meeting of the Company to be held in the year 2027.

b. **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014, the Board of Directors on the recommendation of the Audit Committee have re-appointed M/s. Sevekari Khare & Associates (Firm Registration No. 000084) Cost Accountants, Mumbai, as Cost Auditors of the Company, to carry out the audit of cost records of the Company, to carry out the audit of cost records of the Company. The said Auditors confirmed their eligibility for appointment as Cost Auditors.

As required under the Companies Act, 2013 and Rules made thereunder, the requisite resolution for ratification of remuneration of Cost Auditors by the Members has been set out in the Notice of the 82nd Annual General Meeting of the Company.

The Cost Audit Report for the Financial Year ended March 31, 2022 was filed with the Ministry of Corporate Affairs within the prescribed time.

c. **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company had appointed M/s. Sanjay Dholakia and Associates (PCS No.1798), Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2022. The Secretarial Audit Report is annexed as **"Annexure G"** to this Report. There is no qualification, reservation, adverse remark or disclaimer in the said Report.

30. COMPLIANCE WITH SECRETARIAL STANDARD ON BOARD AND GENERAL MEETINGS

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

31. DETAILS OF FRAUD REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors, Secretarial Auditors and Cost Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) and Rule 13 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has always been a socially responsible corporate citizen who is well aware and sensitive to the needs of the underprivileged people around it. During the year under review, the Company has undertaken various socio-economic activities such as organizing Nutritional Programmes, environmental awareness, improving water resources/ structure in the villages surrounding Plant sites, Constructing Toilets at Schools/Backward regions, etc. directly as well as through Trust and Non-Governmental Organization.

Your Company is doing its best to undertake various needs based activities in compliance with Schedule VII to the Companies Act, 2013.

The CSR policy is available on the website of the Company i.e. http://www.fdcindia.com/admin/images/Corporate_Social_Responsibility.pdf.

In accordance with the provisions of Section 135 of the Companies Act, 2013, an abstract on the Company's CSR activities is appended as "Annexure H" to this report.

33. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and the amendment made thereunder, the form MGT 9 shall be provided through web-link. and the same is available on the Website of the Company. i.e. www.fdcindia.com

34. TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AMOUNTS AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has been sending reminders to those Members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the Company's website i.e. www.fdcindia.com.

The Members, who have not encashed their dividend pertaining to Final Dividend FY 2014-15 and onwards, are advised to write to the Company immediately for claiming dividends declared by the Company.

In view thereof, after complying with the prescribed procedure, 49,223 shares on which dividend remained unclaimed for 7 (Seven) consecutive years, were transferred to IEPF account in the financial year 2021-22. Your Company has uploaded the details of such Shareholders whose shares are transferred to IEPF account on the website of the Company i.e. www.fdcindia.com. The procedure to claim the shares transferred to IEPF account has also been uploaded on the website.

35. ENVIRONMENT, HEALTH AND SAFETY

The Environment, Health and Safety are a part of the Management responsibilities and concerns. The Company has been providing various kinds of medical assistance to the employees and their families. Periodic health checkups are carried out for all the employees. Employees are also educated on safety and precautionary measures to be undertaken on their job.

36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by any regulatory, tribunal or court that would impact the going concern status of the Company and its future operations.

37. ACKNOWLEDGEMENTS

Your Directors would like to express and place on record their sincere appreciation for the continued co-operation and support received from the Medical fraternity, Government Authorities and Agencies, Stock Exchanges, Financial Institutions, Investors, Bankers, Consumers, Vendors and Members, during the year under review. Your Directors also place on record their appreciation for the hard work and contribution of all the employees of the Company.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Mumbai	**MOHAN A. CHANDAVARKAR**	**ASHOK A. CHANDAVARKAR**
Date: May 25, 2022	Managing Director	Executive Director

ANNEXURE A TO DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY OF FDC LIMITED

INTRODUCTION:

FDC Limited ("the Company") has always been committed in rewarding its shareholders by the distribution of its Profits via Dividend.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy to regulate the process of dividend declaration and its payout by the Company.

The key objectives of this policy is to ensure a regular dividend income to the shareholders and a long term capital appreciation for all stakeholders of the Company. Further, the Company shall also ensure to maintain adequate amount of Profits for its various expansion or diversification or acquisition Projects.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Company shall always endeavour to maintain fairness, consistency and sustainability, while distributing profits to the shareholders.

CATEGORY OF DIVIDENDS:

Under the Companies Act, 2013 and the Rules made thereunder, Dividend has been classified as Interim and Final Dividend. The Board of Directors ("Board") have been entrusted with the powers to recommend a final dividend to the shareholders and the same shall be approved by the shareholders at the general meeting of the Company. Further, the Board also has the absolute power to declare an interim dividend, as and when appropriate, during the financial year, as and when they consider it fit.

DECLARATION OF DIVIDEND:

Subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, the Dividend shall be declared or paid out of the following:

(i) Current financial year's profit

- a) after providing for depreciation in accordance with law; and
- b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

ii) The profits for any previous financial year(s):

- a) after providing for depreciation in accordance with law; and
- b) remaining undistributed.

iii) out of i) & ii) both.

In computing the above, the Board may at its discretion, subject to the provisions of the applicable laws, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of changes in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non cash charges pertaining to amortization or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a Special Dividend under certain circumstances, on account of extraordinary profits from sale of investments.

Factors to be considered while declaring Dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and the amount of profit to be retained in the business, to be used for future expansion/ diversification plans.

The Dividend payout decision of the Company depends upon certain external and internal factors such as:

External Factors:-

- (i) State of the Economy- in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of the profits to build up reserves to absorb future shocks.
- (ii) Capital Markets- when the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

(iii) Statutory Restrictions- The Board will keep in mind the restrictions imposed by the Companies Act with regard to the declaration of dividend.

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include:

(i) Profits earned during the year;

(ii) Present & future Capital requirements of the existing businesses;

(iii) Brand/ Business Acquisitions;

(iv) Expansion/ Modernization of existing businesses;

(v) Additional investments in subsidiaries/associates of the Company;

(vi) Fresh investments into external businesses; and

(vii) Any other factor as deemed fit by the Board.

After taking into consideration the above factors, the Board shall endeavour to take a uniform decision with an objective to enhance shareholders wealth and retaining substantial amount of Profit for the future plans of the Company.

Manner of Utilization of Retained Earnings:

The Board may retain its earnings in order to make better utilization of the available funds and increase the value of the stakeholders in the long run. The retained earnings of the Company may, inter alia, be utilized for the following purposes:

- To meet the working capital/ business needs of the Company
- To fund the project expansion plans of the Company;
- To fund the research expenditures of ongoing research projects specifically those in the advanced development stages.
- Towards replacement/ up-gradation /modernization of equipment's & plants
- Towards investment in long term/ short term strategic joint ventures &/or partnerships and/or subsidiary companies;
- To fund new acquisitions & investments.
- Towards diversification of business;
- Such other manner as the Board may deem fit from time to time.

Commitment towards distribution of Dividend to Shareholders:

The Company stands committed to deliver sustainable value to all its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits earned, through its core business activities, to the shareholders, in the form of dividend.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Mumbai	**MOHAN A. CHANDAVARKAR**	**ASHOK A. CHANDAVARKAR**
Date: May 25, 2022	Managing Director	Executive Director

ANNEXURE B TO DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014).

Statement containing salient features of the financial statements of Subsidiary Companies/ Joint Ventures as per Companies Act, 2013.

Pursuant to the general exemption granted under Section 129 of the Companies Act, 2013 by the Ministry of Corporate Affairs, Government of India, the Company is publishing the standalone and consolidated financial statements of FDC Limited and its subsidiaries. The financial statements and auditors' reports of the individual Subsidiaries are available for inspection by the Shareholders at the Registered Office of the Company.

1. FDC International

(₹ in Lakhs)

Reporting Period for the Subsidiary	March 31, 2022	March 31, 2021
% of Shareholding	100%	100%
Reporting Currency	UK Pounds	UK Pounds
Exchange Rate as on March 31, 2022	97.60	99.10
Share capital	3.65	3.71
Reserves and surplus	865.01	850.86
Total Assets	1,213.31	1,091.94
Total Liabilities	346.06	237.37
Investments (other than in subsidiaries)	-	-
Turnover	1,426.99	2,081.11
Profit/ (Loss) before taxation	265.71	290.26
Provision for taxation	52.34	57.08
Profit/ (Loss) after taxation	213.38	233.18
Proposed / Interim Dividend	-	

2. FDC INC

Reporting Period for the Subsidiary	March 31, 2022	March 31, 2021
% of Shareholding	100%	100%
Reporting Currency	US Dollars	US Dollars
Exchange Rate as on March 31, 2021	74.49	72.00
Share capital	37.25	36.00
Reserves and surplus	18.13	19.40
Total Assets	56.72	55.76
Total Liabilities	1.42	0.36
Investments (other than in subsidiaries)	-	-
Turnover	-	-
Profit/ (Loss) before taxation	(1.15)	(0.95)
Provision for taxation	0.37	0.36
Profit/ (Loss) after taxation	(1.53)	(1.31)
Proposed / Interim Dividend	-	-

3. FDC SA

Reporting Period for the Subsidiary	March 31, 2022	March 31, 2021
% of Shareholding	93%	93%
Reporting Currency	ZAR	ZAR
Exchange Rate as on March 31, 2022	4.99	4.72
Share capital	16.22	15.34
Reserves and surplus	(1430.94)	(1004.18)
Total Assets	584.93	314.10
Total Liabilities	1895.58	1302.94
Investments (other than in subsidiaries)	-	-
Turnover	230.59	6.33
Profit/ (Loss) before taxation	(350.69)	(220.62)
Provision for taxation	-	-
Profit/ (Loss) after taxation	(350.69)	(218.70)
Proposed / Interim Dividend	-	-

Notes:

(i) Names of Subsidiaries/ Joint Ventures which are yet to commence operations: None

(ii) Names of Subsidiaries/ Joint Ventures which have been liquidated or sold during the year: None

For and on behalf of the Board

Sd/-
MOHAN A. CHANDAVARKAR
Managing Director

Sd/-
ASHOK A. CHANDAVARKAR
Executive Director

Place: Mumbai
Date: May 25, 2022

ANNEXURE C TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	L24239MH1940PLC003176
2.	**Name of the Company**	FDC Limited
3.	**Registered address**	B-8, MIDC Industrial Area, Waluj- 431 136, District Aurangabad, Maharashtra
4.	**Website**	www.fdcindia.com
5.	**E-mail id**	investors@fdcindia.com
6.	**Financial Year reported**	April 01, 2021 to March 31, 2022
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	NIC Code 21002- Manufacture and Sale of Pharmaceutical Products
8.	**List 3 (Three) key products/services that the Company manufactures/provides (as in balance sheet)**	Cefixime Range, Oral Rehydration Salts (ORS), Energy Drink, Fluconozole & Vitcofol Range.
9.	**Total number of locations where business activity is undertaken by the Company:**	
	Number of International Locations (Provide details of major 5)	The Company has 2 (Two) foreign wholly owned subsidiaries located in USA & UK and (1) One Subsidiary located in South Africa.
10.	**Markets served by the Company Local/State/National/ International**	The Company has 7 (Seven) manufacturing plants located at 5 (Five) locations such as Waluj, Baddi, Roha, Sinnar and Goa. It has R & D Centre located at Kandivali. The Company has 18 (Eighteen) Carrying and Forwarding Agents and 2 (Two) Central Warehouses across the Country. The Company exports its products to 77 Countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	1688.100 Lakhs
2.	Total Turnover (₹)	1,59,769.86 Lakhs
3.	Total profit after taxes (₹)	21,963.56 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is is more than 2% of the average net profit in the previous 3 (Three) financial years.
5.	List of activities in which expenditure in 4 above has been incurred	The details of the CSR activities are given under **Annexure H** of the Directors Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company has 2 (Two) wholly owned subsidiaries incorporated in UK and USA and (1) One Subsidiary located in South Africa. These Companies comply with the requirements of the respective countries wherein they operate.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has a Code of Conduct for stakeholders, wherein they are expected to adhere to business principles consistent with those of the Company.

SECTION D: BR INFORMATION

1.a.	**Details of Director/Directors responsible for implementation of the BR Policy/ Policies:**
	DIN Number: 00043344
	Name: Mr. Mohan A. Chandavarkar
	Designation: Managing Director
1.b.	**Details of the BR Head :**
	DIN Number: 00043344
	Name: Mr. Mohan A. Chandavarkar
	Designation: Managing Director
	Telephone number: 022- 2673 9100
	Email ID: i nvestors@fdcindia.com

1. Principle-wise (as per NVGs) BR Policy / policies Principle –wise Index

P1- Buisness Ethics

P2-Product Responsibiltiy

P3-Wellbeing of Employees

P4-Stakeholders Engagement P5-Human Rights

P6-Environment

P7-Public Advocacy

P8-Corporate Social Responsibility Policy P9-Customer Relations

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	**Do you have a policy/policies for....**	Y	Y	Y	Y	Y	Y	Not Appl icabl	Y	Y
2.	**Has the policy being formulated in consultation with the relevant stakeholders?**	Y	Y	Y	Y	Y	Y		Y	Y
3.	**Does the policy conform to any national /international standards? If yes, specify? (50 words)**	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1		Refer Note1	Refer Note 1
4.	**Has the policy being approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?**	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)		Y (Signed by MD)	Y (Signed by MD)
5.	**Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y		Y	Y
6.	**Indicate the link for the policy to be viewed online?**	www. fdcindia. com	Available on the intra net of the Company	www. fdcindia. com	www. fdcindia. com	Available on the intra net of the Company	www. fdcindia. com		www. fdcindia. com	Available on the intra net of the Company
7.	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	Y	Y	Y	Y	Y	Y		Y	Y
8.	**Does the Company have in- house structure to implement the policy/ policies ?**	Y	Y	Y	Y	Y	Y		Y	Y
9.	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?**	Y	Y	Y	Y	Y	Y		Y	Y
10.	**Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	Y	Y	Y	Y	Y	Y		Y	Y

a. **Details of Compliance (Reply in Y/N)**

Note 1: All the policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.

b. **If answer to the question at serial number 1 against any principle, is NO, please explain why: Not applicable**

2. **Governance related to BR:**

(a). **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6months, Annually, More than 1 year:**

Annually

(b). **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The business responsibility report is a part of Annual Report FY 2020-21 and can be accessed on the website of the Company i.e. www.fdcindia.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (Business Ethics)

1. **Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   Yes, the Policy relating to ethics, bribery and corruption covers not only the Company but extends to its Subsidiaries and various Stakeholders dealing with the Company. The Company has various policies such as Code of Conduct, Whistle Blower and Sexual Harassment. These policies are available on the website of the Company i.e. www.fdcindia.com.

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

   The Company has not received any significant complaints from the Stakeholders in the last financial year.

   The details relating to shareholders complaints are given under Corporate Governance Report of the Annual Report for FY 2020-21.

Principle 2 (Product Responsibility)

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

   a. Antibiotic / Antibacterial System – Zifi, Zathrin, Zefu & Zipod etc

   b. Antidiarrhoeal, Intest , Disinfectants – Electral & Enerzal etc

   c. Cardiac Range – Amodep Range, Zivast Range.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   The Company manufactures and distributes its wide range of generics, formulations, active pharmaceuticals at its internationally accredited manufacturing plants. There are no specific standards to ascertain reduction achieved at product level, since consumption per unit depends on the product mix.

   (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   There is no broad based impact on energy and water conservation by consumers due to the Company's products. However, the Company takes ongoing measures to reduce consumption of energy and water. Equally important though is the well-being of our community and the environment. So, we not only work to make our products affordable and accessible, but also take care to support the local economy and the global environment.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so:**

   Yes, The Company has a well-established procedure of Vendor Development. Materials are procured both locally and internationally from approved Vendors. The Company regularly conducts audits for these Vendors. The Company has enduring business relationship with the Vendors and receives their constant support.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding the place of work?**

   (a) **If yes, what steps have been taken to improve the capacity and capability of local and small vendors? Yes**

   The Company continues to procure goods and avail services from the local and small vendors, with preferences to those located around its manufacturing plants. The Company provides support to the vendors, whenever required, in developing quality products.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so:**

   Being in pharmaceutical business, recycling of products is not permitted. The Company has a mechanism to recycle the process solvents and allow the wastes to recycle at authorized offsite. Every Plant has its own Effluent Treatment Plan, in order to ensure that the discharge of waste and solvents is within the limits stipulated by the respective pollution control boards. About 20-30% of the waste water generated in the Plants is recovered, recycled and reused, thereby saving usage of fresh water. Treated waste water is used for sanitation purposes.

Principle 3 (Well being of Employees)

1. **Please indicate the Total number of employees:**

   6427 employees as on March 31, 2022.

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

   905 as on March 31, 2022.

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

   210 as on March 31, 2022.

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

   3 as on March 31, 2022.

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

   There are unions of workers at few plants i.e Roha, Sinner, Waluj & Goa 1 & 2, these unions are registered under Trade Union Act, 1926. However there is no association of staff at any sites including corporate office.

6. **What number of your permanent employees are members of this recognized employee association?**

   Around 219 of the permanent employees are members of recognized employee associations.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: None**

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

   We impart safety training every year, apart from this, regular safety trainings are conducted as per SOPs.

   (a) **Permanent Employees:** More than 75% of the operating personnel are trained at regular intervals on safety and first aid.

   (b) **Permanent Women Employees:** Around 75% of the permanent women employees are trained at regular intervals on safety and first aid. The Company does not make any discrimination while imparting training to the women employees.

   (c) **Casual/Temporary/Contractual Employees:** Around 75% Casual/ Temporary/ Contractual Employees in operating functions are trained.

   (d) **Employees with Disabilities:** The Company does not make any discrimination while imparting training to differently abled employees vis-a-vis their fellow employees.

Principle 4 (Stakeholders Engagement)

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, a relationship based on mutual trust and understanding is what we aim to share with our stakeholders. The Company has mapped its Stakeholders, internal and external, who directly or indirectly influence our business operations.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so:**

   Yes, the Company has identified some groups in this category. They include those who cannot afford quality health and education, communities from the lower social economic strata etc. FDC identifies their needs and addresses them to the extent possible. These initiatives include creation of infrastructural facilities in the local communities for the weaker sections and promotion of education and health amongst the social and backward groups of Society.

Principle 5 (Human Rights)

1. **Does the Policy of the Company on human rights cover only the Company or extend to the Group / Suppliers / Contractors / NGOs / Others?**

   The Policy covers the Company, its subsidiaries and all suppliers and contractors. The Companies code of conduct and human resource practices cover most of these aspects. The Company does not hire child labour or forced labour and never discriminates between its employees.

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

   The Company did not receive any complaint from any stakeholder in the previous financial year relating to human rights.

Principle 6 (Environment)

1. **Does the Policy related to Principle 6 cover only the Company or extends to the Group/ Suppliers / Contractors / NGOs / Others?**

   The Policy covers only the Company. The Subsidiary Companies are independent companies located outside India and are guided by their own policies and laws of the countries where they are located.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes, please give hyperlink for webpage etc.:**

   Conservation and optimization of natural resources has always been a priority for the Company. The Environment Policy of the Company is available on the website at www.fdcindia.com. Efforts are also made to conserve water resources and eliminate over utilization of resources.

3. **Does the Company identify and assess potential environmental risks?**

   The Company identifies and assesses the risks internally and necessary steps are undertaken at regularly intervals to minimize the risks. The Company's manufacturing facilities are internationally accredited by reputed agencies.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed:**

   The Company has installed agro-fuel fired boilers at various Plants. The Company monitors the stack emissions on quarterly basis and the same is being reported annually to the Pollution Control Board. The Company has also invested in Solar Projects at various locations for reduction in emissions.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.:**

   The Company has undertaken energy efficient initiatives at different locations which is given under **"Annexure D"** to Directors' Report.

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

   Yes

7. **Number of Show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   There were no show cause/legal notices pending as at the end of the financial year.

Principle 7 (Public Policy)

1. **Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:**

   The Company is a member of various trade bodies, chambers and associations inter- alia:

   (a) Indian Drug Manufactures' Association (IDMA)

   (b) Bombay Chamber of Commerce and Industry (BCCI)

   (c) Federation of Pharma Entrepreneurs (FOPE)

   (d) Pharmaceutical Export Promotion Council of India (PHARMEXCIL)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No? if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):**

   Yes, The Company continues to participate in various forums to address the various issues pertaining to public health. The Company also makes continuous efforts to provide affordable treatment to the marginalized and economical weaker sections of the Society. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.

Principle 8 (CSR)

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof:**

   The Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. The Company has been contributing towards the rural development, education, nutritional programme, sanitation & hygiene, rehabilitation programme and other socio–economic activities, under its corporate social responsibility activities, which has benefitted the society to some extent. The CSR Policy is available on the website of the Company i.e. www.fdcindia.com and the Annual Report on CSR activities, as required under Section 135 of the Companies Act, 2013, is given under **"Annexure H"** to the Directors' Report.

   The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

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

   The CSR programs are undertaken by the Company directly or indirectly through recognized public charitable trusts, Non-Governmental organizations and projects in partnership with Government.

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

   Yes, your Company does regular impact assessment at intervals and takes feedback from the concerned organizations and agencies on the progress of the CSR projects.

4. **What is your Company's direct contribution to community development projects- Amount in ` and the details of the projects undertaken?**

   During the year the Company has spent ₹ 6.04 Crore on community development programmes namely towards education, nutritional programme, sanitation & hygiene and rehabilitation programme. Please refer to "Annexure H" to Directors' report for details of the projects / activities undertaken during the year FY 2021-22.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:**

   The Company's representatives visit the Project sites at regular intervals and feedback is obtained to improve the projects undertaken, if required. Such steps are taken keeping in view the nature of community development measure. The details of the CSR activities are given under **"Annexure H"** to the Directors' Report.

Principle 9 (Customer Relations)

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

   None

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information):**

   The Company follows the applicable Laws, Rules and Regulations with respect to labelling and displaying of product information.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on the end of the financial year? If so, provide details thereof, in about 50 words or so:**

   No

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company regularly carries out consumer surveys at doctor level.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Mumbai	**MOHAN A. CHANDAVARKAR**	**ASHOK A. CHANDAVARKAR**
Date: May 25, 2022	Managing Director	Executive Director

ANNEXURE D TO DIRECTORS REPORT

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2022

A) CONSERVATION OF ENERGY

1) CFL/FTL/Sodium Vapor fittings are replaced with energy efficient LED fittings thereby reduction in respective fittings power consumption up-to 50% at all the plants.

2) Roof top solar systems made operational on PPA basis as mention below.

Location	Capacity (kWp)
Sinnar Plant	820
Baddi Plant	331
Nagpur Depot	12

3) Bhiwandi warehouse PV Solar capacity is increased from 50 kWp to 62 kWp for enhancing the electricity generation.

4) RO plant reject and ETP recycled water is utilized for toilet flushing at manufacturing plants.

5) Installed modulating valves in CHW manifolds of AHUs which are suitable for harsh environment to avoid loss and enhance chiller efficiency at Roha Plant.

6) Existing conventional ceiling fans are replaced with energy efficient BLDC fans there by reducing the energy consumption up-to 50%.

B) TECHNOLOGY ABSORPTION

1) Reverse Osmosis and Multi effect evaporator (RO-MEE) system to treat High pollutant and low pollutant stream is made operational at FDC Limited, Roha to achieve Zero liquid discharge.

2) Existing Air compressors are replaced with Energy efficient Air compressors thereby reduction in power consumption up to 20 % at manufacturing plants.

C) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

(₹ in Lakhs)

Particulars		FY 2021-22	FY 2020-21
a	*Capital	306.17	112.06
b.	Recurring	3,026.25	2,599.18
c.	Total	3,332.42	2,711.24
d.	Turnover	1,51,896.51	1,32,544.91
f.	Total R&D expenditure as a percentage of total turnover *Including C.W.I.P.	2.19%	2.05%

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

Particulars	FY 2022	FY 2021
Foreign Exchange earned in terms of actual inflows	21,382.75	32,539.39
Foreign Exchange outgo in terms of actual outflow	5,519.51	5,510.08

For and on behalf of the Board

Sd/-
MOHAN A. CHANDAVARKAR
Managing Director

Sd/-
ASHOK A. CHANDAVARKAR
Executive Director

Place: Mumbai
Date: May 25, 2022

ANNEXURE E TO DIRECTORS' REPORT

PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22.

Name	Designation	Ratio
Mr. Mohan A. Chandavarkar	Managing Director	100:1
Mr. Nandan M. Chandavarkar	Joint Managing Director	77:1
Mr. Ashok A. Chandavarkar	Wholetime Director	53:1
Mr. Ameya A. Chandavarkar	Wholetime Director	51:1
Ms. Nomita R. Chandavarkar	Wholetime Director	21:1
CA. Uday Kumar Gurkar	Chairman & Independent Director	
CA. Swati S. Mayekar	Independent Director	
Mr. Melarkode Ganesan Parameswaran	Independent Director	
Ms. Usha Athreya Chandrasekhar	Independent Director	
Dr. Mahesh Bijlani	Independent Director	

Note: The remuneration to Independent Directors consists of Sitting fees and commission only.

(ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or manager in the Financial Year.

Name	Designation	% increase/(decrease)
Mr. Mohan A. Chandavarkar	Managing Director	(10.28)
Mr. Nandan M. Chandavarkar	Joint Managing Director	(9.92)
Mr. Ashok A. Chandavarkar	Wholetime Director	(12.80)
Mr. Ameya A. Chandavarkar	Wholetime Director	(12.19)
Ms. Nomita R. Chandavarkar	Wholetime Director	(13.09)
Mr. Sanjay B. Jain	Chief Financial Officer	5.11
Ms. Varsharani Katre	Company Secretary	12.12
CA. Uday Kumar Gurkar	Chairman & Independent Director	
CA. Swati S. Mayekar	Independent Director	
Mr. Melarkode Ganesan Parameswaran	Independent Director	
Ms. Usha Athreya Chandrasekhar	Independent Director	
Dr. Mahesh Bijlani	Independent Director	

(iii) The percentage increase in the median remuneration of employees in the Financial Year. 4.45

(iv) The number of permanent employees on the rolls of the Company :

There were 6336 employees on the rolls of the Company as on March 31, 2022.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof:

Average increase in managerial remuneration is 14.85 % & for other than Managerial Personnel is 2.54%.

(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: Yes

For and on behalf of the Board

Sd/-
MOHAN A. CHANDAVARKAR
Managing Director

Sd/-
ASHOK A. CHANDAVARKAR
Executive Director

Place: Mumbai
Date: May 25, 2022

ANNEXURE F TO DIRECTORS' REPORT

FORM NO. AOC-2

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

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

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

   The Company has not entered into any transaction with related parties which were not on an arm's length basis.

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

   The Company has not entered into any material contracts or transactions with related parties during the financial year 2021-22.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Mumbai	**MOHAN A. CHANDAVARKAR**	**ASHOK A. CHANDAVARKAR**
Date: May 25, 2022	Managing Director	Executive Director

ANNEXURE G TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31 2022

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

To,
The Members,
FDC LIMITED
(CIN: L24239MH1940PLC003176)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FDC LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;(Not applicable during Audit Period)

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; there were no ESOPS issued during the year under review.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; there were no debts raised during the year under review.

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 regarding Reconciliation of Share Capital.

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There were no proposals for delisting of its Equity shares during the year under review.); and

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

The Board of Directors of the Company had approved a buyback of its fully paid-up Equity Shares through tender offer route in its meeting held on February 09, 2022. The Company proposes to buyback 29,00,000

(Twenty Nine Lakh only) Equity Shares of face value Re. 1 each for a consideration of ₹ 475 (Rupees Four Hundred Seventy Five only) per Equity Share for an aggregate consideration of upto ₹ 13,775 Lakhs (Rupees One Hundred Thirty Seven Crore Seventy Five Lakhs only), which constitutes 8.02% and 7.97% of the aggregate of the paid-up share capital and free reserves as per the audited standalone and consolidated financial statements, respectively as on March 31, 2021.

vi. Other laws applicable specifically to the Company as per management representation letter namely:

Drugs and Cosmetics Act, 1940, The Pharmacy Act, 1948, The Narcotic Drugs and Psychotropic Substances Act, 1985, The Trademarks Act, 1999, The Indian Copy Right Act, 1957, The Patents Act, 1970, Food and Drug Administration licensing terms and conditions and Food Safety and Standards Act, 2006.

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

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2).

ii. SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines Standards 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 / Committees thereof 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 in compliance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

This Report is to be read with my letter of even date which is annexed as Annexure I and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-
(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798
UDIN: F002655D000381321

Date: May 25, 2022.
Place: Mumbai

ANNEXURE 1

To,
The Members,
FDC LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-
(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798
UDIN: F002655D000381321

Date: May 25, 2022.
Place: Mumbai

SECRETARIAL COMPLIANCE REPORT OF
FDC LIMITED FOR THE YEAR ENDED MARCH 31, 2022

(Pursuant to Regulation 24A(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with circular dated 8th February 2019 issued by SEBI)

I Sanjay Dholakia, Practising Company Secretary have examined:

(a) All the documents and records made available to us and explanation provided by FDC LIMITED ("the listed entity");

(b) The filings / submission made by the listed entity to the stock exchanges;

(c) Website of the listed entity;

For the year ended ("Review Period") in respect of compliance with the provisions of:

(a) The Securities and Exchange Board of India Act ,1992 ("SEBI Act") and the Regulations , circulars, guidelines issued thereunder; and

(b) The Securities Contract (Regulation) Act,1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI Act");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations,2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations,2018; (Not applicable during Audit Period)

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable during Audit Period)

(e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during Audit Period)

(f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(g) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;

(h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars / guidelines issued thereunder.

(i) Securities and Exchange of Board of India (Buy-back .Regulation), 2018:

The Board of Directors of the Company had approved a buyback of its fully paid-up Equity Shares through tender offer route in its meeting held on February 09, 2022. The Company proposes to buyback 29,00,000 (Twenty Nine Lakh only) Equity Shares of face value Re. 1 each for a consideration of ₹ 475 (Rupees Four Hundred Seventy Five only) per Equity Share for an aggregate consideration of upto ₹ 13,775 Lakhs (Rupees One Hundred Thirty Seven Crore Seventy Five Lakhs only), which constitutes 8.02% and 7.97% of the aggregate of the paid-up share capital and free reserves as per the audited standalone and consolidated financial statements, respectively as on March 31, 2021

And based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ Circulars/Guidelines including specific clause)	Deviations	Observations /Remarks Of The Practicing Company Secretary
	NIL	NIL	NIL

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from my /our examination of those records.

(c) The following are the details of actions taken against the listed entity/its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the standard operating procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars /guidelines issued thereunder:

Sr. No.	Action Taken By	Details Of Violation	Details Of Action Taken E.G. Fines, Warning Letter, Debarment, Etc.	Observations/ Remarks Of The Practicing Company Secretary, If Any.
	NIL	NIL	NIL	NIL

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-
(SANJAY R DHOLAKIA)
Practicing Company secretary
Proprietor
Membership No. FCS 2655 CP 1798
UDIN: F002655D000381341

Date: May 25, 2022
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
FDC LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **FDC LIMITED** having CIN **L24239MH1940PLC003176** and having registered office at B-8, MIDC Industrial Estate, Waluj, Aurangabad - 431130 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on **March 31, 2022** have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-
(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. FCS 2655 CP 1798
UDIN: F002655D000381319

Place: Mumbai
Date: May 25, 2022.

ANNEXURE H TO DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. **A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs**

   Your Company as a socially responsible citizen has been contributing towards the rural development, education, nutritional programme, sanitation & hygiene, rehabilitation programme and other socio–economic activities, under its corporate social responsibility activities, which has benefited the society to some extent.

   Your Company continues to engage with various communities, expert organizations and the Government, for taking up various activities, under its CSR Policy.

   The CSR Policy of the Company is available on the Company's website i.e. http://www.fdcindia.com/admin/images/Corporate_Social_Responsibility_Policy.pdf

2. **The Composition of the CSR Committee**
   a) Mr. Mohan A. Chandavarkar - Chairman
   b) Mr. Ashok A. Chandavarkar - Member
   c) CA. Uday Kumar Gurkar - Member
   d) Ms. Nomita R. Chandavarkar - Member

3. **Average net profit of the Company for the last 3 (Three) financial years: ₹ 30119.81 Lakhs**

4. **Prescribed CSR Expenditure 2 (Two) percent of the amount as in item 3 above: ₹ 602.39 Lakhs**

5. **Details of CSR spent during the financial year 2021-22:**
   a. Total amount to be spent in the financial year: **₹ 602.39 Lakhs**
   b. Total amount spent for the financial year: ₹ **604.25** Lakhs
   c. Amount unspent, if any: **NIL**
   d. Manner in which the amount spent during the financial year is detailed below:

ANNEXURE - A

Sr. No.	CSR project or activity identified	Area where projects or programs was undertaken	Amount approved (budget) for Project or programs wise (In ₹) in the financial year 2021-2022	Total Amount spent (In ₹) from April 01, 2021 to March 31, 2022	Unspent Amount during the F.Y. 2021 - 2022	CSR Registration No.
1	Ventilators provided to Bhatia Hospital, Mumbai for treatment of Covid Patients amid the recent second wave of Covid Pandemic pursuant to the approval granted by the Committee vide email dated May 10, 2021.	Grant Road, Mumbai	31,36,000	31,36,000	0	-
2	Distribution of medicines to the flood affected areas in Maharashtra through Food & Drug Administration (FDA), Mumbai pursuant to the approval granted by the Committee on August 05, 2021.	Maharashtra	9,10,045	9,10,045	0	-
3	Contribution for maintaining quality education in schools managed by Balak Vrunda Education Society (BVES) for underprivileged students.	Mumbai	15,00,000	15,00,000	0	CSR00014043

Sr. No.	CSR project or activity identified	Area where projects or programs was undertaken	Amount approved (budget) for Project or programs wise (In ₹) in the financial year 2021-2022	Total Amount spent (In ₹) from April 01, 2021 to March 31, 2022	Unspent Amount during the F.Y. 2021 - 2022	CSR Registration No.
4	FDC Comprehensive Rural Development Project (FDC - CRDP) through BAIF Institute for Sustainable Livelihoods and Development (BISLD).	Sinnar, Nashik	50,00,000	50,00,000	0	CSR00000259
5	Contribution for the following activities at "Late Digambarrao Padvi Ashram Shala" Ambiste, Wada, Dist.- Palghar.	Palghar			0	CSR00017090
	A. New Toilet Blocks		12,79,330	12,79,330		
	B. Nutrition Programme		9,25,550	9,25,550		
	C. Old Toilet Blocks Repiring & Electrical Work		4,37,530	4,37,530		
	D. Solar Heaters Installation		39,000	39,000		
6	Medical and Health facility for rehabilitation of street youth indulged in drug consumption through Society Undertaking Poor People's Onus for Rehabilitation (SUPPORT).	Mumbai	20,00,000	20,00,000	0	CSR00002042
7	Support to Saraswat Education Society (SES) at Mangalore, Karnataka.					
	A. Construction & Repairing work of Primary School (Class 1 to 5) building through Saraswat Education Society (SES).	Mangalore, Karnataka	15,00,000	15,00,000	0	CSR00011189
	B. Construction Secondary School (Class 6 to 10) building through Saraswat Education Society (SES).	Mangalore, Karnataka	3,00,00,000	3,00,00,000	0	CSR00011189
8	Vitrectomy Machine and accessories provided as a part of infrastructure support to Department of Ophthalmology at Dr. R. N. Cooper Hospital, Juhu, Mumbai to help the underprivileged / Needy patients who can get the best ophthalmic treatment.	Mumbai	36,98,000	36,98,000	0	-
9	Contribution made towards replacing the existing roofing sheets with new Galvanized Sheets in the two School Buildings at Swami Parijnanshram Educational and Vocational Centre (SPEVC) through Shree Trust, Mumbai.	Mumbai	4,00,000	4,00,000	0	CSR00006392
10	Support to AIDS Combat International (ACI), an NGO, Mumbai for Breast Cancer Surgery for patients.	Mumbai	24,00,000	24,00,000	0	CSR00013381
11	Contribution made towards Equal Hue Excellence Programme which is a scholarship programme that aims to offer support to talented Women Cricketers from across India through Gosports Foundation, Karnataka.	Karnataka	60,00,000	60,00,000	0	CSR00002235
12	Contribution made to Dilkhush Welfare Society (Sanjan Home) for repairing their vocational centres for differently-abled adults.	Valsad, Gujarat	12,00,000	12,00,000	0	CSR00011661
	Total:-		**6,04,25,455**	**6,04,25,455**	**0**	

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy of Corporate Governance is to carry out its activities and operations in a true and fair manner to achieve transparency, accountability and business prosperity.

The Company's Code of Conduct, its Risk Management Policy and its well-structured internal control systems, which are subjected to regular assessment of its effectiveness, reinforces accountability and integrity of reporting and ensures fairness in dealing with the Company's stakeholders and enhancing the Shareholder's value.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regards to Corporate Governance.

Details of the Company's Board Structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

2. BOARD OF DIRECTORS

(A). Composition and category of Directors

The Board of Directors of the Company is headed by a Non - Executive Chairman and consists of the following Directors as on March 31, 2022, as indicated below:

<table>
<tr><th>Name of the Directors</th><th>Category</th></tr>
<tr><td>Mr. Mohan A. Chandavarkar
(DIN - 00043344)</td><td rowspan="5">Promoters and Executive Directors</td></tr>
<tr><td>Mr. Nandan M. Chandavarkar
(DIN - 00043511)</td></tr>
<tr><td>Mr. Ashok A. Chandavarkar
(DIN - 00042719)</td></tr>
<tr><td>Mr. Ameya A. Chandavarkar
(DIN - 00043238)</td></tr>
<tr><td>Ms. Nomita R. Chandavarkar*
(DIN - . 00042332)</td></tr>
<tr><td>CA. Swati S. Mayekar
(DIN - . 00245261)</td><td rowspan="5">Non-Executive and Independent Directors</td></tr>
<tr><td>CA. Uday Kumar Gurkar
(DIN - . 01749610)</td></tr>
<tr><td>Mr. Melarkode Ganesan Parameswaran
(DIN - 00792123)</td></tr>
<tr><td>Ms. Usha Athreya Chandrasekhar
(DIN - 06517876)</td></tr>
<tr><td>Dr. Mahesh Bijlani
(DIN - 08447258)</td></tr>
</table>

- Ms. Nomita R. Chandavarkar has stepped down from the position of the Executive Director to Non-Executive Director of the Company with effect from April 01, 2022. She continues to be on the Board of the Company as Non-Executive Non-Independent Director and hence Ms. Nomita Chandavarkar was re-designated as Non-Executive Non-Independent Director of the Company with effect from April 01, 2022.

The Composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. The profile of the directors of the Company can be found on the https://www.fdcindia.com/board-of-directors.php

None of the Directors on the Board holds directorships in more than seven public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than seven committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

(B). **Board Meetings held during the financial year ended March 31, 2022**

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
May 26, 2021	10	10
June 17, 2021	10	10
August 12, 2021	10	10
November 11, 2021	10	10
February 09, 2022	10	10

The gap between any 2 (Two) meetings did not exceed 120 (One Hundred Twenty) days as per the provision of the Companies Act, 2013 and Secretarial Standards.

(C). **Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM) of the Company.**

Name of the Director	Attendance at the Board Meetings and Annual General Meeting of the Company.					
	May 26, 2021	June 17, 2021	August 12, 2021	November 11, 2021	February 09, 2022	Attendance at the last AGM held on September 29, 2021
CA. Uday Kumar Gurkar	Present	Present	Present	Present	Present	Present
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present	Present	Present
Mr.Nandan M.Chandavarkar	Present	Present	Present	Present	Present	Present
Mr. Ashok A. Chandavarkar	Present	Present	Present	Present	Present	Present
Mr. Ameya A. Chandavarkar	Present	Present	Present	Present	Present	Present
Ms. Nomita R. Chandavarkar	Present	Present	Present	Present	Present	Present
CA. Swati S. Mayekar	Present	Present	Present	Present	Present	Present
Mr. Melarkode Ganesan Parameswaran	Present	Present	Present	Present	Present	Present
Ms. Usha Athreya Chandrasekhar	Present	Present	Present	Present	Present	Present
Dr. Mahesh Bijlani	Present	Present	Present	Present	Present	Present

(D). **Membership/ Chairmanship of Directors in other boards and committees thereof**

Name of the Director	*Number of Directorship(s) held in other Indian public limited companies	Name of the Other Companies where He / She is a Director	**other Committee(s) position	
			Member	Chairman
Mr. Mohan A. Chandavarkar	-	-	-	-
Mr. Nandan M. Chandavarkar	-	-	-	-
Mr. Ashok A. Chandavarkar	-	-	-	-
Mr. Ameya A. Chandavarkar	-	-	-	-
Ms. Nomita R. Chandavarkar	-	-	-	-
CA. Swati S. Mayekar #	2	Uniphos Enterprises Limited and Arysta Lifescience India Limited	2	-
CA. Uday Kumar Gurkar	-	-	-	-
Mr. Melarkode Ganesan Parameswaran##	2	Galaxy Surfactants Limited and Rediff.com India Limited	3	3
Ms. Usha Athreya Chandrasekhar	-	-	-	-
Dr. Mahesh Bijlani	-	-	-	-

*excludes Directorships held in Private Limited Companies, Foreign companies and Companies registered under Section 8 of the Companies Act, 2013.

**committees considered are Audit Committee and Stakeholders' Relationship Committee.

CA. Swati Mayekar is member of the Audit Committee and Stakeholder Relationship Committee in Uniphos Enterprises Limited.

Mr. Melarkode Ganesan Parameswaran is member of Audit Committee and Chairperson of Stakeholders' relationship committee in Galaxy Surfactants Limited and Chairperson of Audit Committee in Rediff.com India Limited.

(E). Separate meeting of Independent Directors

During the year, a separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the management, was held on February 04, 2022.

The Independent Directors reviewed and assessed the performance of the Non-Independent Directors, including the Managing Director. They concluded that the Board as a whole, and the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness, is satisfactory.

(F). Details of shareholding of Non-Executive Directors in the Company

Name of the Director	No. of shares
CA. Uday Kumar Gurkar	-
CA. Swati S. Mayekar	-
Mr. Melarkode Ganesan Parameswaran	-
Ms. Usha Athreya Chandrasekhar	100
Dr. Mahesh Bijlani	-

(G). Directors appointed/ resigned during the year ended March 31, 2022

During the Financial year 2021-22, there were no appointments/resignations of any Board Members except re-designation of Ms. Nomita R. Chandavarkar as Non-Executive Non-Independent Director w.e.f April 01, 2022 pursuant to relinquishment of her position of Executive Director.

(H). Code of Conduct

The Company has in place, the Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel of the Company.

The code of conduct lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with the Stakeholders. It also lays down the duties of Independent Directors towards the Company. The Directors and the Senior Management Personnel of the Company are expected to abide by this Code as well as other applicable Company policies or guidelines.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2022. A Certificate duly signed by Mr. Mohan A. Chandavarkar, Managing Director and Mr. Ashok A. Chandavarkar, Executive Director, on the compliance with the Code of Conduct is provided as Annexure A to this report.

The said Code of conduct is available on the website of the Company i.e. http://www.fdcindia.com/admin/images/Code_of_Conduct_of_FDC_Limited.pdf

(I). Prevention of Insider Trading

The Company has in place a Policy on the Code of Conduct which is duly amended from time to time for Prevention of Insider Trading with a view to regulate the trading in securities by the Promoters, Directors and the Designated Employees of the Company.

The said Policy requires pre-clearance of transactions by the Company, for dealing in the shares of the Company and prohibits the purchase or sale of shares by the Promoters, Directors and the Designated Employees, while in possession of unpublished price sensitive information of and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the said Code of Conduct. The Promoters, Directors and the Designated Employees have affirmed compliance with the Company's Code of Conduct for Prevention of Insider Trading.

The Company has also implemented mechanism for structured digital database, it further helps to track the details of trades, and also ensures strict compliance of Code of Conduct.

The said Policy is available on the website of the Company i.e. http://www.fdcindia.com/admin/images/CODE_OF_CONDUCT_FOR_PREVENTION_OF_INSIDER_TRADING.pdf

(J). Board Training and Induction/ Familiarization Program of Independent Directors

At the time of their appointment, a formal letter of appointment is issued to Directors, which inter alia explains the role, duties and responsibilities expected from them as Director of the Company.

The Managing Director gives a brief insight on the operations of the Company, its various divisions, governance and internal control processes and other relevant information pertaining to the Company's business. Further, the Company Secretary also explains in detail the various compliances required by the Director under the Code of Conduct of the Company, Companies

Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant Act, Rules and Regulations.

The Company has a familiarization program for Independent Directors with regard to their roles, responsibilities, the business model of the Company etc. The familiarization program details are available on the website of the Company. , i.e. http://www.fdcindia.com/admin/images Familiarisation_Programme.pdf

The above initiative facilitates the Directors in performing his/her duties diligently and trains them to fulfill his/her duties as a Director of the Company effectively.

Inter-se relationship amongst the Directors

Mr. Mohan A. Chandavarkar, Managing Director, Mr. Nandan M. Chandavarkar, Joint Managing Director, Mr. Ameya A. Chandavarkar, CEO - International Business & Executive Director, Mr. Ashok A. Chandavarkar, and Ms. Nomita R. Chandavarkar, Non-Executive Non-Independent Directors of the Company are related to each other.

None of the Non-Executive Directors have relationship inter-se, with any of the Directors of the Company.

(K). Board Agenda

Meetings are governed by a structured Agenda. The Board Members, in consultation with the Chairman, may take up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Apart from the items that are required to be placed before the Board for its approval, the information as enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are also placed before the Board for its consideration and approval.

(L). Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance, evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees, based on the evaluation parameters formulated by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors and the Committees was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness. The Directors expressed their satisfaction with respect to the performance. It has also reviewed the succession planning of the Board and its senior management team and expressed its satisfaction on it.

(M). Matrix Specifying Board Competence

The Table below shows competencies which are taken into Consideration required in the context of Business for its effective functions. Competence of Board includes experience, expertise, knowledge, skills, of Board of Directors.

Competency	Definition
Leadership	Includes Vast Leadership Experience, Practical understanding of organization, Key role in strategic planning and risk management.
Financial Analysis	Ability to comprehend, interpret and guide on Financial statements, Audit committee presentations and other Business Matters.
Business Strategy	Ability to understand, review and guide Strategy by analyzing the Company's competitive position and benchmarking taking into account market and industry trends
Technical & Production	Includes periodical review of manufacturing of Pharmaceuticals products, Active involvement in Research and Development activities, Knowledge of supply chain activities etc.
Sales and Marketing	Experience in developing strategies to improve sales and Market share. Build brand and enhance enterprise reputation.
Technology	Means Significant background in technology, Active participation in evaluation of technological trends, generate disruptive innovation and helps in creating dynamic business model.
Global Business	Includes Driving business success in markets around the world with an understanding of diverse business environment.

Comprehensive chart stating core skills / expertise / competencies identified by the Board of Directors in the context of its business and sector available with the Board are as follows:

Sr. No.	Name	Qualification	Area of Expertise
1	Mr. Mohan A. Chandavarkar	Bachelor of Science (Hons.)	Leadership, Financial Analysis, Business Strategy, Technical & Production, Sales and Marketing.
2	Mr. Nandan M. Chandavarkar	Bachelor of Pharmacy	Financial Analysis, Business Strategy, Technical & Production, Sales and Marketing.
3	Mr. Ashok A. Chandavarkar	Bachelor of Engineering (Mechanical)	Financial Analysis, Business Strategy, Technical & Production,
4	Mr. Ameya A. Chandavarkar	Bachelor of Science in Information Systems, Marketing Management from Florida Southern College, Lakeland, USA and MBA from INSEAD (France and Singapore).	Financial Analysis, Business Strategy, Technical & Production, Technology, and Global Business.
5	Ms. Nomita R. Chandavarkar	B.com	Financial Analysis and Business Strategy
6	CA. Swati S. Mayekar	Fellow Member of Institute of Chartered Accountants in India and an Associate Member of the Institute of Company Secretaries of India	Financial Analysis, Business Strategy, Technology
7	CA. Uday Kumar Gurkar	Fellow Member of Institute of Chartered Accountants in India and an Associate Member of the Institute of Company Secretaries of India	Financial Analysis, Business Strategy, Technology, Global Business
8	Mr. Melarkode Ganesan Parameswaran	Bachelor of Engineering (Chemical) from IIT Madras and MBA from IIM Calcutta, PhD from Mumbai University, Advanced Management Programme from Harvard Business School.	Marketing, Branding Advertising and Sales
9	Dr. Mahesh Bijlani	[MBBS, MS (Gen. Surgery), DNB (Gen. Surgery), FKAC (MIS) (Germany)	Consultant Surgeon specialized in Advanced Laparoscopic Surgery
10	Ms. Usha Athreya Chandrasekhar	L.L.B	Intellectual Properties, which covers trademarks, patents, copyrights, designs, franchising , licensing

3. COMMITTEES OF THE BOARD

(A). AUDIT COMMITTEE

(i). Brief description of terms of reference

The powers, role and terms of reference of this Committee cover the matters specified in Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee, comprising of financially literate members, is responsible for the effective supervision of the financial operations and ensuring that financial, accounting activities and operating controls are exercised as per the laid down policies and procedures.

Some of the important functions performed by the Committee are as follows:

Financial reporting and other related processes

- Oversight of the Company's financial reporting process and the financial information submitted to Stock Exchanges, Regulatory Authorities or to the Public.
- Reviewing with the Management the Quarterly Unaudited Financial Statements and the Auditors' Limited Review Report thereon, Audited Annual Financial Statements and Auditors' Report thereon, before submission to the Board for approval.
- Review the Management Discussion & Analysis of financial and operational performance.
- Review the investments made by the Company.
- Discuss with the Statutory Auditors its opinion about the quality and appropriateness of the Company's accounting policies with reference to the Generally Accepted Accounting Principles in India (IND AS).

Internal Financial Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management, the Company's major financial risk exposures and the steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism.

Audit & Other duties

- Review the scope of the Annual audit plan and the Internal audit with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors.
- Recommend to the Board the remuneration of the Statutory Auditors and Cost Auditors.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act and the payment of such services.
- Reviewing the annual Cost Audit Report submitted by the Cost Auditor.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions subject to the approval of the Board.

Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same. Ms. Varsharani Katre, Company Secretary acts as Compliance officer to ensure compliance and effective implementation of the Insider Trading Code.

(ii). Composition of the Committee

The Committee comprises of 2 (Two) Independent and Non-Executive Directors and 1 (One) Executive Director. The Company Secretary acts as the Secretary to the Committee. The CFO is the permanent invitee to the Committee meeting. The Internal Auditor and the concerned partners/ authorized representatives of Statutory Auditors are regular invitees of the Committee meetings.

CA. Swati S. Mayekar is the Chairperson of the Committee. CA. Uday Kumar Gurkar and

Mr. Mohan A. Chandavarkar are the other members of the committee.

CA. Swati S. Mayekar, and CA. Uday Kumar Gurkar are Chartered Accountants by profession and have considerable accounting and financial management expertise and Mr. Mohan A. Chandavarkar is also financially literate and have knowledge of financial management.

(iii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
May 26, 2021	3	3
August 12, 2021	3	3
November 11, 2021	3	3
February 09, 2022	3	3

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on			
	May 26, 2021	August 12, 2021	November 11, 2021	February 09, 2022
CA. Swati S. Mayekar	Present	Present	Present	Present
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present
CA. Uday Kumar Gurkar	Present	Present	Present	Present

(B). NOMINATION AND REMUNERATION COMMITTEE

(i). Brief description of terms of reference

The powers, role and terms of reference of this Committee cover the matters specified in Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Some of the functions of the Committee are as follows:

- Identifying and selection of candidates for appointment as Directors/ Independent Directors based on certain laid down criteria.
- Identifying potential individuals for appointment as Key Managerial Personnel.

- Formulate and review from time to time, the Policy for selection and appointment of Directors, Key Managerial Personnel and Members of the Executive Committee and their remuneration.
- Reviewing the performance of the Board of Directors, Key Managerial Personnel and Members of the Executive Directors based on certain criteria as approved by the Board. While reviewing the overall remuneration of the Board, the Committee ensures that the remuneration is reasonable and adequate enough to retain the best managerial talent and meets appropriate performance benchmarks set out by the Company.

The Committee identifies and recommends the appointment of persons as Directors/ Independent Directors based on certain criteria laid down in the Nomination and Remuneration Policy, as determined and formulated by the Board. The Committee also reviews the appointments and remuneration, including the commission based on the net profits of the Company for the Chairman and Managing Director and other Executive Directors.

(ii). Composition of the Committee

The Committee comprises of 5 (Five) Independent and Non-Executive Directors. CA. Swati S. Mayekar is the Chairperson of the Committee. CA. Uday Kumar Gurkar, Mr. Melarkode Ganesan Parameswaran, Ms. Usha Athreya Chandrasekhar and Dr. Mahesh Bijlani are the other members of the committee.

(iii). Committee meeting held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
February 04, 2022	5	5
March 31, 2022	5	5

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year
CA. Swati S. Mayekar	2
CA. Uday Kumar Gurkar*	2
Mr. Melarkode Ganesan Parameswaran	2
Dr. Mahesh Bijlani	2
Ms. Usha Athreya Chandrasekhar	2

(v). Performance evaluation criteria for Independent directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation; the Directors who are subject to evaluation had not participated. Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of the Listing Regulations and based on the detailed statements / questionnaire circulated with the agenda, the Independent Directors in their separate meeting held on February 04, 2022 had reviewed the performance of Non-Independent Directors, except the director being evaluated.

(C). REMUNERATION OF DIRECTORS

(i). There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company, which has a potential conflict with the interests of the Company at large.

(ii). The Remuneration Policy for the Board of Directors and Senior Management Personnel, as recommended by the Nomination and Remuneration Committee and is approved by the Board. The remuneration paid to the Non-Executive Directors comprises of sitting fees and commission. The sitting fees paid to the Non-Executive Directors in respect of the meetings of the Board and the Audit Committee attended by them is within the maximum limit set out under the Companies Act, 2013. The Commission paid to the Directors is in accordance with the overall ceiling imposed by the Companies Act, 2013 and applicable statutes, if any. The remuneration paid to the Senior Management Personnel is in accordance with the industry norms and practices. The Nomination and Remuneration Policy is also uploaded on the Website of the Company i.e. http://www.fdcindia.com/admin/images/Nomination_&_Remuneration_Policy.pdf

Details of remuneration paid to Executive Directors for the year under review:

Name of the Director	Salaries (₹)	Perquisites (₹)	Benefits (₹)	Superannuation@ 15%	Commission (₹)	Total
Mr. Mohan A. Chandavarkar	1,34,68,136	71,339	9,93,600	12,42,000	1,48,17,153	3,05,92,228
Mr. Ashok A. Chandavarkar	53,45,164	1,52,802	3,99,537	4,99,421	98,78,102	1,62,75,027
Mr. Nandan M. Chandavarkar	1,05,26,816	4,20,640	7,63,200	9,54,000	1,11,12,865	2,37,77,521
Mr. Ameya A. Chandavarkar	56,57,200	2,40,953	4,22,940	5,28,675	86,43,339	1,54,93,107
Ms. Nomita R. Chandavarkar	25,94,000	-	1,93,200	-	37,04,288	64,91,488

The remuneration of the Whole time Directors is paid in terms of Schedule V of the Companies Act, 2013 and is duly approved by the Shareholders.

(iii). Details of service contracts, notice period and severance fees of the Executive Directors:

The appointment of Executive Directors is by virtue of their employment with the Company as management employees and therefore, the terms of their employment are governed by the applicable policies at the relevant point in time.

The Details of service contracts of the Executive Directors are as follows:

Name of the Director	Date of contract	Term of Contract
Mr. Mohan A. Chandavarkar	April 01, 2019	Re – Appointed in the meeting held on February 08, 2019, For a period of 5 years commencing from April 01, 2019
Mr. Ashok A. Chandavarkar	March 01, 2021	For a period of 5 years commencing from March 01, 2021
Mr. Nandan M. Chandavarkar	March 01, 2019	For a period of 5 years commencing from March 01, 2019
Mr. Ameya A. Chandavarkar	November 01, 2019	For a period of 5 years commencing from November 01, 2019
Ms. Nomita R. Chandavarkar	June 02, 2019	For a period of 5 years commencing from June 02, 2019

Services of the Executive Directors may be terminated by either party, giving the other party 90 (Ninety) days' notice or the Company paying 90 (Ninety) days salary in lieu thereof. There is no separate provision for payment of severance fees.

(iv). Details of remuneration payable to Non-Executive Directors for the year under review:

Name of the director	Commission (₹)	Board Meeting Sitting fees (₹)	Audit Committee Meeting Fees (₹)	Total(₹)
CA. Swati S. Mayekar	2,00,000	75,000	80,000	3,55,000
CA. Uday Kumar Gurkar	2,00,000	75,000	80,000	3,55,000
Mr. Melarkode Ganesan Parameswaran	2,00,000	75,000	-	2,75,000
Ms. Usha Athreya Chandrasekhar	2,00,000	75,000	-	2,75,000
Dr. Mahesh Bijlani	2,00,000	75,000	-	2,75,000
Total	**10,00,000**	**3,75,000**	**1,60,000**	**15,35,000**

(v). Stock Option Scheme

The Company does not have any stock option scheme.

(D). STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee is constituted in line with the provisions as specified in Section 178 of the Companies Act, 2013 and Regulations 20 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The broad terms of reference are as under:

- Consider and resolve grievances of stakeholders.
- Periodically review the investors' complaints.

i. Composition of the Committee

The Committee comprises of 1 (One) Independent and Non-Executive Director and 2 (Two) Executive Directors. The Committee functions under the Chairmanship of Ms. Usha Athreya Chandrasekhar, a Non-Executive and Independent Director, Mr. Mohan A. Chandavarkar and

Mr. Ashok A. Chandavarkar, Executive Directors are the other members of the committee. The Company Secretary acts as the Secretary to the Committee.

ii. Name and designation of the Compliance Officer

Ms. Varsharani Katre is the Company Secretary and the Compliance Officer of the Company.

iii. Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
April 14, 2021	3	3
July 14, 2021	3	3
October 16, 2021	3	3
January 12, 2022	3	3

(vi). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year
Ms. Usha Athreya Chandrasekhar	4
Mr. Mohan A. Chandavarkar	4
Mr. Ashok A. Chandavarkar	4

(V). Number of complaints received and resolved

During the year under review, the Company had received 10 (Ten) complaints from the shareholders. There were no shareholder grievances that remained unattended/ pending for more than 30 (Thirty) days. The complaints were resolved to the satisfaction of the shareholders except one complaint which is at the verification stage and shall be resolved.

The Committee specifically looks into redressing of shareholders/investor complaints in matters such as non- receipt of declared dividend, non – receipt of annual report etc.

There were no applications for share transfers pending as on March 31, 2022. In order to expedite the process of transfers of shares, the Board has delegated the power to approve share transfers to the Share Transfer Committee set up by the Board of Directors.

(E). CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee is constituted to oversee activities to be undertaken by the Company under the provisions of Section 135 of the Companies Act, 2013, monitoring the CSR Policy of the Company, other related matters referred by the Board or the Chairman, as and when deemed necessary, for the consideration and recommendation of the Committee.

(i). Brief description of terms of reference

- The Committee oversees Corporate Social Responsibility (CSR) activities as mentioned in CSR Policy to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, monitoring the CSR Policy of the Company, or any other related matters referred by the Board or the Chairman, as and when deemed necessary, for the consideration and recommendation of the Committee.
- To recommend the amount of expenditure to be incurred on the activities mentioned in the CSR policy.

(ii). Composition of the Committee

The Committee comprises of total 4 members includes 3 (Three) Executive Directors and 1 (One) Independent and Non-Executive Director. The said committee functions under the Chairmanship of Mr. Mohan A. Chandavarkar. Mr. Ashok A. Chandavarkar, CA. Uday Kumar Gurkar and Ms. Nomita R. Chandavarkar are the other members of the committee. The Company Secretary acts as a Secretary to the Committee.

(iii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
July 01, 2021	4	4
August 12, 2021	4	4
November 11, 2021	4	4
March 30, 2022	4	4

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year.
Mr. Mohan A. Chandavarkar	Present
CA. Uday Kumar Gurkar	Present
Mr. Ashok A. Chandavarkar	Present
Ms. Nomita R. Chandavarkar	Present

(F). RISK MANAGEMENT COMMITTEE

The Committee is constituted in line with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The functions of the Committee comprises of overseeing the Risk Management Policy of the Company, reviewing the various risks and defining the framework for identifying, assessing and monitoring the risk.

(i). Composition of the Committee

The Committee comprises of CA. Swati S. Mayekar, Independent and Non-Executive Director and Chairperson, Mr. Ameya A. Chandavarkar, CEO – International Business & Executive Director and Mr. Dilip V. Karnik, President-

Technical & Operations. The Company Secretary acts as a Secretary to the Committee.

(ii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors/ Members Present
October 08, 2021	3	3
January 25, 2022	3	3

4. CEO/ CFO CERTIFICATION

Mr. Mohan A. Chandavarkar, Managing Director & Mr. Sanjay B. Jain, Chief Financial Officer, has issued necessary certification to the Board in terms of Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was taken on record by the Board at its meeting held on May 25, 2022. A copy of this certificate is provided as **Annexure B** to this report.

5. GENERAL BODY MEETINGS

(A). Location and time of the last three Annual General Meetings held:

Financial year	Location	Date	Time	No. of special resolutions passed
2018-19	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	September 27, 2019	10.00 a.m.	Yes, 1 (One) resolution was passed.
2019-20	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	September 30, 2020	10.00 a.m.	- Yes, 2 (Two) resolutions were passed.
2020-21	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	September 29, 2021	10.00 a.m.	- Yes, 2 (Two) resolution were passed.

(B). None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires to be passed as a special resolution through Postal Ballot.

6. MEANS OF COMMUNICATION

The Company publishes its Annual, Half yearly and Quarterly financial results in the following newspapers:

(i). Business Standard (English) (All Editions)(National)

(ii). Loksatta (Marathi) (Aurangabad)

The financial results are also displayed on the Company's website, i.e. www.fdcindia.com. The Company also informs BSE Limited and National Stock Exchange Limited about all the price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.

A separate dedicated section under 'Investors' on the Company's website gives information on unclaimed dividends, quarterly compliance reports/ communications with the Stock Exchanges and other relevant information of interest to the investors / public.

7. GENERAL SHAREHOLDER INFORMATION

(A). Annual General Meeting

Date : September 22, 2022

Time : 10:00 a.m.

Venue : (Amid pandemic situation, can be held through VC or OAVM)

(B). Financial Year

The Company's financial year begins on April 01 and ends on March 31, every year.

(C). Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending June 30, 2022	August 07, 2022
Unaudited results of the second quarter and half year ending September 30, 2022	November 06, 2022
Unaudited results of the third quarter and nine months ending December 31, 2022	February 04,2022
Audited results for the year ending March 31, 2022	May 26, 2023

(D). Dividend Payments

During the year the Company has not declared any Dividend.

(E). Dates of book closure

September 15, 2022 to September 21, 2022 (both days inclusive)

(F). Name and address of Stock Exchanges where the shares of the Company are listed and Stock Code

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, Bandra Kurla Complex
Dalal Street, Mumbai- 400 001	Bandra (East), Mumbai- 400 051
Stock Code: 531599	Stock Code: FDC

The ISIN Number of the Company on both the National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') is INE258B01022.

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2022-23.

(G). Market Price Data in respect of the Company's shares on BSE Limited and National Stock Exchange of India Limited, monthly high and low during the Financial Year 2021-22

Month & Year	BSE		NSE	
	High (In ₹)	Low (In ₹)	High (In ₹)	Low (In ₹)
April, 2021	329.00	282.80	328.75	282.50
May, 2021	368.15	303.20	369.40	303.80
June, 2021	404.90	329.55	404.90	332.25
July, 2021	389.00	348.50	388.70	348
August, 2021	378.30	326.80	378.80	326.05
September, 2021	371.95	338.55	372	338.65
October, 2021	366.00	312.30	369	311.85
November, 2021	335.70	270.00	345	271.80
December, 2021	313.40	273.00	313.5	272.75
January, 2022	323.15	277.60	322.90	277
February, 2022	319.00	256.55	319	255.05
March, 2022	278.80	249.10	278.95	248.20

(Source: BSE website/NSE trade statistics)

(H). Registrars and Share Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083
Tel.: (022) 49186270E-mail ID.: rnt.helpdesk@linkintime.co.in

(I). Share Transfer System

The Share Transfer Committee inter-alia oversees the transfer of shares, transmission of shares, issue of duplicate share certificates, etc. The formalities for transfer of shares in the physical form are completed and the share certificates are dispatched to the Transferee within 15 (Fifteen days) of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

The Company also obtains from a Company Secretary in Practice, a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a copy of the certificate is filed with the Stock Exchanges.

(J). Shareholding Pattern as on March 31, 2022

Sr_ No	Category	Total Securities	Total Value	Percentage of Shareholding (%)
1	Promoters	91382238	91382238	54.1331
2	Corporate Bodies (Promoter Co)	25697206	25697206	15.2226
3	Public	27551919	27551919	16.3213
4	Foreign Portfolio Investors (Corporate)	7622534	7622534	4.5154
5	Mutual Funds	9607980	9607980	5.6916
6	Other Bodies Corporate	3136866	3136866	1.8582
7	Non Resident Indians (NRIs)	451418	451418	0.2674
8	Non-Resident Non-Repatriable	1452538	1452538	0.8605
9	Hindu Undivided Family	1101565	1101565	0.6525
10	Government Companies	301945	301945	0.1789
11	Alternate Investment Funds - III	87088	87088	0.0516
11	Insurance Companies	100925	100925	0.0598
12	Financial Institutions	100000	100000	0.0592

Sr_ No	Category	Total Securities	Total Value	Percentage of Shareholding (%)
13	Clearing Members	197122	197122	0.1168
14	NBFCs registered with RBI	1800	1800	0.0011
15	Trusts	16940	16940	0.01
	TOTAL :	**168810084**	**168810084**	**100**

(K). Dematerialization of shares and liquidity

The shares of the Company are in the compulsory demat segment and are available in the depository system, both in National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL').

As on March 31, 2022, 16,71,22,560 equity shares aggregating to 99 % of the total number of fully paid equity shares having face value of Re.1 each are held by the shareholders in the dematerialized form.

(L). Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any convertible instruments, conversion date and likely impact on equity

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

(M). Commodity price risk or foreign exchange risk and hedging activities

During the financial year 2021-22, the Company has not entered into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign exchange exposures are disclosed in notes to the Annual Accounts.

(N). Plant locations

As mentioned on the cover page of the Annual Report.

(O). Address for correspondence

Shareholders holding shares in the physical form should address their correspondence to the Company's Registrar and Share Transfer Agents at the address as given under 7(I) above. Shareholders holding shares in the demat form should address their correspondence to their respective depository participants with whom they have their accounts.

8. The information required under the Management Discussion and Analysis Report has been aptly covered under the Directors' Report.

9. OTHER DISCLOSURES

(A). During the year, the Company has not entered into any transaction of a material nature with any related party as described under the Listing Regulation entered into with the stock exchanges that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in notes to the Annual Accounts. The Policy on dealing with related party transaction has been disclosed on the website of the Company i.e. http://www.fdcindia.com/admin/images/Policy_on_Related_Party_Transactions.pdf

(B). The Company is listed on the stock exchanges namely, BSE Limited and National Stock Exchange of India, Limited, Mumbai. During the past 3 (Three) years there have been no instances of non-compliance by the Company with the requirements of the Stock Exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority on any matter related to capital markets.

(C). In compliance with applicable laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is committed to adopting procedures to receive and address any concern or complaint regarding questionable accounting or auditing matters, disclosure matters, reporting of fraudulent financial information to the shareholders, or any other company matters involving fraud, employee misconduct, violation of law, theft, dishonesty, inappropriate behavior /conduct, illegality or health and safety and environmental issues which cannot be resolved through normal management channels. The Company has a whistle blower committee in place to address the aforementioned concerns. The Chairperson of the Audit Committee has access to the meetings of the Committee.

The Company has in place, a Whistle Blower Policy, which aims at assisting the Directors, Employees, Customers and/or Third party intermediaries and Shareholders to use the procedures set out in this Policy to submit confidential and/or anonymous complaints.

The Whistle Blower Policy is also uploaded on the website of the Company i.e. http://www.fdcindia.com/admin/images/Whistler_Blower_Policy.pdf

(D). During the year ended March 31, 2022, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for determining 'material' subsidiaries has been disclosed on the website of the Company. i.e. http://www.fdcindia.com/admin/images/Policy_on_Material_Subsidiaries.pdf

10. The Company is in compliance with all requirements as given in the above Paragraphs (2) to (9) of the Corporate Governance Report as mandated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with all mandatory requirements specified in Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to corporate governance.

11. RECONCILIATION OF SHARE CAPITAL

A Practicing Company Secretary carried out the share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. Quarterly reports are available on the website of the Company i.e. www.fdcindia.com

12. Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority has been annexed as Annexure to the Corporate Governance Report.

13. THE STATUS ON THE COMPLIANCES WITH THE NON-MANDATORY PROVISIONS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IS AS FOLLOWS:

(A). The Board

As on March 31, 2022, CA. Uday Kumar Gurkar (Non – Executive, Independent Director) was the Chairperson of the Board.

(B). Shareholder Rights

The Company's quarterly results are published in leading English Newspaper (All Editions) and Marathi daily newspapers (Regional Edition). The results are also posted on the website of the Company i.e. www.fdcindia.com and hence, the same has not been dispatched to the shareholders of the Company.

(C). Modified opinion(s) in audit report

There are no modified opinion(s) contained in the Audit Report.

(D). Reporting of Internal Auditors

The Internal Auditors of the Company reports their findings directly to the Audit Committee.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Mumbai	**MOHAN A. CHANDAVARKAR**	**ASHOK A. CHANDAVARKAR**
Date: May 25, 2022	Managing Director	Executive Director

ANNEXURE A

Declaration on Code of Conduct

This is to confirm that the Company has laid down a Code of Conduct for all its Board Members and Senior Management personnel of the Company. The code of conduct has also been posted on the website of the Company i.e.www.fdcindia.com. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2022, as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

	Sd/-	Sd/-
Place: Mumbai	**MOHAN A. CHANDAVARKAR**	**ASHOK A. CHANDAVARKAR**
Date: May 25, 2022	Managing Director	Executive Director

ANNEXURE B

CEO/CFO CERTIFICATION

To,
The Board of Directors
FDC Limited

We, Mohan A. Chandavarkar, Managing Director and Sanjay B. Jain, Chief Financial Officer, of FDC Limited ("the Company") certify that:

1. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief, we state that:
   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
   a. Significant changes, if any, in internal control over financial reporting during the year;
   b. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
Place: Mumbai	**MOHAN A. CHANDAVARKAR**	**SANJAY B. JAIN**
Date: April 25, 2022	Managing Director	Chief Financial Officer

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
FDC Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of FDC Limited ("the Company"), which comprise the standalone balance sheet as of March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 March 31, 2022, and 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition	How the matter was addressed in our audit
The Company recognizes revenue from the sales of products when control over goods is transferred to the customer based on specific terms and conditions of sale contracts with respective customers. (Refer note 28 and 47 of the standalone financial statements). We have identified recognition of revenue on sale of products as a key audit matter as – • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated throughout the year and at period end. This can be through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	Our procedures included the following: • Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. • Performed walkthrough, testing of design, implementation and operating effectiveness of the Company's general Information Technology ('IT') controls over revenue recognition and key IT application and information controls by involving our IT specialists. • Performed walkthrough, testing of design, implementation and operating effectiveness of the Company's key manual controls around revenue recognition. • Performed substantive testing of recognition of revenue in the correct period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. Further performed extended testing for revenue cut-off.

Revenue recognition	How the matter was addressed in our audit
	• Examined the underlying documents such as sales invoices/ contracts, dispatch/ shipping documents and customer acknowledgment for the selected transactions recorded during and at the end of the financial year. • Assessed manual journals posted in revenue ledger to identify any unusual items and unusual account combinations. • Evaluated the adequacy of disclosure in accordance with Ind AS 115.

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 auditors' 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 Director's 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements 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 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 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone 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 Auditors) 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 March 31, 2022 on its financial position in its standalone financial statements (refer note 42 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 has been no delay in transferring amounts, 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, 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company or its from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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) which are required to be commented upon by us.

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

Sd/-
Amar Sunder
Partner
Membership No.: 078305
UDIN: 22078305AJPPSC6996

Mumbai
May 25, 2022

Annexure – "A" to the Independent Auditor's report on the standalone financial statements of FDC Limited for the year ended March 31, 2022

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

(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 favor 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, 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 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 not been sanctioned any working capital limits in excess of five Crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(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 not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loan to one subsidiary and other parties during the year. Details of the loan is disclosed in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loan to subsidiary and parties other than subsidiaries as below:

Particulars	Loans (₹ in Lakhs)
Aggregate amount during the year - Subsidiary*	528.75
- Others	54.16
Balance outstanding as at balance sheet date - Subsidiary*	1,586.00
- Others	71.70

**As per the 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 terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of loans given, in our opinion the repayment of principal and interest has been stipulates and the repayments or receipts have been regular except for loans of ₹ 1,586 Lakhs given to Fair Deal Corporation Pharmaceuticals SA (Pty) Limited., is repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(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 not given any advances in the nature of loans to any party during the year.

(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 party. Further, the Company has not given any advance in the nature of loan to any party during the year.

(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 given any loans either repayable on demand or without specifying any terms or period of repayment except for loans to Fair Deal Corporation Pharmaceuticals SA (Pty) Limited. which is repayable on demand. The Company has not given any advance in the nature of loan to any party without specifying any terms or period of repayment.

(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 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 guarantees or security to the parties covered under Section 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.

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

Amounts deducted/accrued in the books of account in respect of undisputed statutory dues relating to Profession tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of duty of Excise.

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

(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of the statute	Nature of the dues	Amount of demand under dispute (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Amount under dispute not deposited (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Sales Tax Act / Uttar Pradesh Sales Tax Act / West Bengal Sales Tax Act / Maharashtra Sales Tax Act	Tax / Penalty / Interest	71.70	11.71	59.99	A.Y. 2002-03, 2003-04	Sales Tax Appellate Tribunal
		27.09	14.11	12.98	A.Y. 2010-11	Joint Commissioner (Appeals)
		19.10	-	19.10	A.Y. 2002-03, 2006-07	Revisional Board - Commercial Tax
GST	Duty / Penalty / Interest	14.19	-	14.19	July 1, 2017 to March 31, 2022	Superintendent of CGST & CX – West Bengal
Income-tax Act, 1961	Tax / Interest/ Penalty	6,067.74	2,493.56	3,574.18	A.Y. 2009-10, 2010-11, 2012-13, 2013-14, 2015-16, 2016-17, 2017-18, 2018-19	Commissioner of Income tax (Appeals)

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

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

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

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) is not applicable to the Company.

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

(e) According to information and explanations given to us and on an overall examination of the standalone 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, associates or joint ventures as defined under the Act.

(f) According to 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, joint ventures or associate companies (as defined under the Act).

(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, 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, provisions of clauses 3(xii)(a) to 3(xii)(c) of the Order are not applicable to the Company.

(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 Act, 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 the 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.

(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 any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, provision of 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 realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 standalone balance sheet as and when they fall due within a period of one year from the standalone 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 standalone 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 Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Sd/-
Amar Sunder
Partner
Membership No.: 078305
UDIN: 22078305AJPPSC6996

Mumbai
May 25, 2022

Annexure – "B" to the Independent Auditor's report on the standalone financial statements of FDC Limited for the year ended March 31, 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 standalone financial statements of FDC Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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's Registration No. 101248W/W-100022

Sd/-
Amar Sunder
Partner
Membership No.: 078305
UDIN: 22078305AJPPSC6996

Mumbai
May 25, 2022

Standalone Balance Sheet
as at March 31, 2022

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	66,356.55	66,597.89
(b) Capital work-in-progress	2	10,424.30	1,921.12
(c) Right-of-use assets	2	3,292.09	1,467.99
(d) Other intangible assets	2	448.17	435.64
(e) Intangible assets under development	2	11.25	-
(f) Financial assets			
(i) Investments	3	38,494.95	26,558.07
(ii) Loans	4	47.23	31.25
(iii) Other financial assets	5	698.30	835.63
(g) Income tax assets (net)	6	3,370.78	2,403.12
(h) Other non-current assets	7	3,423.09	1,604.79
Total non-current assets		**1,26,566.71**	**1,01,855.50**
2 Current assets			
(a) Inventories	8	30,362.55	21,327.38
(b) Financial assets			
(i) Investments	9	50,076.97	52,484.06
(ii) Trade receivables	10	7,970.55	10,780.38
(iii) Cash and cash equivalents	11	3,112.51	2,571.72
(iv) Bank balances other than (iii) above	12	93.14	114.75
(v) Loans	13	55.49	32.39
(vi) Other financial assets	14	406.85	897.97
(c) Other current assets	15	6,779.91	3,817.18
Total current assets		**98,857.97**	**92,025.83**
Assets held for sale	16	-	415.79
TOTAL ASSETS		**2,25,424.68**	**1,94,297.12**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	1,688.10	1,688.10
(b) Other equity	18	1,93,180.44	1,70,528.43
Total equity		**1,94,868.54**	**1,72,216.53**
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19(A)	10.80	20.80
(ia) Lease liabilities	20	2,462.95	679.56
(b) Provisions	26	32.62	39.22
(c) Deferred tax liabilities (net)	21	987.96	1,132.08
Total non-current liabilities		**3,494.33**	**1,871.66**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19(B)	10.00	13.57
(ia) Lease liabilities	23	659.53	690.07
(ii) Trade payables	22		
(A) Total outstanding dues of micro and small enterprises		2,558.20	1,332.78
(B) Total outstanding dues of creditors other than micro and small enterprises		11,067.53	6,332.72
(iii) Other financial liabilities	24	7,080.58	6,131.69
(b) Other current liabilities	25	836.64	847.32
(c) Provisions	26	3,567.69	3,579.14
(d) Current tax liabilities (net)	27	1,281.64	1,281.64
Total current liabilities		**27,061.81**	**20,208.93**
TOTAL EQUITY AND LIABILITIES		**2,25,424.68**	**1,94,297.12**
Significant accounting policies	1.3		
The accompanying notes are an integral part of the standalone financial statements.	1 to 51		

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs)

	PARTICULARS	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	28	1,51,896.51	1,32,544.91
II	Other income	29	7,873.35	9,714.59
III	**Total Income (I+II)**		**1,59,769.86**	**1,42,259.50**
IV	**Expenses**			
	Cost of materials consumed	30	45,350.34	34,664.70
	Purchase of stock-in-trade		13,960.11	9,090.29
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(6,526.42)	(2,549.95)
	Employee benefits expense	32	33,997.36	29,431.29
	Finance costs	33	304.79	340.22
	Depreciation and amortisation expense	34	3,708.11	3,762.33
	Other expenses	35	40,430.49	29,475.59
	Total Expenses		**1,31,224.78**	**1,04,214.47**
V	**Profit before tax (III-IV)**		**28,545.08**	**38,045.03**
VI	**Tax expense:**	27		
	(1) Current tax		6,800.00	8,451.58
	(2) Deferred tax		(218.48)	144.49
	Total Tax expense		**6,581.52**	**8,596.07**
VII	**Profit for the year (V-VI)**		**21,963.56**	**29,448.96**
VIII	**Other comprehensive income/ (loss)**	36		
	(i) Items that will not be reclassified subsequently to profit or loss		902.54	702.42
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(137.92)	(96.43)
	Other comprehensive income for the year (net of tax)		**764.62**	**605.99**
IX	**Total Comprehensive income for the year (net of tax) (VII+VIII)**		**22,728.18**	**30,054.95**
X	**Earnings per equity share**	37		
	Par Value ₹1 per share (Previous year ₹1 per share)			
	(1) Basic (₹)		13.01	17.32
	(2) Diluted (₹)		13.01	17.32
Significant accounting policies		1.3		
The accompanying notes are an integral part of the standalone financial statements.		1 to 51		

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Standalone Statement of Cash Flows
for the year ended March 31, 2022

(₹ in Lakhs)

PARTICULARS		For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**28,545.08**	**38,045.03**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		3,708.11	3,762.33
Finance cost		304.79	340.22
Interest income		(2,405.34)	(1,247.35)
Net gain on disposal of property, plant and equipment		(99.73)	(67.68)
Dividend income - Subsidiaries		(195.20)	-
Dividend income - Others		(70.80)	(13.61)
Net gain on sale of investments		(585.82)	(2,435.83)
Net gain on derecognition of financial assets		-	(1.96)
Fair value gain on financial instruments		(3,458.73)	(5,216.80)
Provision for impairment in the value of investments written back		(500.00)	-
Bad debts		39.52	-
Unrealised foreign exchange (gain)/ loss on restatement		(8.91)	17.89
Impairment provision of subsidary		614.48	757.69
Lease rent waiver		-	(29.83)
Allowances for credit loss		335.05	60.12
Provision for doubtful debts no longer required, written back		(36.02)	(0.08)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**26,186.48**	**33,970.14**
Working capital adjustments:			
Increase in inventories		(9,035.17)	(378.08)
Decrease in trade receivables		2,470.10	1,557.61
Decrease/(Increase) in financial assets		384.98	(421.74)
Increase in other assets		(2,941.11)	(31.04)
Increase in provision		234.52	311.60
Increase/ (Decrease) in trade and other payables		6,769.63	(4,643.02)
CASH GENERATED FROM OPERATIONS		**24,069.43**	**30,365.47**
Income tax paid (net)		(7,831.22)	(9,381.47)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**(A)**	**16,238.21**	**20,984.00**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and other intangible assets		(13,202.94)	(6,253.21)
Proceeds from disposal of property, plant and equipment		550.18	380.16
Investments in Equity shares of subsidary		-	(6.21)
Purchase of financial instruments		(1,02,594.63)	(97,254.51)
Proceeds from sale of financial instruments		98,259.39	94,475.67
Decrease/(Increase) in fixed and margin deposits		167.39	(211.26)
Loan given to joint venture		(528.75)	(691.93)
Dividend income - Subsidiaries		195.20	-
Dividend income - Others		70.80	13.61
Interest received		2,341.54	1,130.11
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(B)**	**(14,741.82)**	**(8,417.57)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Buyback of equity shares		-	(9,733.50)
Expenses incurred for buyback of equity shares		(76.17)	(69.64)
Buy back tax paid		-	(2,217.13)
Finance cost		(58.61)	(66.09)
Repayment of lease liabilities		(840.18)	(681.72)
Repayment of sales tax deferral loan		(13.57)	(14.64)
Amount deposited/ (paid) in bank accounts towards unpaid dividend		18.26	133.70
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(C)**	**(970.27)**	**(12,649.02)**

Standalone Statement of Cash Flows
for the year ended March 31, 2022

(₹ in Lakhs)

PARTICULARS		For the year ended March 31, 2022	For the year ended March 31, 2021
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**(A)+(B)+(C)**	526.12	(82.59)
Net foreign exchange differences on cash and cash equivalents		14.67	2.41
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (REFER NOTE 11)		**2,571.72**	**2,651.90**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE 11)		**3,112.51**	**2,571.72**

Notes to the Standalone Statements of Cash Flows

1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the Statement of Cash Flow comprises of the following Balance Sheet items.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	6.47	7.29
Balances with banks:	-	-
In current accounts	2,471.04	2,564.43
In deposit accounts (with original maturity of 3 months or less)	635.00	-
	3,112.51	**2,571.72**

2. The Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	Cash flows	Non-cash changes			As at March 31, 2022
				Acquisition	Foreign exchange movement	Fair value change	
Borrowings							
Deferred sales tax loans	19(A) & (B)	34.37	(13.57)	-	-	-	20.80

4. Cash transactions from operating activities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Spent towards corporate social responsibiity	604.25	550.99

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Standalone Statement of changes in equity

for the year ended March 31, 2022

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	No. in Lakhs	Amount
Balances as at April 1, 2020	1,709.73	1,709.73
Less: 21,63,000 Equity shares of ₹ 1 each bought back	(21.63)	(21.63)
Balances as at March 31, 2021	1,688.10	1,688.10
Add/less: Change in equity during the year [Refer note 17 (c)]	-	-
Balances as at March 31, 2022	**1,688.10**	**1,688.10**

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	
Balances as at April 1, 2020	1,32,522.04	19,950.84	7.86	68.60	(77.22)	1,52,472.12
Profit for the year	29,448.96	-	-	-	-	29,448.96
Other comprehensive income for the year (net of taxes) (Refer note 36)	87.62	-	-	-	518.37	605.99
Total Comprehensive income for the year	**29,536.58**	**-**	**-**	**-**	**518.37**	**30,054.95**
Expenses for buyback of Equity Shares	(69.64)	-	-	-	-	(69.64)
Buy back tax paid	(2,217.13)	-	-	-	-	(2,217.13)
Premium paid on buyback of Equity Shares	-	(9,711.87)	-	-	-	(9,711.87)
Transfer from General Reserve on Equity Shares bought back	-	(21.63)	-	21.63	-	-
Balances as at March 31, 2021	**1,59,771.85**	**10,217.34**	**7.86**	**90.23**	**441.15**	**1,70,528.43**

Standalone Statement of changes in equity
for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	
Balances as at April 1, 2021	1,59,771.85	10,217.34	7.86	90.23	441.15	1,70,528.43
Profit for the year	21,963.56	-	-	-	-	21,963.56
Other comprehensive income for the year (net of taxes) (Refer note 36)	189.01	-	-	-	575.61	764.62
Total Comprehensive income for the year	**22,152.57**	**-**	**-**	**-**	**575.61**	**22,728.18**
Expenses for buyback of Equity Shares	(76.17)		-	-	-	(76.17)
Balances as at March 31, 2022	**1,81,848.25**	**10,217.34**	**7.86**	**90.23**	**1,016.76**	**1,93,180.44**

The above statement of changes in equity should be read in conjunction with the accompanying note 18 to the standalone financial statements.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

1 COMPANY OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS.

1.1 CORPORATE INFORMATION

FDC Limited (the "Company") is a public listed Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on two recognised stock exchanges Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Company is located at Waluj, Dist. Aurangabad, Maharashtra.

The Company is principally engaged in the business of Pharmaceuticals.

The standalone financial statements for the year ended March 31, 2022 were authorised for issue by the Company's board of directors on May 25, 2022.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 (" the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016, and the relevant provisions and amendments, as applicable.

Basis of preparation and measurement

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

- Certain financial assets and liabilities (including derivative instruments and mutual funds) that are measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended March 31, 2021,except for adoption of new standard or any pronouncements effective from April 1, 2021.

The standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information have presented in Indian Rupees (₹) and all amount have been rounded-off to the nearest Lakhs, unless otherwise stated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non current.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

b Revenue Recognition

Revenue recognition under Ind AS 115 (applicable from April 1, 2018)

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer. Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1 : Identify the contract(s) with a customer

Step 2 : Identify the performance obligation in contract

Step 3 : Determine the transaction price

Step 4 : Allocate the transaction price to the performance obligations in the contract

Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from sale of goods is recognized at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts etc. as specified in the contract with the customer. The Company collects Goods and Services Tax on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Profit share revenues

The Company has certain marketing arrangements based on the profit sharing model whereby Company sells its products to the business partner on price agreed upon agreement and is also entitled for profit share over and above its sale price. Revenue from the sale of goods to the partner is recognised upon delivery of products to them. Whereas amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners and when the collectability of the profit share becomes probable and reliable.

Sales returns

The Company accounts for sales returns by recording an allowance for sales returns concurrent with the recognition of revenue at the time of product sale. This allowance is based on the Company's estimate of expected sales returns towards expiry, breakages and damages. The estimate of sales returns is determined primarily by the Company's historical experience of sales returns trends with respect to the shelf life of various products.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) as set out in Ind AS 109. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income, included under other income, is recognised on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

Export Incentive

Export incentives principally comprises of focus market scheme, and other export incentive schemes. The benefits under these incentive schemes are available based on the guidelines formulated for respective schemes by the government authorities. These incentives are recognised as revenue on accrual basis to the extent it is probable that realisation is certain.

Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

c Property, Plant And Equipment

The items of Property, plant and equipment including capital work-in-progress are stated at cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. Cost comprises the purchase price, taxes, duties, freight,and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at regular intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the plant, property and equipment, depreciation is provided on pro-rata reference to the month of addition/deletion of the Assets.

Subsequent expenditures related to an item of Property, plant and equipments is added to its book value, only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are recognized in the Statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work–in–progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in standalone financial statements.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

future economic benefits embodied in the items of property, plant and equipment.

Depreciation method and estimated useful lives

Depreciation on the property, plant and equipment is provided on straight line method.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Gain or loss on Disposal

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

Estimated useful life's of the assets are as follows:

Nature of Tangible Assets	Useful Life (No. of Years) As per Companies Act, 2013	Useful Life (No. of Years) As estimated by the Company
Plant and machinery	7.5 to 15	7.5 to 15
Building	30 to 60	30 to 60
Laboratory testing machines	10	10
Office equipments	5	5
Furniture, fixtures and fittings	10	10
Computers and peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical installations	10	10

Assets costing less than ₹ 5,000 are depreciated at the rate of hundred per cent.

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date and if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions taken into account. If no such transactions can be identified, an appropriate valuation model is used.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

d Other Intangible Assets

Other Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are measured at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

A summary of the policies applied to the Company's other intangible assets is as follows:

Nature of Other Intangible assets	Useful life (No. of years) As estimated by the Company	Amortisation method used
Software and Trademarks	5 to 10	Amortised on straight line basis

Depreciation is not recorded on intangible assets under development until the asset is ready for its intended use.

e Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

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 policies 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 assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks 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 the 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 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.

Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. The EIR amortisation is included in Other Income in the statement of profit and loss.

(b) Debt instruments at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements is recognised in the OCI. However, company recognises any interest income or impairment losses in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the OCI to statement of profit and loss.

(c) Debt instruments at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Debt instruments included within FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derivatives are initially measured at fair value. Subsequent to the initial recognition, derivatives are measured at fair value and changes therein are recognised in Statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative.

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

*The rights to receive cash flows from the asset has expired, or

*The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance ;

(b) Financial assets that are equity instruments and are measured as at FVTOCI ;

(c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of trade receivables or contract assets.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables and Other 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 and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Offsetting of financial instruments

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

FINANCIAL LIABILITIES

The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

f Fair Value Measurement

The Company measures financial instruments, such as, derivatives, mutual funds etc. at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets/ declared buyback NAV for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and applicable taxes, where applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.The comparison of cost and net realisable value is made on an item-by-item basis.

h Foreign Currency Translation/ Transactions

The financial statements are presented in Indian Rupees (₹) which is company's functional and presentation currency.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations are stated at fair

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

value. Any gains or losses arising from changes in fair value are taken directly to Statement of Profit or Loss.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

i Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants related to revenue is recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets is recognised as income in equal amounts over the expected useful life of the related asset.

j Employee Benefits

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

Defined contribution plans

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the statement of profit and loss on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

The Company fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in other comprehensive income. Remeasurement are not reclassified to the statement of profit and loss in subsequent periods. Net interest and other expenses related to defined benefits plan are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a 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 Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k Research And Development Expenses

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

l Investments In Subsidiaries

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

m Lease Accounting

Company as a lessee

The Company lease asset classes primarily consist of leases for land and buildings. The Company assess whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

(1) the contract involves the use of an identified asset

(2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

n Earning Per Share

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus / rights issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

o Taxation

Income tax expense comprises current and deferred income tax.

Current tax

Current tax expense is recognized in the statement of profit and loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax is also recognized in other comprehensive income or directly in equity respectively. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax expense is recognized in the statement of profit and loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Company reassesses unrecognised deferred tax assets and are recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and deferred tax for the year

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible a temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

p Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

q Contingent Liabilities, Contingent Assets And Commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

r Segment Reporting

Based on “Management Approach” as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocate the resources based on an analysis of various performance indicators by business segments. The Company's chief operating decision maker is the Managing Director of the Company.

The Company prepares its segment information in conformity with the accounting policies adopted for

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

preparing and presenting the financial statements of the Company as a whole.

s Cash And Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks 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.

For the purpose of the cash flows statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t Assets Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

u Cash Dividend To Equity Holders

The Company recognises a liability to make cash distribution to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v Policy For Statement Of Cash Flows

The Company's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period 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.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

w Changes in significant accounting policies

The Company has not been required to apply any new standard, interpretation or amendment that has been issued and therefore there were no significant changes in accounting policies.

x Recent Pronouncements

The amendments to Schedule III of the Companies Act, 2013 are applicable from April 1, 2021. The Company has given effect of amendment by inclusion of the relevant disclosures under explanatory notes or by way of additional notes, wherever significant in nature.

y Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notified new standard 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, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

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

Ind AS 37– 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.

z Corporate Social Responsibility ("CSR") Expenditure

CSR expenditure incurred by the Company is charged to the Standalone Statement of Profit and Loss.

aa Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities as at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Sale of products

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Sales returns

Revenue from sale of products is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Company needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Company has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of financial assets

The Company recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full time expected credit losses.

The Company follows 'Simplified approach' for recognition of loss allowance on trade receivables under which company does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

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

Impairment of non financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognised.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

Useful life of property, plant and equipment and other intangible assets

As described in Note 1.3 (c and d), the Company reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The provision against obsolete and slow-moving inventories requires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

The Company reassesses the estimation on each balance sheet date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars	Gross carrying value					Depreciation / Amortisation					Net Carrying Value	
	As At March 31 2021	Additions	Deletions	Reclassification to Assets held for sale	As At March 31 2022	As At March 31 2021	For the year	Deletions	Reclassification to Assets held for sale	As At March 31 2022	As At March 31 2022	As At March 31 2021
PROPERTY, PLANT AND EQUIPMENT												
Leasehold Improvements	383.95	-	-	-	383.95	258.58	76.06	-	-	334.64	49.31	125.37
Freehold land *	41,011.83	-	-	-	41,011.83	-	-	-	-	-	41,011.83	41,011.83
Buildings **	16,783.61	40.76	3.00	-	16,821.37	2,448.55	480.80	0.54	-	2,928.81	13,892.56	14,335.06
Plant and machinery	12,745.91	1,710.49	89.68	-	14,366.72	7,078.33	1,162.17	62.13	-	8,178.37	6,188.35	5,667.58
Laboratory testing machines	6,458.12	467.90	58.47	-	6,867.55	3,630.64	545.10	54.29	-	4,121.45	2,746.10	2,827.48
Electrical installations	1,350.27	88.56	8.20	-	1,430.63	767.94	98.81	8.20	-	858.55	572.08	582.33
Furniture, fixtures and fittings	2,941.14	97.39	0.36	-	3,038.17	1,728.70	192.14	0.36	-	1,920.48	1,117.69	1,212.44
Office equipments	2,824.21	329.90	9.96	-	3,144.15	2,268.57	310.93	9.49	-	2,570.01	574.14	555.64
Vehicles	614.15	-	-	-	614.15	333.99	75.67	-	-	409.66	204.49	280.16
Total of Property, plant and equipment (A)	**85,113.19**	**2,735.00**	**169.67**	**-**	**87,678.52**	**18,515.30**	**2,941.68**	**135.01**	**-**	**21,321.97**	**66,356.55**	**66,597.89**
RIGHT-OF-USE ASSETS									-			
Right-of-use (leasehold properties) **(B)**	2,538.14	2,471.06	-	-	5,009.20	1,070.15	646.96	-	-	1,717.11	3,292.09	1,467.99
OTHER INTANGIBLE ASSETS												
Marketing Rights/ Trademarks	135.58	-	-	-	135.58	90.53	14.54	-	-	105.07	30.51	45.05
Software	1,270.41	132.00	-	-	1,402.41	879.82	104.93	-	-	984.75	417.66	390.59
Total of Other intangible assets (C)	**1,405.99**	**132.00**	**-**	**-**	**1,537.99**	**970.35**	**119.47**	**-**	**-**	**1,089.82**	**448.17**	**435.64**
Total (A+B+C)	**89,057.32**	**5,338.06**	**169.67**	**-**	**94,225.71**	**20,555.80**	**3,708.11**	**135.01**	**-**	**24,128.90**	**70,096.81**	**68,501.52**
Capital work in progress - Tangible	-	-	-	-	-	-	-	-	-	-	**10,424.30**	**1,921.12**
Intangible assets under development	-	-	-	-	-	-	-	-	-	-	**11.25**	**-**

* Freehold land of ₹ 640.66 Lakhs (Previous year-₹ 640.66 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 Lakhs (Previous year-₹ 3,178.14 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Company.

All property, plant and equipment are held in the name of the Company.

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(a) Capital Work-in-progress Ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Amount in capital WIP for a period of				
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Grand Total
Non Project	1,926.91	450.24	25.98	8.39	2,411.52
Projects in progress	7,518.46	483.56	10.76	-	8,012.78
Grand Total	**9,445.37**	**933.80**	**36.74**	**8.39**	**10,424.30**

(b) Capital Work-in-progress Ageing schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Amount in capital WIP for a period of				
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Grand Total
Non Project	830.14	541.01	-	8.39	1,379.54
Projects in progress	524.32	17.26	-	-	541.58
Grand Total	**1,354.46**	**558.27**	**-**	**8.39**	**1,921.12**

(c) Intangible assets under development Ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Amount in capital WIP for a period of				
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Grand Total
Non Project	11.25	-	-	-	11.25

(d) Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

(e) CWIP completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (March 31, 2021 : None)

(f) For capital expenditures contracted but not incurred-Refer note 42.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars	Gross carrying value					Depreciation / Amortisation					Net Carrying Value	
	As At March 31, 2020	Additions	Deletions	Reclassification to Assets held for sale	As At March 31 2021	As At March 31, 2020	For the year	Deletions	Reclassification to Assets held for sale	As At March 31, 2021	As At March 31, 2021	As At March 31, 2020
PROPERTY, PLANT AND EQUIPMENT												
Leasehold improvements	383.95	-	-	-	383.95	182.52	76.06	-	-	258.58	125.37	201.43
Freehold land *	41,159.25	-	58.97	88.45	41,011.83	-	-	-	-	-	41,011.83	41,159.25
Buildings **	13,994.10	3,507.82	314.95	403.36	16,783.61	2,155.79	455.75	86.97	76.02	2,448.55	14,335.06	11,838.31
Plant and machinery	11,812.93	965.05	32.07	-	12,745.91	5,931.25	1,163.22	16.14	-	7,078.33	5,667.58	5,881.68
Laboratory testing machines	6,020.83	437.29	-	-	6,458.12	3,065.29	565.35	-	-	3,630.64	2,827.48	2,955.54
Electrical installations	1,260.55	187.33	97.61	-	1,350.27	752.00	103.95	88.01	-	767.94	582.33	508.55
Furniture, fixtures and fittings	2,743.22	197.92	-	-	2,941.14	1,533.45	195.25	-	-	1,728.70	1,212.44	1,209.77
Office equipments	2,653.75	172.82	2.36	-	2,824.21	1,901.08	369.85	2.36	-	2,268.57	555.64	752.67
Vehicles	585.30	61.45	32.60	-	614.15	281.92	84.67	32.60	-	333.99	280.16	303.38
Total of Property, plant and equipment (A)	**80,613.88**	**5,529.68**	**538.56**	**491.81**	**85,113.19**	**15,803.30**	**3,014.10**	**226.08**	**76.02**	**18,515.30**	**66,597.89**	**64,810.58**
RIGHT-OF-USE ASSETS												
Right-of-use (leasehold properties) **(B)**	2,064.16	473.98	-	-	2,538.14	519.73	550.42	-	-	1,070.15	1,467.99	1,544.43
OTHER INTANGIBLE ASSETS												
Marketing rights/ Trademarks	133.08	2.50	-	-	135.58	74.83	15.70	-	-	90.53	45.05	58.25
Software	1,261.41	9.00	-	-	1,270.41	697.71	182.11	-	-	879.82	390.59	563.70
Total of Other intangible assets (C)	**1,394.49**	**11.50**	**-**		**1,405.99**	**772.54**	**197.81**	**-**	**-**	**970.35**	**435.64**	**621.95**
Total (A+B+C)	**84,072.53**	**6,015.16**	**538.56**	**491.81**	**89,057.32**	**17,095.57**	**3,762.33**	**226.08**	**76.02**	**20,555.80**	**68,501.52**	**66,976.96**
Capital work- in- progress	-	-	-	-	-	-	-	-	-	-	**1,921.12**	**2,385.00**

*Freehold land of ₹ 640.66 Lakhs (Previous year-₹ 640.66 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

**Building of ₹ 3,178.14 Lakhs (Previous year-₹ 3,178.14 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Company.

All property, plant and equipment are held in the name of the Company.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

3 INVESTMENTS

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
UNQUOTED		
Investments stated at cost		
Investments in fully paid-up equity instruments in subsidiaries		
374,085 (Previous year - 374,085) Equity shares of FDC International Limited, UK of GBP 0.01 each (₹ 75.24)	0.00	0.00
500 (Previous year - 500) Equity shares of FDC Inc., USA of USD 100 each	22.00	22.00
302,250 (Previous year - 302,250) Equity shares of Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, South Africa of ZAR 1 each	17.51	17.51
Less: Provision for impairment in the value of investments	(17.51)	(17.51)
(A)	**22.00**	**22.00**
Investments measured at amortised cost		
Investment in government securities (Refer note below)		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of ₹ 2,000	0.02	0.02
(B)	**0.09**	**0.09**
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
1,000 (Previous year -1,000) Equity shares of The Saraswat Co-Op. Bank Limited of ₹ 10 each	0.10	0.10
5,000 (Previous year-5,000) Equity shares of The North Kanara G.S.B Co-Op Bank Limited of ₹ 10 each	0.50	0.50
100 (Previous year-100) Equity shares of Roha industries Association Sahakari Grahak Bhandar Limited of ₹ 25 each	0.03	0.03
18,000 (Previous year-NIL) Equity shares of Shivalik Solid Waste Management of ₹ 10 each	1.80	-
(C)	**2.43**	**0.63**
Investments mandatorily measured at fair value through profit or loss		
Investments in units of mutual funds	491.33	3,985.18
Investments in fully paid up non convertible debentures	893.92	2,013.20
(D)	**1,385.25**	**5,998.38**
Sub Total (E) = (A+B+C+D)	**1,409.77**	**6,021.10**
QUOTED		
Investments measured at amortised cost		
Investments in fully paid up bonds	33,618.14	19,976.37
Less: Provision for impairment in the value of investments	(1,000.00)	(1,500.00)
(F)	**32,618.14**	**18,476.37**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
34,375 (Previous year - 84,375) Equity shares of Motherson Sumi Systems Limited of ₹ 1 each	47.94	170.05
34,375 (Previous year - NIL) Equity shares of Motherson Sumi Wiring India Limited of ₹ 1 each	22.15	-
6,000 (Previous year - 6,000) Equity shares of Sun Pharmaceutical Industries Limited ₹ 1 each	54.89	35.86
23,250 (Previous year - 23,250) Equity shares of HDFC Bank Limited ₹ 1 each	341.86	347.25
13,070 (Previous year - 13,070) Equity shares of Housing Development Finance Corporation Limited ₹ 2 each	312.43	326.61
65,300 (Previous year - 65,300) Equity shares of ICICI Bank Limited ₹ 2 each	476.89	379.56
210,400 (Previous year - 210,400) Equity units of Mindspace business Parks REIT	729.12	620.03
81,179 (Previous year - 81,200) Equity units of Brookfield India Real Estate Trust	254.20	181.24
10,81,300 (Previous year - Nil) Equity units of Powergrid Infrastructure Investment Trust	1,447.86	-
6,00,000 (Previous year - Nil) Equity units of National Highway Infra Trust	779.70	-
(G)	**4,467.04**	**2,060.60**
Sub Total (H) = (F+G)	**37,085.18**	**20,536.97**
Total = (E+H)	**38,494.95**	**26,558.07**
Aggregate book value of quoted investment	37,085.18	20,536.97
Aggregate market value of quoted investments	37,085.18	20,536.97
Aggregate value of unquoted investments	1,409.77	6,021.10
Aggregate amount of impairment in value of investments	1,017.51	1,517.51

Note: National Savings Certificates of the value of ₹ 0.04 Lakhs (Previous year - ₹ 0.04 Lakhs) and Government of India G.P.notes of the value of ₹ 0.02 Lakhs (Previous year- ₹ 0.02 Lakhs) have been lodged with the Excise authorities. National Savings Certificates of ₹ 0.03 Lakhs (Previous year - ₹ 0.03 Lakhs) have been lodged with Sales Tax authorities.

List of significant investments in subsidiaries

	% of equity interest	
	As at March 31, 2022	As at March 31, 2021
Name and Country of Incorporation		
Subsidiaries		
FDC International Limited., UK	100%	100%
FDC Inc., USA	100%	100%
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited., South Africa	93%	93%

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

4 LOANS*

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to employees	47.23	31.25
	47.23	**31.25**

* There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

The Company has complied with the provisions of section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers)Rules, 2017.

The Company has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

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.

5 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Margin money deposits*	45.00	209.04
Security deposits	653.30	626.59
	698.30	**835.63**

*Margin money deposits are given as security against bank guarantee with original maturity of more than 12 months for various performance obligations [Refer note 42 (b)]

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

6 INCOME TAX ASSETS (NET)

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Income tax paid [Net of provision - ₹ 34,948.20 Lakhs (Previous year - ₹ 28,084.64 Lakhs)]	3,370.78	2,403.12
	3,370.78	**2,403.12**

7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances	3,339.38	1,517.88
Prepaid expenses	83.71	86.91
	3,423.09	**1,604.79**

8 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Raw materials [Including stock in transit ₹ 0.58 Lakhs (Previous year - ₹ 261.71 Lakhs)]	7,857.20	6,258.23
Packing materials [Including stock in transit ₹ 3.42 Lakhs (Previous year - ₹ Nil]	2,424.51	1,514.73
Work-in-progress	3,002.96	2,428.11
Finished goods [Including stock in transit ₹ 941.48 Lakhs (Previous year - ₹ 560.87 Lakhs)]	13,868.68	8,126.33
Stock in trade	3,209.20	2,999.98
	30,362.55	**21,327.38**

During the year ended March 31, 2022, ₹ 1,030.25 Lakhs (Previous year - ₹ 1,001.93 Lakhs) was charged to the statement of profit and loss on account of damaged and slow moving inventories.

The above includes inventories held by third parties amounting to ₹ NIL (March 31, 2021 - ₹ NIL)

No Inventories are hypothecated with the bankers against working capital limits.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

9 INVESTMENTS

(₹ in Lakhs)

	Current	
	As at March 31, 2022	As at March 31, 2021
UNQUOTED		
Investments mandatorily measured at fair value through profit or loss		
Investments in mutual funds	48,010.76	50,991.38
Investments in fully paid up non-convertible debentures	2,066.21	1,492.68
	50,076.97	**52,484.06**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	50,076.97	52,484.06
Aggregate amount of impairment in value of investments	-	-

Refer note 39 for accounting policies on financial instruments for methods of valuation.

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

10 TRADE RECEIVABLES

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		7,727.01	10,659.06
Credit impaired		470.93	171.90
Unsecured, considered good receivable from related parties (Refer note 46)		243.54	121.32
	(A)	**8,441.48**	**10,952.28**
Less : Allowance for credit loss	**(B)**	470.93	171.90
	(A-B)	**7,970.55**	**10,780.38**

Movement in expected credit loss allowance

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	171.90	111.86
Less : Amount collected/written off and hence reversal of provision	36.02	0.08
Add : Provision made during the year	335.05	60.12
Balance at the end of the year	**470.93**	**171.90**

Notes :-

(a) There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

(b) For terms and conditions relating to related party receivables, refer note 46.

(c) Trade receivables are usually non-interest bearing and are generally on credit terms upto 120 days.The Company's term includes charging of interest for delayed payment beyond agreed credit days. Company charges interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.

(d) For explanations on the Company's credit risk management processes, refer note 38.

(e) The Company follows life time expected credit loss model. accordingly, deterioration in credit risk is not required to be evaluated annually.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(f) Refer note 39 for accounting policies on financial instruments.

(g) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule as below.

(h) Trade receivables ageing schedule Current.

Ageing for trade receivables outstanding as at March 31, 2022

(₹ in Lakhs)

Particulars	Not due	Less than 6 Months	6 months-1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables billed							
Undisputed trade receivables-							
Considered good	6,170.89	1,647.24	78.17	8.95	61.24	4.06	7,970.55
Undisputed trade receivables-							
Which have significant increase in credit risk	-	4.91	69.21	315.78	10.49	70.54	470.93
Disputed trade receivables-							
Considered good	-	-	-	-	-	-	-
Disputed trade receivables-							
Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-							
Credit impaired	-	-	-	-	-	-	-
	6,170.89	**1,652.15**	**147.38**	**324.73**	**71.73**	**74.60**	**8,441.48**
Less :- Allowance for doubtful trade receivables billed							470.93
Net							**7,970.55**

Ageing for trade receivables outstanding as at March 31, 2021

(₹ in Lakhs)

Particulars	Not due	Less than 6 Months	6 months-1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables billed							
Undisputed trade receivables-							
Considered good	5,821.45	4,725.96	189.47	21.63	1.14	20.73	10,780.38
Undisputed trade receivables-							
Which have significant increase in credit risk	-	-	-	64.48	16.76	90.66	171.90
Disputed trade receivables-							
Considered good	-	-	-	-	-	-	-
Disputed trade receivables-							
Which have significant increase in credit risk	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Not due	Less than 6 Months	6 months-1 Year	1-2 years	2-3 years	More than 3 years	Total
Disputed trade receivables-							
Credit impaired	-	-	-	-	-	-	-
	5,821.45	**4,725.96**	**189.47**	**86.11**	**17.90**	**111.39**	**10,952.28**
Less :- Allowance for doubtful trade receivables billed							171.90
Net							**10,780.38**

Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Cash on hand	6.47	7.29
Balances with banks:		
In current accounts	2,471.04	2,564.43
In deposit accounts (with original maturity of 3 months or less)	635.00	-
	3,112.51	**2,571.72**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Margin money deposits*	29.69	33.04
In unpaid dividend account**	63.45	81.71
	93.14	**114.75**

*Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months for various performance obligations (Refer note 42 (b)).

**Earmarked balances with banks relate to unclaimed dividend.

13 LOANS

(₹ in Lakhs)

		Current	
		As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
Loans/ advances to employees		55.49	32.39
Credit impaired			
Loans to related parties (Refer note 46)		1,586.00	1,057.25
	(A)	**1,641.49**	**1,089.64**
Less: Impairment of loan to related parties	**(B)**	1,586.00	1,057.25
	(A-B)	**55.49**	**32.39**

Note: Disclosure required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 186 (4) of Companies Act, 2013

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

Amount of loans/ advances in the nature of loans outstanding to Subsidiaries as below:

(₹ in Lakhs)

Subsidiaries	Interest rate	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021	Maximum amount outstanding during the year March 31, 2022	Maximum amount outstanding during the year March 31, 2021
Unsecured, credit impaired					
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	5% - 10.50%	1,586.00	1,057.25	1,586.00	1,057.25

Amount of loans/ advances in the nature of loans outstanding repayable as per below term with Subsidiaries:

(₹ in Lakhs)

Subsidiaries	Due date	As at March 31, 2022	%	As at March 31, 2021	%
Unsecured, credit impaired					
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited	Payable on demand	1,586.00	100%	1,057.25	100%

Notes:

*For the year ended March 31, 2022 & March 31, 2021, the Company has recorded for impairment of loan given to Fair Deal Corporation Pharmaceuticals SA (Pty) Limited.

There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

The Company has complied with the provision section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

The Company has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

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.

14 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

		Current	
		As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
Export benefit receivable		184.99	546.08
Security deposit		89.55	108.57
Interest accrued on investments and others		38.79	79.14
Net defined Gratuity benefits plan assets		93.52	164.18
Credit impaired			
Interest accrued on loan to related parties (Refer note 46)		237.04	132.89
	(A)	**643.89**	**1,030.86**
Less: Impairment of interest accrued on loan to related parties	**(B)**	237.04	132.89
	(A-B)	**406.85**	**897.97**

Note: There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

15 OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances to suppliers	2,257.91	1,134.23
Prepaid expenses	828.84	748.79
Balances with statutory/government authorities	3,693.16	1,934.16
Credit impaired		
Reimbursement of expenses receivable from Fair Deal Corporation Pharmaceuticals SA (Pty) Limited (Refer note 46)	-	18.42
Balances with statutory/government authorities	25.69	25.69
	6,805.60	**3,861.29**
Less: Impairment of expenses receivable from Fair Deal Corporation Pharmaceuticals SA (Pty) Limited.	-	18.42
Less: Allowance for doubtful advances	25.69	25.69
	6,779.91	**3,817.18**

16 ASSETS HELD FOR SALE

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Freehold land	-	88.45
Building	-	327.34
	-	**415.79**

During previous year the Company classified freehold land of ₹ 88.45 Lakhs (NBV- ₹ 88.45 Lakhs) and Building of ₹ 403.36 Lakhs (NBV- ₹ 327.34 Lakhs) of Bhiwandi depot as assets held for sale since the Company planned to acquire bigger facility. Same is disposed off during the current financial year. Gain on such disposal recognized in Statement of Profit and Loss is ₹ 79.22 Lakhs in the current financial year.

17 SHARE CAPITAL

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Authorised share capital :		
294,200,000 (Previous year - 294,200,000) Equity shares of ₹ 1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of ₹ 100 each	3.00	3.00
	2,945.00	**2,945.00**
Issued share capital :		
168,810,084 (Previous year - 168,810,084) Equity shares of ₹ 1 each, fully paid-up	1,688.10	1,688.10
	1,688.10	**1,688.10**
Subscribed and Paid-up share capital :		
168,810,084 (Previous year - 168,810,084) Equity shares of ₹1 each, fully paid-up	1,688.10	1,688.10
Total	**1,688.10**	**1,688.10**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022		As at March 31, 2021	
	No. in Lakhs	₹ in Lakhs	No. in Lakhs	₹ in Lakhs
At the beginning of the period	1,688.10	1,688.10	1,709.73	1,709.73
Less: Share capital bought back	-	-	21.63	21.63
Outstanding at the end of the period	**1,688.10**	**1,688.10**	**1,688.10**	**1,688.10**

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2022, the amount of per share interim dividend paid as distribution to equity shareholders is ₹ Nil (Previous year - ₹ Nil per share).

The Company had cancelled 31,45,000 forfeited equity shares of ₹ 0.25/- each containing total amount of ₹ 7.86 Lakhs of forfeited equity shares and the same was by approved by shareholders in the annual general meeting held on September 27, 2019 by way of ordinary resolution. The forfeited capital amount has been transferred to Capital reserve as per the applicable provisions of Companies Act, 2013.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at March 31, 2022	As at March 31, 2021
	No. in Lakhs	No. in Lakhs
Equity shares bought back by the Company (Refer note below)	90.23	90.23

The Board of Directors, at its meeting held on February 09, 2022 had approved a proposal of the Company to buy-back its 29,00,000 fully paid–up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the Company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on April 12, 2022 and was completed on April 27, 2022 and the Company bought back and extinguished a total of 29,00,000 equity shares at a price of ₹ 475 per equity share, comprising of 1.72% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 13,775 Lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve.

The Board of Directors, at its meeting held on August 7, 2020 had approved a proposal of the Company to buy-back its 21,63,000 fully paid–up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the Company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on September 16, 2020 and was completed on September 29,

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

2020 and the Company bought back and extinguished a total of 21,63,000 equity shares at a price of ₹ 450 per equity share, comprising of 1.27% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 9,733.50 Lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve. In accordance with Section 69 of the Companies Act, 2013, as at results approved for the period ended December 31, 2020, the Company has credited 'Capital Redemption Reserve' with an amount of ₹ 21.63 Lakhs, being amount equivalent to the nominal value of the Equity Shares bought back as an appropriation from General Reserve.

(d) The details of Shareholding of Promoters are as under as at March 31, 2022 and March 31, 2021 are as follows:

	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of Shares	Total Share %	Number of Shares	Total Share %	-
Aditi C. Bhanot	11,48,552	0.68	11,46,766	0.68	-
Nandan Mohan Chandavarkar	52,04,173	3.08	52,04,173	3.08	-
Nomita Ramdas Chandavarkar	54,30,830	3.22	54,30,830	3.22	-
Ameya Ashok Chandavarkar	1,02,44,985	6.07	1,02,44,985	6.07	-
Mohan Anand Chandavarkar Trust	1,81,76,466	10.77	1,81,76,466	10.77	-
Sandhya Mohan Chandavarkar Trust	1,84,97,057	10.96	1,84,97,057	10.96	-
Meera Ramdas Chandavarkar	3,26,80,175	19.36	3,26,80,175	19.36	-
Virgo Advisors Limited Limited	1,02,78,940	6.09	1,02,78,940	6.09	-
Leo Advisors Limited Limited	1,54,18,266	9.13	1,54,18,266	9.13	

(e) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Total Share %	Number of Shares	Total Share %
Equity shares of ₹1 each fully paid				
Meera Ramdas Chandavarkar	3,26,80,175	19.36	3,26,80,175	19.36
Sandhya Mohan Chandavarkar Trust	1,84,97,057	10.96	1,84,97,057	10.96
Mohan Anand Chandavarkar Trust	1,81,76,466	10.77	1,81,76,466	10.77
Leo Advisors Private Limited	1,54,18,266	9.13	1,54,18,266	9.13
Virgo Advisors Private Limited	1,02,78,940	6.09	1,02,78,940	6.09
Ameya Ashok Chandavarkar	1,02,44,985	6.07	1,02,44,985	6.07

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

18 OTHER EQUITY

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Capital redemption reserve			
Opening balance		90.23	68.60
Add: Transfer from General Reserve on buyback of Equity Shares		-	21.63
Closing balance	**(A)**	**90.23**	**90.23**
Capital reserve			
Opening balance		7.86	7.86
Add: Cancellation of forfeited Equity Shares		-	-
Closing balance	**(B)**	**7.86**	**7.86**
General reserve			
Opening balance		10,217.34	19,950.84
Less: Premium paid on buyback of Equity Shares		-	(9,711.87)
Less: Transfer to Capital Redemption Reserve on buyback of Equity Shares		-	(21.63)
Closing balance	**(C)**	**10,217.34**	**10,217.34**
Retained earnings			
Opening balance		1,59,771.85	1,32,522.04
Add: Profit for the year		21,963.56	29,448.96
Add: Remeasurement losses of defined benefit plans		189.01	87.62
Less: Expenses relating to buyback of Equity shares* (net)		(76.17)	(69.64)
Less: Tax on buyback paid*		-	(2,217.13)
Closing balance	**(D)**	**1,81,848.25**	**1,59,771.85**
Other comprehensive income			
Opening balance		441.15	(77.22)
Add: Net profit/ (loss) on Equity Shares carried at fair value through OCI		575.61	518.37
Closing balance	**(E)**	**1,016.76**	**441.15**
Total	**(A+B+C+D+E)**	**1,93,180.44**	**1,70,528.43**

*The Board of Directors, at its meeting held on February 9, 2022 had approved a proposal of the Company to buy-back its 29,00,000 fully paid–up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the Company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on April 12, 2022 and was completed on April 27, 2022 and the Company bought back and extinguished a total of 29,00,000 equity shares at a price of ₹ 475 per equity share, comprising of 1.72% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 13,775 Lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve.

Nature and purpose of Reserves

(a) Capital redemption reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

(b) Capital reserve

As per Companies Act, 2013, Capital reserve is created when Company cancelled its own shares.

(c) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by the transfer from one component of equity to another and is not item of other comprehensive income.

(d) Retained earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders. 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.

(e) Other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in other comprehensive income is transferred to retained earnings on disposal of the investment.

19(A) BORROWINGS*

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	**As at March 31, 2021**
Deferred sales tax loans (unsecured) (Refer note below)	20.80	34.37
Less: Amount disclosed under "Borrowings" (Refer note 19(B))	10.00	13.57
Total	**10.80**	**20.80**

*Refer note 20 for Non current Lease liabilites

19(B) BORROWINGS*

(₹ in Lakhs)

	Current	
	As at March 31, 2022	**As at March 31, 2021**
Deferred sales tax loans (unsecured) (Refer note below)	10.00	13.57
	10.00	**13.57**

*Refer note 23 for Current Lease liabilites

Note: Under various schemes of Government of Maharashtra, the Company was entitled to interest free Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-13 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

Due in financial year	(₹ in Lakhs)
2022-23	10.00
2023-24	7.59
2024-25	3.21
	20.80

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

20 LEASE LIABILITIES

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
Lease liabilities	3,122.48	1,369.63
Less: Current maturities of finance lease obligation (Refer note 23 & 48)	659.53	690.07
	2,462.95	**679.56**

21 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Deferred tax liability			
Depreciation		1,342.51	1,450.86
Unrealised gain on investments		958.37	785.01
	(A)	**2,300.88**	**2,235.87**
Less: Deferred tax asset			
Provision for doubtful debts/advances		124.99	49.73
Impairment provision		463.23	308.57
Liabilities disallowed under section 43B of IT Act,1961		697.05	698.00
Difference in Right-of-use assets and Lease liabilities		27.65	47.49
	(B)	**1,312.92**	**1,103.79**
Net deferred tax liability	**(A)-(B)**	**987.96**	**1,132.08**

Reconciliation of deferred tax assets/ liabilities (net):

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Net deferred tax liability at the beginning	1,132.08	920.63
Tax (income)/expense recognised in profit or loss	(218.48)	144.49
Tax expense recognised in OCI	74.36	66.96
Net deferred tax liability at the end	**987.96**	**1,132.08**

22 TRADE PAYABLES

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises ("MSME")	2,558.20	1,332.78
Total outstanding dues of creditors other than micro and small enterprises	11,067.53	6,332.72
	13,625.73	**7,665.50**

Note :

(i) Trade payables include amount payable to vendors and accrual of expenses that are expected to be settled in the Company's normal operating cycle or due to be settled within twelve months from the reporting date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

(ii) For explanations on the Company's liquidity risk management processes Refer note 38.

(iii) Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 is provided as under for the year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount remaining unpaid to any supplier due at end of each accounting year	70.99	24.37
(b) The interest due on the amount remaining unpaid to any supplier at end of each accounting year	5.43	5.07
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	5.43	5.07
(f) 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 Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of its suppliers.

(iv) Terms and conditions of the creditors other than Micro and small enterprises:
Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables						
MSME	2,481.76	71.01	-	-	-	2,552.77
Others	5,888.67	2,302.21	157.47	49.46	-	8,397.81
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	2,675.15
Total	**8,370.43**	**2,373.22**	**157.47**	**49.46**	**-**	**13,625.73**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables						
MSME	1,302.84	24.76	0.12	-	-	1,327.72
Others	2,968.29	757.90	39.21	8.55	66.15	3,840.10
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	2,497.68
Total	**4,271.13**	**782.66**	**39.33**	**8.55**	**66.15**	**7,665.50**

23 LEASE LIABILITIES

(₹ in Lakhs)

	Current	
	As at March 31, 2022	As at March 31, 2021
Finance lease obligation (Refer note 20 & 48)	659.53	690.07
	659.53	**690.07**

24 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Other financial liabilities carried at amortised cost		
Unpaid dividend (Refer note below)	63.45	81.71
Sundry deposits	1,278.29	1,326.46
Employee benefits payable	4,624.52	3,530.24
Due to directors*	491.56	645.08
Others payables (includes disputed liabilities, trade advances, etc.)	622.76	548.20
	7,080.58	**6,131.69**

Note:- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection fund.

*Pertains to commission payable to directors. (Refer note 46)

25 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Advances from customers	339.59	394.14
Statutory dues payable*	497.05	453.18
	836.64	**847.32**

*Include Goods and Service Tax, Provident fund, Employees' State Insurance, Labour Welfare fund, Profession tax, Tax deducted at source and Tax collected at source.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

26 PROVISIONS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
For employee benefits (Refer note 44)	1,833.73	1,907.78
For others	1,766.58	1,710.58
	3,600.31	**3,618.36**

(₹ in Lakhs)

	Gratuity benefits	Compensated absences	Sales returns	Total Excluding Gratuity benefits
Balance as on April 1, 2021	(164.18)	1,907.78	1,710.58	3,618.36
Provision made during the year	323.22	147.76	2,402.91	2,550.67
Remeasurement gain on defined benefit plans	(254.18)	-	-	-
Provision utilised during the year	1.62	(221.81)	(2,346.91)	(2,568.72)
Balance as on March 31, 2022	**(93.52)**	**1,833.73**	**1,766.58**	**3,600.31**
Current	**-**	**1,833.73**	**1,733.96**	**3,567.69**
Non-current	**-**	**-**	**32.62**	**32.62**
Net defined Gratuity benefits plan assets-shown under - Other financial assets (Refer note no. 14)	**93.52**	**-**	**-**	**-**

(₹ in Lakhs)

	Gratuity benefits	Compensated absences	Sales returns	Total Excluding Gratuity benefits
Balance as on April 1, 2020	472.66	1,240.61	1,710.58	2,951.19
Provision made during the year	316.65	821.28	2,167.20	2,988.48
Remeasurement gain of defined benefit plans	(117.09)	-	-	-
Provision utilised during the year	(836.40)	(154.11)	(2,167.20)	(2,321.31)
Balance as on March 31, 2021	**(164.18)**	**1,907.78**	**1,710.58**	**3,618.36**
Current	**(164.18)**	**1,907.78**	**1,671.36**	**3,579.14**
Non-current	**-**	**-**	**39.22**	**39.22**
Net defined Gratuity benefits plan assets-shown under - Other financial assets (Refer note no. 14)	**164.18**	-	-	-

27 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Tax payable [Net of Income tax paid - ₹ 41,797.81 Lakhs and (Previous year ₹ 41,797.81 Lakhs)]	1,281.64	1,281.64
	1,281.64	**1,281.64**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

A The details of Non-current/(Current) Income tax assets/(Liabilites) as at March 31, 2022

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Non-current Income tax assets (net of provision for taxes)	3,370.78	2,403.12
Current tax liabilities (net of advances)	1,281.64	1,281.64
Net current income tax asset / (liability) at the end	**2,089.14**	**1,121.48**

B The movement in the gross current tax assets/ (liability) for year ended March 31, 2022

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Net current tax asset at the beginning	1,121.48	221.06
Income tax paid	7,831.22	9,381.47
Current tax expense	(6,800.00)	(8,450.00)
Tax expense recognised in OCI	(63.56)	(29.47)
Adjustments of tax relating to earlier years	-	(1.58)
Net current tax asset / (liability) at the end	**2,089.14**	**1,121.48**

C Income/ (loss) tax expense recognised in Statement of Profit and Loss

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current tax on profits for the year	6,800.00	8,450.00
Current tax on adjustments for earlier years	-	1.58
Deferred tax	(218.48)	144.49
	6,581.52	**8,596.07**

D Income tax expense recognised in other comprehensive income

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Tax on remeasurement (gain)/ losses of defined benefit plans	63.56	29.47
Tax on gain on FVTOCI financial assets (net)	74.36	66.96
	137.92	**96.43**

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

E Income tax expense reconciliation

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	28,545.08	38,045.03
Applicable tax rate	25.168%	25.168%
Tax as per applicable tax rate	7,184.23	9,575.17
Current tax on adjustments for earlier years	-	1.58
Tax on (income)/ expense not considered for tax purpose	(738.83)	(451.14)
Tax effect on exempt income	(17.79)	(32.89)
Tax incentives	(114.29)	(37.44)
Tax on additional allowances for capital loss/ (gain)	245.52	(452.44)
Others (net)	22.68	(6.77)
Income tax expense charged to the Statement of Profit and Loss	**6,581.52**	**8,596.07**

F Deferred tax expense/ (income) recognised in Statement of Profit and Loss and Other Comprehensive income

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase/ (decrease) in Deferred tax liability		
Depreciation	(108.35)	(151.06)
Unrealised gain on investments	173.36	785.01
	65.01	**633.95**
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	75.26	15.11
Impairment provision	154.66	190.69
Liabilities disallowed under Section 43B of the IT Act, 1961	(0.95)	169.21
Difference in Right-of-use assets and Lease liabilities	(19.84)	47.49
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	-	-
	209.13	**422.50**
Net deferred tax (income) / expense recognised during the year	**(144.12)**	**211.45**
Net deferred tax (income) / expense recognised in Statement of Profit and Loss	**(218.48)**	**144.49**
Net deferred tax expense recognised in Other Comprehensive income	**74.36**	**66.96**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

28 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Refer note 47)	1,51,471.06	1,31,558.31
Other operating revenue (Refer note 47)	425.45	986.60
	1,51,896.51	**1,32,544.91**
Other operating revenue		
Export incentive	217.38	637.58
Other miscellaneous receipts	208.07	349.02
	425.45	**986.60**

29 OTHER INCOME

(₹ in Lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
a)	**Interest income on financial asset carried at amortised cost**		
	Current investments	-	34.30
	Non-current investments	2,248.54	1,106.03
	Others (Refer note below)	156.80	107.02
b)	**Dividend Income**		
	Dividend received from subsidiary	195.20	-
	Non-current investments	70.80	13.61
c)	**Others**		
	Net gain on sale of investments	585.82	2,435.83
	Net gain on derecoginition of financial assets	-	1.96
	Fair value gain on financial instruments at fair value through profit or loss	3,458.73	5,216.80
	Provision for impairment in the value of investments written back	500.00	-
	Net exchange gain on foreign currency transactions	375.66	279.57
	Net gain on disposal of property, plant and equipment	99.73	67.68
	Other non operating income (Includes rental income, miscellaneous provisions written back)	182.07	451.79
		7,873.35	**9,714.59**

Note: Interest on others includes interest on margin money deposits, fixed deposits, Security deposits, interest on loans, interest on delayed payments from debtors etc.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

30 COST OF MATERIALS CONSUMED

(Raw materials and Packing materials)

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	7,772.96	9,944.83
Add: Purchases	47,859.09	32,492.83
	55,632.05	**42,437.66**
Less: Inventory at the end of the year	10,281.71	7,772.96
	45,350.34	**34,664.70**

31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the end of the year		
Finished goods	13,868.68	8,126.33
Stock in trade	3,209.20	2,999.98
Work-in-progress	3,002.96	2,428.11
	20,080.84	**13,554.42**
Inventory at the beginning of the year		
Finished goods	8,126.33	7,778.76
Stock in trade	2,999.98	1,573.27
Work-in-progress	2,428.11	1,652.44
	13,554.42	**11,004.47**
	(6,526.42)	**(2,549.95)**
Changes in Inventories		
Finished goods	(5,742.35)	(347.57)
Stock in trade	(209.22)	(1,426.71)
Work-in-progress	(574.85)	(775.67)
	(6,526.42)	**(2,549.95)**

32 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	30,274.06	24,541.77
Contribution to provident and other funds (Refer note 44)	2,130.37	1,861.76
Staff welfare expenses	1,592.93	3,027.76
	33,997.36	**29,431.29**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

33 FINANCE COSTS

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on finance lease obligations (Refer Note 48)	121.97	148.54
Interest on others	124.21	125.59
Other borrowing costs	58.61	66.09
	304.79	**340.22**

34 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	2,941.68	3,014.10
Amortisation of right-of-use asset and other intangible assets	766.43	748.23
	3,708.11	**3,762.33**

35 OTHER EXPENSES

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Processing charges	2,409.01	1,387.34
Power, fuel and water charges	2,889.13	2,705.72
Repairs and maintenance	-	-
Building	548.91	461.51
Plant and Machinery	812.01	693.74
Others	1,380.93	1,132.79
Labour contract expenses	1,833.56	1,502.93
Stores and spares	1,723.92	1,289.62
Pharma lab expenses	2,526.49	2,013.95
Research and Development expenses	1,584.75	1,325.78
Rent (including lease rent) (Refer note 48)	9.47	24.28
Rates and taxes	67.74	83.00
Insurance	359.02	285.88
Travelling and conveyance	4,267.82	3,388.37
Communication expenses	295.53	311.39
Carriage, freight and forwarding	4,458.39	3,003.73
Export Expenses	881.46	969.51
Advertisement and sales promotion	1,587.19	1,216.20
Printing & Stationery Charges	1,379.08	800.75
Publicity expenses	6,664.62	2,650.78
Sales tax/ Value added tax/ GST paid	296.49	235.79
Commission	858.88	692.18

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditors' remuneration	-	-
As audit fee	45.00	40.00
For other services	2.75	2.50
Out of pocket expenses	1.66	1.63
Legal and Professional Charges	505.29	552.46
Directors sitting fees	5.35	4.60
Allowances for credit loss	335.05	60.12
Bad debts written off	39.52	-
Impairment provision of subsidary (Refer note 46)	614.48	757.69
Donation	25.56	40.52
CSR expenditure (Refer note 49)	604.25	550.99
Miscellaneous expenses	1,417.18	1,289.84
	40,430.49	**29,475.59**

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

During the year ended March 31, 2022

(₹ in Lakhs)

	Retained Earnings	FVTOCI reserve	Total
Remeasurement gain on defined benefit plans	252.57	-	252.57
Tax on remeasurement gain on defined benefit plans	(63.56)	-	(63.56)
Gain on FVTOCI financial assets (net)	-	649.97	649.97
Tax on gain on FVTOCI financial assets (net)	-	(74.36)	(74.36)
	189.01	**575.61**	**764.62**

During the year ended March 31, 2021

(₹ in Lakhs)

	Retained Earnings	FVTOCI reserve	Total
Remeasurement gain of defined benefit plans	117.09	-	117.09
Tax on remeasurement gain of defined benefit plans	(29.47)	-	(29.47)
Gain on FVTOCI financial assets (net)	-	585.33	585.33
Tax on gain on FVTOCI financial assets (net)	-	(66.96)	(66.96)
	87.62	**518.37**	**605.99**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

37 EARNING PER SHARE (EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (₹ in Lakhs)	21,963.56	29,448.96
Weighted average number of shares [Refer note 17(a)]	16,88,10,084	16,99,83,437
Nominal value per share (₹)	1.00	1.00
Earning per share - Basic (₹)	13.01	17.32
- Diluted (₹)	13.01	17.32

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

Risk Management is an integral part of the Company's plans and operations. While the Company has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organized framework. The Company recognises risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

The Company, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and FVTPL investments.

The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

a Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the Company's interest income. The Company does not have any exposure to floating rate financial instruments.

b Foreign Currency Risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

c Equity price risk :

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as of March 31, 2022 and 2021 was ₹ 4,467.04 Lakhs and ₹ 2,060.60 Lakhs, respectively. A 10% change in equity price as of March 31, 2022 and 2021 would result in a pre- tax impact of ₹ 446.70 Lakhs and ₹ 206.06 Lakhs, respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on profit before tax (₹ in Lakhs)	Effect on Equity (₹ in Lakhs)
March 31, 2022	+1%	66.66	49.88
	-1%	(66.66)	(49.88)
March 31, 2021	+1%	59.42	44.47
	-1%	(59.42)	(44.47)

Credit Risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Company manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis.Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in equity instruments, money market liquid mutual funds, Bonds and Non-Convertiable debentures with financial institutions. The Company has set counterparty limits based on multiple factors including financial position, credit rating, etc.

The Company has oustanding inter-corporate loans to its subsidiaries amounting to ₹ 1,586.00 Lakhs as at March 31, 2022 (Previous year : ₹ 1057.25 Lakhs).

The Company's maximum exposure to credit risk as at March 31, 2022 and 31st March, 2021 is the carrying value of each class of financial asset.

Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

Financial assets :

(₹ in Lakhs)

	As at March 31, 2022			As at March 31, 2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Investments	50,076.97	38,494.95	88,571.92	52,484.06	26,558.07	79,042.13
Loans	55.49	47.23	102.72	32.39	31.25	63.64
Trade receivables	7,896.30	74.25	7,970.55	10,736.88	43.50	10,780.38
Cash and cash equivalents	3,112.51	-	3,112.51	2,571.72	-	2,571.72
Bank Balances other than above	93.14	-	93.14	114.75	-	114.75
Other Financial asssets	406.85	698.30	1,105.15	897.97	835.63	1,733.60

Financial liabilities :

(₹ in Lakhs)

	As at March 31, 2022			As at March 31, 2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	13,418.80	206.93	13,625.73	7,551.47	114.03	7,665.50
Borrowings	10.00	10.80	20.80	13.57	20.80	34.37
Lease Liabilities	659.53	2,462.95	3,122.48	690.07	679.56	1,369.63
Other Financial Liabilities	7,070.58	-	7,070.58	6,118.12	-	6,118.12

39 FINANCIAL INSTRUMENTS

Break up of financial assets carried at amortised cost

(₹ in Lakhs)

	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investments (Refer note 3)	32,618.23	18,476.46	-	-
(Excluding investments in subsidiaries and joint venture)	-	-	-	-
Loans (Refer note 4 and note 13)	47.23	31.25	55.49	32.39
Trade receivable (Refer note 10)	-	-	7,970.55	10,780.38
Cash and cash equivalent (Refer note 11)	-	-	3,112.51	2,571.72
Bank balance other than cash and cash equivalents (Refer note 12)	-	-	93.14	114.75
Other financial assets (Refer note 5 and 14)	698.30	835.63	406.85	897.97
Total financial assets carried at amortised cost	**33,363.76**	**19,343.34**	**11,638.54**	**14,397.21**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

The carrying value and fair value of financial instruments by categories as at Balance sheet date were as follows:

(₹ in Lakhs)

	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets:				
FVTOCI financial investments	4,469.47	2,061.23	4,469.47	2,061.23
FVTPL financial investments	51,462.22	58,482.44	51,462.22	58,482.44
Total	**55,931.69**	**60,543.67**	**55,931.69**	**60,543.67**

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

(₹ in Lakhs)

	Total
As at April 1, 2020	(77.22)
Re-Measurement recognised in OCI	518.37
As at March 31, 2021	441.15
Re-Measurement recognised in OCI	575.61
As at March 31, 2022	**1,016.76**

Fair Value hierarchy

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

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

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

The following table represents the fair value hierarchy of Financial assets measured at fair value as on March 31, 2022 :

(₹ in Lakhs)

Financial assets :	As at March 31, 2022	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	48,502.09	48,502.09	-	-
Non-Convertible debentures*	2,960.13	-	2,960.13	-
Quoted equity Instruments	4,467.04	4,467.04	-	-
Unquoted equity Instruments	2.43	-	-	2.43
Total	**55,931.69**	**52,969.13**	**2,960.13**	**2.43**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

The following table represents the fair value hierarchy of Financial assets measured at fair value as on March 31, 2021 :

(₹ in Lakhs)

Financial assets :	As at March 31, 2021	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	54,976.56	54,976.56	-	-
Non-Convertible debentures*	3,505.88	-	3,505.88	-
Quoted equity Instruments	2,060.60	2,060.60	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	**60,543.67**	**57,037.16**	**3,505.88**	**0.63**

* **Measurement of fair value for level 2 investments**

Valuation technique used by company for measuring level 2 fair value for financial instruments measured at fair value in statement of profit and loss is as follows -

Discounted cash flows: The valuation model considers present value of expected receipt/payments using appropriate discounting rates.

There have been no transfers between Level 1 and Level 2 during the period.

Break up of financial liabilites carried at amortised cost

(₹ in Lakhs)

	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Borrowings [(Refer note 19(A) & (B)]	10.80	20.80	10.00	13.57
Lease liabilities (Refer note 20 and note 23)	2,462.95	679.56	659.53	690.07
Trade payables (Refer note 22)	-	-	13,625.73	7,665.50
Other financial liabilities (Refer note 24)	-	-	7,080.58	6,131.69
Total financial liabilites carried at amortised cost	**2,473.75**	**700.36**	**21,375.84**	**14,500.83**

40 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2022 and March 31, 2021.

The Company maintains a strong capital base and the primary objective of Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, Company is a debt free Company and would like to remain debt free.

The Company does not have any interest bearing loans and borrowings in the current year as well as previous year.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

41 FINANCIAL PERFORMANCE RATIOS:

	Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance
A	**Performance ratios**					
	Net Profit ratio	Profit after tax	Revenue from operations	14.46%	22.22%	(34.92%)
	Net Capital turnover ratio	Revenue from operations	Closing working capital	2.12	1.85	14.63%
	Return on capital employed	Profit before interest and tax	Closing capital employed	14.80%	22.29%	(33.58%)
	Return on equity ratio	Profit after tax	Closing shareholder's equity	11.27%	17.10%	(34.09%)
	Return on investment	Closing less opening market price	Opening market price	(10.07%)	46.65%	(121.59%)
	Debt service coverage ratio	Profit before interest, tax and Depreciation and amortisation expense	Closing debt service	-	-	-
B	**Leverage ratios**					
	Debt-Equity ratio	Total Borrowings	Equity	0.00011	0.00020	(46.52%)
C	**Liquidity ratios**					
	Current ratio	Current Assets	Current Liabilities	3.65	4.55	(19.78%)
D	**Activity ratio**					
	Inventory turnover ratio	Cost of goods sold	Closing inventory	1.74	1.93	(9.84%)
	Trade receivables turnover ratio	Revenue from operations	Closing current trade receivables	19.06	12.30	55.00%
	Trade payables turnover ratio	Cost of goods sold	Closing trade payables	3.87	5.38	(27.93%)

Notes:

1. Net profit ratio - Net Profit ratio was lower on account of input cost pressure and other expenses reaching pre-covid levels partly mitigated by calibrated price hike.
2. Return on capital employed – Decrease in return on capital employed is mainly on account of decrease in profits during the year.
3. Return on equity ratio - Decrease in return on equity is mainly on account of decrease in profits during the year.
4. Trade receivables turnover ratio - Trade receivables turnover ratio improved due to better collections.
5. Trade payable turnover ratio - Trade payable turnover ratio improved on account of improvement in credit period.
6. Return on investment – There was substantial movement in share price in FY 2021 hence the Return on investment higher compared to current year.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

42 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Contingent Liabilities			
a.	Disputed tax matters		
	Income tax (Appealed by the Company)	3,578.04	2,074.57
	GST (Appealed by the Company)	14.19	1.90
	Sales tax (Appealed by the Company)	117.90	117.90
b.	In respect of guarantees given by banks for performance obligations (Refer note 5 & 12)	602.72	726.85
c.	Letter of credit issued by bankers	438.72	-
d.	Estimated amount of duty payable on export obligation against oustanding advance licences	201.47	237.46
e.	During the year FY 2013-14, the Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India, on account of alleged overcharging in respect of certain formulations under the Drugs (Prices Control) Order, 1995. The Company had filed writ petition before the Hon'ble Supreme Court of India for stay of demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Company. The said Writ petition was disposed of in July 2016, with a liberty to the Writ Petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA. The Company has also simultaneously filed a revision petition with NPPA, hence no provision is considered necessary in respect of the amount majorly being the interest component.	675.13	636.52
Commitments			
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)		10,984.39	5,451.37

Note:

The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities, GST authorities and National Pharmaceutical Pricing Authority of India. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statement. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of ₹ 2,250.00 Lakhs as at March 31, 2022 (Previous year - ₹ 2,250.00 Lakhs).

43 THE CODE ON SOCIAL SECURITY, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company is in the process of carrying out the evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

44 DISCLOSURE OF EMPLOYEE BENEFITS:

As per Ind AS 19 -"Employee Benefits", the disclosures as required by the Accounting Standard are given below :

Defined Contribution Plan

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note 32) as under:-

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	683.26	542.11
Employer's Contribution to Pension Scheme	771.41	665.92
Employer's Contribution to Superannuation Fund	75.13	72.21

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

(₹ in Lakhs)

		Gratuity	
		Funded Plan	
		As at March 31, 2022	As at March 31, 2021
I.	**Change in Benefit Obligation**		
	Liability at the beginning of the year	3,099.29	2,676.27
	Interest Cost	172.94	154.15
	Current Service Cost	332.39	289.43
	Benefit Paid	(197.90)	(127.23)
	Actuarial (gain)/ loss arising from changes in demographic assumpations	0.59	-
	Actuarial (gain)/ loss arising from changes in financial assumptions	(80.46)	28.33
	Actuarial (gain)/ loss arising from changes in experience adjustments	(116.39)	78.34
	Liability at the end of the year	**3,210.46**	**3,099.29**
II.	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	3,263.47	2,203.61
	Interest income	182.10	126.93
	Contributions	-	836.40
	Benefit Paid	(197.90)	(127.23)
	Return on plan assets, Excluding interest income	56.31	223.76
	Fair Value of Plan Assets at the end of the year	**3,303.98**	**3,263.47**
III.	**Amount recognised in the Balance Sheet**		
	Liability at the end of the year	(3,210.46)	(3,099.29)
	Fair Value of Plan Assets at the end of the year	3,303.98	3,263.47
	Amount recognised in the Balance Sheet	**93.52**	**164.18**

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

(₹ in Lakhs)

	Gratuity	
	Funded Plan	
	As at March 31, 2022	As at March 31, 2021
IV. Net Interest Cost for Current Period		
Interest Cost	172.94	154.15
Interest Income	(182.10)	(126.93)
Net Interest Cost for Current Period	**(9.16)**	**27.22**
V. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	332.39	289.43
Net Interest Cost for Current Period	(9.16)	27.22
Expense recognised in the Statement of Profit and Loss	**323.23**	**316.65**
VI. Expenses recognised in the Other Comprehensive Income (OCI)		
Actuarial (gain)/loss on Obligation for the period	(196.26)	106.67
Return on Plan Assets, Excluding Interest Income	(56.31)	(223.76)
Net Expense recognised in the OCI	**(252.57)**	**(117.09)**
VII. Investment Details		
Government of India Assets	91.02	102.27
Debt Instruments	1,083.95	1,104.36
State Government	1,791.34	1,791.34
Equity	191.87	191.87
Others	145.80	73.63
Total	**3,303.98**	**3,263.47**
VIII. Actuarial Assumptions		
Discount Rate Current	6.09%	5.58%
Weighted Average Duration of the Defined Benefit Obligation	6	6
Rate of Return on Plan Assets Current	6.09%	5.58%
Employee Attrition rate-Field	20 to 40%	20 to 40%
Employee Attrition rate-others	10 to 30%	10 to 30%
Salary Escalation Current	8.00%	8.00%
IX. Maturity Analysis of Projected Benefit Obligation from the Fund		
Projected Benefits payable in future years from the date of reporting		
Within the next 12 months	495.98	423.86
Between 2 and 5 years	1,562.24	1,464.23
Sum of Years 6 To 10 years	1,249.38	1,215.48
Sum of Years 11 and above	1,266.56	1,266.57

X. Sensitivity Analysis for significant assumption as at March 31, 2022 is as shown below:

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented below may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in Lakhs)

	Gratuity	
	Funded Plan	
	As at March 31, 2022	As at March 31, 2021
Benefit obligation as at the end of the year	**3,210.46**	**3,099.29**
Increase/(decrease) in Present Value of Benefit Obligations as at the end of the year :		
Effect of +1% change in Rate of Discounting	(145.76)	(150.59)
Effect of -1% change in Rate of Discounting	162.07	168.28
Effect of +1% change in Rate of Salary Increase	148.97	153.98
Effect of -1% change in Rate of Salary Increase	(137.31)	(141.23)
Effect of +1% change in Rate of Employee Turnover	(19.69)	(27.00)
Effect of -1% change in Rate of Employee Turnover	21.31	29.35

XI. Salary Escalation Rate

The estimates of future supply increase considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

XII. Basis used to determine Rate of Return on Plan Assets

The rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

XIII. The Company expects to contribute ₹ 208.98 Lakhs to gratuity in next year (Previous year - ₹ 168.21 Lakhs).

The liability for Leave Encashment as at the year end is ₹ 1,707.59 Lakhs (Previous year - ₹ 1,782.03 Lakhs) and provision for sick leave as at the year end is ₹ 126.14 Lakhs (Previous year – ₹125.75 Lakhs).

45 SEGMENT INFORMATION:

Primary segment information

The Company is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only business segment.

Secondary segment information

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are India and others. The country-wise segmentation is not relevant as exports to individual countries are not more than 10% of enterprise revenue.

The information related to secondary segment is as under:

(₹ in Lakhs)

		India	USA	Others	Total
Segment Revenue	**2021-2022**	**1,30,813.11**	**7,981.27**	**13,102.13**	**1,51,896.51**
	2020-2021	1,00,065.08	17,694.70	14,785.13	1,32,544.91
Carrying amount of Non -Current Assets by location of assets	**March 31, 2022**	**83,955.45**	**-**	**-**	**83,955.45**
	March 31, 2021	72,027.43	-	-	72,027.43

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

Non Current Assets for this purpose consists of Property, plant and equipment, Right of use assets, Capital work-in-progress, Intangible assets and Other non current Assets.

The Company does not have any customer with whom revenue from transactions is more than 10% of Company's total revenue.

46 RELATED PARTY DISCLOSURES, AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

Names of Related parties where control exists irrespective of whether transactions have occurred or not :

Subsidiary Companies

- FDC International Limited
- FDC Inc.
- Fair Deal Corporation Pharmaceutical SA (Pty) Limited

Names of other related parties with whom transactions have taken place during the year :

Managerial Personnel

- Mr. Mohan A. Chandavarkar	Managing Director
- Mr. Ashok A. Chandavarkar	Executive Director
- Mr. Nandan M. Chandavarkar	Joint Managing Director
- Mr. Ameya A. Chandavarkar	Executive Director and CEO- International Business
- Ms. Nomita R. Chandavarkar	Executive Director
- Ms. Swati S. Mayekar	Independent Director
- Mr. Uday K. Gurkar	Chairman and Independent Director
- Mr. Bijlani Mahesh Chandru	Independent Director
- Mr. M G Parmeswaran	Independent Director
- Ms. Usha A. Chandrashekhar	Independent Director
- Mr. Sanjay Jain	Chief Financial Officer
- Ms. Varsharani Katre	Company Secretary

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, Wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, Wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, Mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, Daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- SFA Sporting Service Private Limited
- Shree Trust
- Sandhya Mohan Chandavarkar Trust
- Mohan Anand Chandavarkar Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

Nature of transactions

(₹ in Lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Sale of goods**		
	FDC International Limited	816.68	1281.15
2	**Interest Income**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited	104.15	59.56
3	**Dividend Income**		
	FDC International Limited.,UK	195.2	-
4	**Donation Paid**		
	Anand Chandavarkar Foundation	25.00	20.00
5	**Corporate Social Responsibilities**		
	Shree Trust	4.00	-
6	**Managerial Remuneration***		
	Mr. Mohan A. Chandavarkar	305.92	340.98
	Mr. Ashok A. Chandavarkar	162.75	186.65
	Mr. Nandan M. Chandavarkar	237.78	263.96
	Mr. Ameya A. Chandavarkar	154.93	176.43
	Ms. Nomita R. Chandavarkar	64.91	74.69
	Ms. Swati S. Mayekar	3.55	3.40
	Mr. Uday Kumar Gurkar	3.55	3.40
	Mr . Bijlani Mahesh Chandru	2.75	2.60
	Mr. M G Parmeswaran	2.75	2.60
	Ms. Usha Athreya Chandrasekhar	2.75	2.60
	Mr. Sanjay Jain	97.75	93.00
	Ms. Varsharani Katre	30.97	27.62
		1,070.36	**1,177.93**
7	**Loan granted**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited.	528.75	691.93
8	**Buyback of Shares (Refer note 17)**		
	Mr. Nandan M. Chandavarkar	-	260.49
	Mr. Ameya A. Chandavarkar	-	512.80
	Ms. Nomita R. Chandavarkar	-	271.83
	Ms. Meera R. Chandavarkar	-	1,635.75
	Ms. Aditi C. Bhanot	-	57.40
	Sandhya Mohan Chandavarkar Trust	-	925.84
	Mohan Anand Chandavarkar Trust	-	909.80
	Leo Advisors Limited Limited	-	771.74
	Virgo Advisors Limited Limited	-	514.49
	Mr. Sanjay Jain	-	0.17
		-	**5,860.31**
9	**Investment In shares**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited.	**-**	6.21

Note: * Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

Outstanding Amount of related parties

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
1	**Outstanding balances receivable against sales included in Trade Receivables**		
	FDC International Limited	243.54	121.32
2	**Outstanding balances against loans granted included in Current portion of Financial Assets -Loans**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	1,586.00	1,057.25
3	**Outstanding balances against interest on loans granted included in Current portion of Other Financial assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	237.04	132.89
4	**Outstanding Reimbursement of expense receivable included in Other Current Assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	-	18.42
5	**Outstanding balances payable included in Other Financial Liabilities**		
	Mr. Mohan A. Chandavarkar	153.38	195.40
	Mr. Ashok A. Chandavarkar	101.72	130.70
	Mr. Nandan M. Chandavarkar	114.16	146.09
	Mr. Ameya A. Chandavarkar	88.99	113.63
	Ms. Nomita R. Chandavarkar	38.78	49.25
	Ms. Swati S. Mayekar	2.00	2.00
	Mr. Uday Kumar Gurkar	2.00	2.00
	Mr . Bijlani Mahesh Chandru	2.00	2.00
	Mr. M G Parmeswaran	2.00	2.00
	Ms. Usha Athreya Chandrasekhar	2.00	2.00
	Mr. Sanjay Jain	-	4.66
	Ms. Varsharani katre	-	1.65
		507.03	**651.38**

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

*For the year ended March 31, 2022, the Company has recorded for impairment of ₹ 632.90 Lakhs receivables from Fair Deal Corporation Pharmaceuticals SA (Pty) Limited relating to amounts owed by related parties (Previous year - ₹ 757.69 Lakhs).

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

47 DISLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is engaged into manufacturing of Pharamaceutical products. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

(₹ in Lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A)	**Disaggregation of revenue from contracts with customers**		
	1) Revenue from contacts with customers		
	Sale of products (transferred at point in time)		
	Domestic sales		
	Formulation	1,29,981.37	98,722.31
	Bulk Drugs	463.12	536.67
	Sub total (a)	**1,30,444.49**	**99,258.98**
	Export Sales		
	Formulation	10,212.06	13,807.29
	Bulk Drugs	5,595.38	6,074.69
		15,807.44	**19,881.98**
	Profit share - Formulation	**5,219.13**	**12,417.35**
	Sub total (b)	**21,026.57**	**32,299.33**
	Total (a+b)	**1,51,471.06**	**1,31,558.31**
	2) Other operating revenue		
	Export incentive	217.38	637.58
	Other miscellaneous receipts	208.07	349.02
		425.45	**986.60**
	Total Revenue	**1,51,896.51**	**1,32,544.91**
B)	**Sales by performance obligations**		
	Upon shipment	5,176.57	9,018.20
	Upon delivery	1,41,075.36	1,10,122.76
	Profit share - Formulation	5,219.13	12,417.35
		1,51,471.06	**1,31,558.31**
C)	**Reconciliation of revenue from contract with customer**		
	Revenue from contract with customer as per the contract price	1,56,022.04	1,34,785.18
	Adjustments made to contract price on account of :		
	a) Discounts/ Rebates/ Incentives/ late delivery charges	1,395.21	730.77
	b) Sales Returns /Credits / Reversals	3,155.77	2,496.10
	Revenue from contract with customer	**1,51,471.06**	**1,31,558.31**
	Other operating revenue	**425.45**	**986.60**
	Revenue from operations	**1,51,896.51**	**1,32,544.91**

No single customer contributed 10% or more to the Company's revenue for the year March 31, 2022 & March 31, 2021

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

48 DISCLOSURE UNDER IND AS 116 - LEASES

The Company's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases. There are no contingent rents.

A) Movement in the lease liabilities

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Opening Balance	1,369.63	1,458.66
Additions	2,471.06	473.98
Interest expenses on lease liabilities (Refer note 33)	121.97	148.54
Payment of lease liabilities	(834.72)	(681.72)
Lease rent waiver	(5.46)	(29.83)
Closing Balance	**3,122.48**	**1,369.63**

B) Maturity analysis of lease liabilities

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Maturity analysis- Contractual undiscounted cash flows		
Within one year	900.82	795.05
After one year but not for more than five years	2,803.83	762.09
More than five year	-	-
Total undiscounted lease liabilities	**3,704.65**	**1,557.14**
Lease liabilities included in the statement of financial position		
Non- Current	2,462.95	679.56
Current	659.53	690.07
Total	**3,122.48**	**1,369.63**

C) Amount recognised in the statement of profit and loss

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities (Refer note 33)	121.97	148.54
Depreciation on lease assets	639.36	550.42

Notes to the Standalone Financial Statements
for the year ended March 31, 2022

49 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ARE AS UNDER :

A Gross amount required to be spent by the Company during the year is ₹ 602.40 Lakhs (Previous year - ₹ 548.78 Lakhs).

B Amount spent during the year is given hereunder:

(₹ in Lakhs)

Sr. No.	Particulars of Activity	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Construction/acquisition of any asset	300.00	-
(ii)	On purpose other than (i) above	-	-
	Education	131.09	15.00
	Health care	173.16	535.99
	Total	**604.25**	**550.99**

C. Related party transactions in relation to Corporate Social Responsibility during this year is ₹ 4.00 Lakhs (Previous year - ₹ NIL)

D. Details of ongoing projects for CSR under section 135(6) of the Act :

(₹ in Lakhs)

Opening balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Closing balance as at March 31, 2022	
With company	In separate CSR unspent A/c		From company's bank a/c	From separate CSR unspent A/c	With company	In separate CSR unspent A/c
-	-	602.40	604.25	-	-	-

50 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

51 Struck off Company:

The Company does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Independent Auditor's Report

To the Members of

FDC Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of FDC 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 March 31, 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 March 31, 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 audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue recognition	How the matter was addressed in our audit
The Holding Company recognizes revenue from the sales of products when control over goods is transferred to the customer based on specific terms and conditions of sale contracts with respective customers. (Refer note 28 and 48 of the consolidated financial statements). We have identified recognition of revenue on sale of products as a key audit matter as – • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated throughout the year and at period end. This can be through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	Our procedures included the following: • Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. • Performed walkthrough, testing of design, implementation and operating effectiveness of the Holding Company's general Information Technology ('IT') controls over revenue recognition and key IT application and information controls by involving our IT specialists. • Performed walkthrough, testing of design, implementation and operating effectiveness of the Holding Company's key manual controls around revenue recognition.

Revenue recognition	How the matter was addressed in our audit
	• Performed substantive testing of recognition of revenue in the correct period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. Further performed extended testing for revenue cut-off. • Examined the underlying documents such as sales invoices/ contracts, dispatch/ shipping documents and customer acknowledgment for the selected transactions recorded during and at the end of the financial year. Performed testing for extended cut-off period. • Assessed manual journals posted in revenue ledger to identify any unusual items and unusual account combinations. • Evaluated the adequacy of disclosure in accordance with Ind AS 115.

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 financial statements and our auditors' 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 reports 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 Director's 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 terms 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 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 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.

- 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- 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 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 paras (a) and (b) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial information of three subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,854.96 Lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of ₹ 1,712.12 Lakhs and net cash inflows of ₹ 188.59 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These 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.

b) The aforementioned subsidiaries 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 of such 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.

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 information certified by the Management.

Report on Other Legal and Regulatory Requirements

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 March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act. This requirement is not applicable to FDC International Limited, FDC

Inc. and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign subsidiaries of the Holding Company as these are entities incorporated outside India.

f) The internal financial controls with reference to financial statements is not applicable to FDC International Limited, FDC Inc. and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign subsidiaries of the Holding Company as these are entities incorporated outside India. With respect to adequacy of the internal financial controls with reference to financial statements of the Holding 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 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 March 31, 2022 on the consolidated financial position of the Group.

b. The Group did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended March 31, 2022;

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2022;

d. (i) The management has represented that, to the best of its knowledge and belief, 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 its subsidiary companies company incorporated in India to or in any other persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

e) The Holding Company has neither declared nor paid any dividend during the year. This requirement is not applicable to FDC International Limited, FDC Inc. and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign subsidiaries of the Holding Company as these are entities incorporated outside India.

C. With respect to the matter to be included in the Audit Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company 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 is not in excess of the limit laid down under Section 197 of the Act. This requirement is not applicable to FDC International Limited, FDC Inc. and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign subsidiaries of the Holding Company as these are entities incorporated outside India. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-
Amar Sunder
Partner
Membership No: 078305
UDIN: 22078305AJPQSL2115

Mumbai
May 25, 2022

Annexure – “A” to the Independent Auditor’s report on the consolidated financial statements of FDC Limited for the year ended March 31, 2022

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

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor’s Report) Order, 2020 of the Holding Company did not include any unfavorable answers or qualifications or adverse remarks.

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

Sd/-
Amar Sunder
Partner
Membership No.: 078305
UDIN: 22078305AJPQSL2115

Mumbai
May 25, 2022

Annexure B to the Independent Auditor's Report on the consolidated financial statements of FDC Limited for the year ended March 31, 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 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 March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of FDC Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such 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 Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidate financial statements based on the criteria established by the Holding 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").

Auditor's 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 the 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.

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 Holding Company's 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 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls 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's Registration No: 101248W/W-100022

Sd/-
Amar Sunder
Partner
Membership No: 078305
UDIN: 22078305AJPQSL2115

Mumbai
May 25, 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	66,739.08	66,998.33
(b) Capital work-in-progress	2	10,470.41	1,921.12
(c) Right-of-use assets	2	3,315.32	1,477.38
(d) Other intangible assets	2	452.01	439.48
(e) Intangible assets under development	2	11.25	-
(f) Financial assets			
(i) Investments	3	38,472.95	26,536.07
(ii) Loans	4	47.23	31.25
(iii) Other financial assets	5	699.55	836.81
(g) Income tax assets (net)	6	3,370.78	2,403.12
(h) Other non-current assets	7	3,423.09	1,604.79
Total non-current assets		**1,27,001.67**	**1,02,248.35**
2 Current assets			
(a) Inventories	8	30,469.86	21,492.35
(b) Financial assets			
(i) Investments	9	50,076.97	52,484.06
(ii) Trade receivables	10	8,217.44	11,053.70
(iii) Cash and cash equivalents	11	3,772.53	3,043.15
(iv) Bank balances other than (iii) above	12	93.14	114.75
(v) Loans	13	55.49	32.39
(vi) Other financial assets	14	406.85	897.97
(c) Other current assets	15	6,926.49	3,840.81
Total current assets		**1,00,018.77**	**92,959.18**
Assets held for sale	16	-	415.79
TOTAL ASSETS		**2,27,020.44**	**1,95,623.32**
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	1,688.10	1,688.10
(b) Other equity	18	1,93,990.94	1,71,725.39
Equity attributable to owners of the Company		**1,95,679.04**	**1,73,413.49**
Non-Controlling Interest		**(42.85)**	**(17.32)**
Total equity		**1,95,636.19**	**1,73,396.17**
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19(A)	65.16	72.22
(ia) Lease liabilities	20	2,462.95	679.56
(b) Provisions	26	32.62	39.22
(c) Deferred tax liabilities (net)	21	1,607.99	1,087.66
Total non-current liabilities		**4,168.72**	**1,878.66**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19(B)	10.00	13.57
(ia) Lease liabilities	23	682.33	700.25
(ii) Trade payables	22		
(A) Total outstanding dues of Micro and small enterprises		2,558.20	1,332.78
(B) Total outstanding dues of creditors other than Micro and small enterprises		11,135.77	6,394.77
(iii) Other financial liabilities	24	7,080.51	6,133.54
(b) Other current liabilities	25	871.45	889.09
(c) Provisions	26	3,569.58	3,579.14
(d) Current tax liabilities (net)	27	1,307.69	1,305.35
Total current liabilities		**27,215.53**	**20,348.49**
TOTAL EQUITY AND LIABILITIES		**2,27,020.44**	**1,95,623.32**
Significant accounting policies	1.4		
The accompanying notes are an integral part of the consolidated financial statements.	1 to 56		

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakhs)

	PARTICULARS	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	28	1,52,791.95	1,33,320.34
II	Other income	29	7,609.49	9,702.56
III	**Total Income (I + II)**		**1,60,401.44**	**1,43,022.90**
IV	**Expenses**			
	Cost of materials consumed	30	45,424.36	34,664.70
	Purchases of stock-in-trade		14,139.87	9,352.26
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(6,543.03)	(2,610.39)
	Employee benefits expense	32	34,333.15	29,628.54
	Finance costs	33	308.95	343.42
	Depreciation and amortisation expense	34	3,730.21	3,781.34
	Other expenses	35	40,068.92	28,879.54
	Total Expenses		**1,31,462.43**	**1,04,039.41**
V	**Profit before Share of profit/ (loss) of joint venture, exceptional item and tax (III- IV)**		**28,939.01**	**38,983.49**
VI	Share of profit/ (loss) of joint venture (net of tax)		**-**	**1.92**
VII	**Profit before exceptional item and tax (V+VI)**		**28,939.01**	**38,985.41**
VIII	Exceptional item	52	**-**	**212.80**
IX	**Profit before tax (VII-VIII)**		**28,939.01**	**38,772.61**
X	**Tax expense:**	27		
	(1) Current tax		6,854.71	8,508.19
	(2) Deferred tax		467.81	144.49
	Total Tax expense		**7,322.52**	**8,652.68**
XI	**Profit for the year (IX-X)**		**21,616.49**	**30,119.93**
XII	**Other comprehensive income/ (loss)**	36		
	A (i) Items that will not be reclassified subsequently to profit or loss		902.54	702.42
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(137.92)	(96.43)
	B (i) Items that will be reclassified to profit or loss		(86.76)	(176.48)
	(ii) Income tax relating to items that will be reclassified to profit or loss		21.84	44.42
	Other comprehensive income for the year (net of tax)		**699.70**	**473.93**
XIII	**Total Comprehensive income for the year (net of tax) (XI +XII)**		**22,316.19**	**30,593.86**
	Profit attributable to :			
	Owners of the Company		21,640.33	30,134.56
	Non-controlling interest		(23.84)	(14.63)
	Other comprehensive income attributable to:			
	Owners of the Company		701.39	477.60
	Non-controlling interest		(1.69)	(3.67)
	Total comprehensive income attributable to:			
	Owners of the Company		22,341.72	30,612.16
	Non-controlling interest		(25.53)	(18.30)
XIV	**Earnings per equity share**	37		
	Par value ₹ 1 per share (Previous year ₹ 1 per share)			
	(1) Basic (₹)		12.81	17.72
	(2) Diluted (₹)		12.81	17.72
Significant accounting policies		1.4		
The accompanying notes are an integral part of the consolidated financial statements.		1 to 56		

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Consolidated Statement of Cash Flows
for the year ended March 31, 2022

(₹ in Lakhs)

PARTICULARS		For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional item and tax		**28,939.01**	**38,985.41**
Adjustments to reconcile profit before exceptional item and tax to net cash flows:			
Depreciation and amortisation expenses		3,730.21	3,781.34
Finance cost		308.95	343.42
Interest income		(2,304.27)	(1,198.80)
Net gain on disposal of property, plant and equipment		(99.73)	(67.68)
Dividend income		(70.80)	(13.61)
Net gain on sale of investments		(585.82)	(2,435.83)
Net gain on derecognition of financial assets		-	(1.96)
Fair value gain on financial instruments		(3,458.73)	(5,253.73)
Provision for impairment in the value of investments written back		(500.00)	-
Share of (gain)/ loss of joint venture		-	(1.92)
Translation adjustment on consolidation		10.55	(36.89)
Unrealised foreign exchange (gain)/loss on restatement		(16.89)	21.15
Bad debts		39.52	-
Lease rent waiver		-	(29.83)
Allowances for credit loss		335.05	60.12
Provision for doubtful debts no longer required, written back		(36.02)	(0.08)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**26,291.03**	**34,151.11**
Working capital adjustments:			
Increase in inventories		(8,977.51)	(496.01)
Decrease in trade receivables		2,504.51	1,240.39
Decrease/(Increase) in financial assets		384.91	(407.06)
Increase in other assets		(3,082.48)	(25.23)
Increase/ (Decrease) in trade and other payables		6,761.88	(4,565.53)
Increase in provision		236.41	311.60
CASH GENERATED FROM OPERATIONS		**24,118.75**	**30,209.27**
Income tax paid (net)		(7,953.53)	(9,501.12)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**(A)**	**16,165.22**	**20,708.15**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and other intangible assets		(13,254.42)	(6,253.94)
Proceeds from disposal of property, plant and equipment		550.18	380.16
Purchase of financial instruments		(1,02,594.63)	(97,254.51)
Proceeds from sale of financial instruments		98,259.36	94,475.67
Increase in fixed and margin deposits		167.39	(211.26)
Investments in Equity shares of subsidiary		-	(6.21)
Dividend income		70.80	13.61
Interest received		2,344.62	1,141.12
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(B)**	**(14,456.69)**	**(7,715.36)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Buyback of equity shares		-	(9,733.50)
Expenses incurred for buyback of equity shares		(76.17)	(69.64)
Buy back tax paid		-	(2,217.13)
Finance cost		(58.73)	(66.61)
Repayment of loan to erstwhile joint venture partner		-	(277.56)
Repayment of lease liabilities		(853.45)	(689.52)
Repayment of sales tax deferral loan		(13.57)	(14.64)
Amount deposited/ (paid) in bank accounts towards unpaid dividend		18.26	133.70
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(C)**	**(983.66)**	**(12,934.90)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(A)+(B)+(C)**	724.86	57.89
Net foreign exchange differences on cash and cash equivalents		4.51	(2.43)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (REFER NOTE 11)		**3,043.15**	**2,987.69**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE 11)		**3,772.53**	**3,043.15**

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

Notes to the Consolidated Statement of Cash Flows:

1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise of the following Balance Sheet items.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	6.65	7.47
Balances with banks:		
In current accounts	3,130.88	3,035.68
In deposit accounts (with original maturity of 3 months or less)	635.00	-
	3,772.53	**3,043.15**

2. The Consolidated Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.

3. Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	Cash flows	Non-cash changes			As at March 31, 2022
				Interest accrued on loan	Foreign exchange movement	Fair value change	
Borrowings							
Deferred sales tax loans	19(A) & (B)	34.37	(13.57)	-	-	-	20.80
Loan from Non-controlling interest		39.34	-	15.02	-	-	54.36

4. Cash transactions from operating activities

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Spent towards corporate social responsibility	604.25	550.99

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Consolidated Statement of changes in equity

for the year ended March 31, 2022

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	No. in Lakhs	Amount
Balances as at April 1, 2020	1,709.73	1,709.73
Less: 21,63,000 Equity shares of Re.1 each bought back	(21.63)	(21.63)
Balances as at March 31, 2021	1,688.10	1,688.10
Add/less: Change in equity during the year [Refer note 17(c)]	-	-
Balances as at March 31, 2022	**1,688.10**	**1,688.10**

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income		Non-controlling interest	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve		
Balances as at April 1, 2020	1,33,173.53	19,577.96	7.86	68.60	(77.22)	282.50	-	1,53,033.23
Profit for the year	30,134.56	-	-	-	-	-	(14.63)	30,119.93
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 36)								
- Remeasurement losses of defined benefit plans	87.62	-	-	-	-	-	-	87.62
- Net loss on FVTOCI financial assets	-	-	-	-	518.37	-	-	518.37
- Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	(128.39)	(3.67)	(132.06)
Total Comprehensive income for the year	**30,222.18**	**-**	**-**	**-**	**518.37**	**(128.39)**	**(18.30)**	**30,593.86**
Buyback tax paid	(2,217.13)	-	-	-	-	-	-	(2,217.13)
Networth acquired on acquisition (Refer note 50)	-	-	-	-	-	-	0.98	0.98
Expenses for buyback of Equity Shares	(69.64)	-	-	-	-	-	-	(69.64)
Premium paid on buyback of Equity Shares	-	(9,711.87)	-	-	-	-	-	(9,711.87)
Transfer from General Reserve on Equity Shares bought back	-	(21.63)	-	21.63	-	-	-	-
Adjustment on derecoginition of joint venture	(47.96)	241.20	-	-	-	(114.60)	-	78.64
Balances as at March 31, 2021	**1,61,060.98**	**10,085.66**	**7.86**	**90.23**	**441.15**	**39.51**	**(17.32)**	**1,71,708.07**

Consolidated Statement of changes in equity

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income		Non-controlling interest	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve		
Balances as at April 1, 2021	1,61,060.98	10,085.66	7.86	90.23	441.15	39.51	(17.32)	1,71,708.07
Profit for the year	21,640.33	-	-	-	-	-	(23.84)	21,616.49
Other comprehensive income/(loss) for the year (net of tax) (Refer note 36)								-
- Remeasurement gain on defined benefit plans	189.01	-	-	-	-	-	-	189.01
- Net gain on FVTOCI financial assets	-	-	-	-	575.61	-	-	575.61
- Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	(63.23)	(1.69)	(64.92)
Total Comprehensive income for the year	**21,829.34**	**-**	**-**	**-**	**575.61**	**(63.23)**	**(25.53)**	**22,316.19**
Expenses for buyback of Equity Shares	(76.17)	-	-	-	-	-	-	(76.17)
Balances as at March 31, 2022	**1,82,814.15**	**10,085.66**	**7.86**	**90.23**	**1,016.76**	**(23.72)**	**(42.85)**	**1,93,948.09**

The above statements of changes in equity should be read in conjuction with the accompanying note 18 to the consolidated financial statements.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.

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

AMAR SUNDER
Partner
Membership No : 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

1 COMPANY OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

1.1 CORPORATE INFORMATION

FDC Limited ("the Company" or "the Holding Company") is a public listed company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on two recognized stock exchanges Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Company is located at Waluj, Dist. Aurangabad, Maharashtra.

These consolidated financial statements comprise of standalone financial statements of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in joint venture for the year ended March 31, 2022.

The Group is principally engaged in the business of Pharmaceuticals.

The consolidated financial statements for the year ended March 31, 2022 were authorized for issue by the Board of directors of the Holding Company on May 25, 2022.

The information in relation to subsidiaries is provided in note 42.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016, and the relevant provisions and amendments, as applicable.

Basis of preparation and measurement

These consolidated financial statements have been prepared on historical cost basis, except for following:

- Certain financial assets and liabilities (including derivative instruments and mutual funds) and contingent consideration that is measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended March 31, 2021, except for adoption of new standard or any pronouncements effective from April 1, 2021.

The consolidated financial statements are prepared in Indian Rupees (₹), which is the Group's functional currency. All financial information has been presented in Indian Rupees (₹) and all amounts have been rounded-off to the nearest Lakhs, unless otherwise stated.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of FDC Limited ("the Company" or the Holding company) and all of its subsidiaries (together referred to as "the Group") and its joint venture entity. The 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.

The consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. In the preparation of consolidated financial statements, all significant intra-group transactions and accounts are eliminated. Unrealized profits, if any, on items carried in inventories are also eliminated from the consolidated financial statements. Unrealized losses resulting from intra-group transactions have also been eliminated but only to the extent that there is no evidence of impairment.

The Group's interests in equity accounted investees comprise interests in joint venture entity. A joint venture is

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group accounts for its share of interests in the joint venture entity using the equity method. The interest in joint venture is initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

The financial statements of the parent and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group's accounting policies. The financial statements of all subsidiaries and joint venture company are drawn upto the same date as the Holding company.

Consolidation procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

iii. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and property, plant and equipment, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Subsidiaries:

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investment in equity shares of subsidiaries at cost in accordance with Ind AS 27 - Separate Financial Statements.

Joint venture:

The Group's interests in joint ventures are accounted for using the equity method after initially being recognized at cost in the Consolidated Balance Sheet. Details of the joint venture are set out in note 51.

Equity method:

Under the equity method of accounting, the investments are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation:

Inter-group balances and transactions, and any unrealized income and expenses arising from inter-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

1.4 SIGNIFICANT ACCOUNTING POLICIES

a. Current and Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current/ non-current classification of assets and liabilities.

b. Revenue Recognition

Revenue recognition under Ind AS 115 (applicable from April 1, 2018)

Under Ind AS 115, the Group recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer. Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognized at the date of initial application (i.e. April 1, 2018).

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of products

Revenue from sale of goods is recognized at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods are made available to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts etc. as specified in the contract with the customer. The Group collects Goods and Services Tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue.

Profit share revenues

The Group has certain marketing arrangements based on the profit sharing model whereby the Group sells its products to the business partner on price agreed upon agreement and is also entitled

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

for profit share over and above its sale price. Revenue from the sale of goods to the partner is recognized upon delivery of products to them. Whereas amount representing the profit share component is recognized as revenue in the period which corresponds to the ultimate sales of the products made by business partners and when the collectability of the profit share becomes probable and reliable.

Sales returns

The Group accounts for sales returns by recording an allowance for sales returns concurrent with the recognition of revenue at the time of product sale. This allowance is based on the Group's estimate of expected sales returns towards expiry, breakages and damages. The estimate of sales returns is determined primarily by the Group's historical experience of sales returns trends with respect to the shelf life of various products.

Interest income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR) as set out in Ind AS 109. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income, included under other income, is recognized on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

Export Incentive

Export incentives principally comprises of focus market scheme, and other export incentive schemes. The benefits under these incentive schemes are available based on the guidelines formulated for respective schemes by the government authorities. These incentives are recognized as revenue on accrual basis to the extent it is probable that realization is certain.

Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

c. Property, Plant And Equipment

The items of Property, plant and equipment including Capital-work-in-progress are stated at cost net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. Cost comprises of the purchase price, taxes, duties, freight, and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at regular intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the Consolidated Statement of Profit and Loss as incurred. In respect of additions to/ deletions from the property, plant and equipment, depreciation is provided on pro-rata reference to the month of addition/ deletion of the assets.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are recognized in the Statement of profit and loss.

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

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work – in – Progress.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in consolidated financial statements.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Depreciation method and estimated useful lives

The Holding Company

Depreciation on the property, plant and equipment is provided on straight line method.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Gain or loss on disposal

Any gain or losses on disposal of property, plant and equipment is recognized in the Consolidated Statement of Profit and Loss.

Estimated useful life of the assets is as follows:

Nature of Tangible assets	Useful Life (No. of Years) As per Companies Act, 2013	Useful Life (No. of Years) As estimated by the Company
Plant and machinery	7.5 to 15	7.5 to 15
Building	30 to 60	30 to 60
Laboratory testing machines	10	10
Office equipments	5	5
Furniture, fixtures and fittings	10	10
Computers and peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical installations	10	10

Assets costing less than ₹ 5,000 are depreciated at the rate of hundred per cent.

Subsidiaries

Depreciation is provided on cost less estimated residual value of fixed assets over their expected useful lives following straight line method

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date and if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

d. Goodwill and Other Intangible Assets

Goodwill is initially recognized as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Goodwill on acquisition of subsidiaries is not amortized but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value on the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Other intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are measured at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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

A summary of the policy applied to the Group's other intangible assets is as follows:

Nature of Other intangible assets	Useful Life (No. of years) As estimated by the Group	Amortization method used
Software and Trademarks	5 to 10	Amortized on straight-line basis

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

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.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

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 policies 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 assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks 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 the 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.

Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of EIR. The EIR amortization is included in Other Income in the Consolidated Statement of Profit and Loss.

(b) Debt instruments at fair value through Other Comprehensive income

A financial asset is subsequently measured at fair value through Other comprehensive income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movement is recognized in the OCI. However, the Group recognizes any interest income or impairment losses in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the OCI to Consolidated Statement of Profit and Loss.

(c) Debt instruments at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss. Debt instruments included Derivatives are initially measured at fair value. Subsequent to the initial recognition, derivatives are measured at fair value and changes therein are recognized in Statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative.

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

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Group may make an irrevocable election to present in Other comprehensive income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. The Group has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset has expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

The continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are equity instruments and are measured as at FVTOCI

(c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of trade receivables or contract assets.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables and Other Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected under the head 'Other expenses' in the Consolidated Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 - Financial instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Offsetting of financial instruments

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

FINANCIAL LIABILITIES

The Group classifies all financial liabilities as subsequently measured at amortized cost or FVTPL.

Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Consolidated Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

f. Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1- Quoted (unadjusted) market prices in active markets/ declared buyback NAV for identical assets or liabilities

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

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g. Inventories

Raw materials and packing materials are valued at lower of cost and net realizable value, cost of which includes duties and taxes and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realizable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and applicable taxes, where applicable.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis.

h. Foreign Currency Translation/ Transactions

The Group's consolidated financial statements are presented in Indian Rupees (₹) which is the Holding company's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to Consolidated Statement of Profit or Loss.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

Exchange differences arising out of settlement and restatement of foreign exchange monetary items are taken to the Consolidated Statement of Profit and Loss.

The exchange differences arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to translation difference.

The financial statements of the foreign subsidiaries and the joint venture company are translated into Indian Rupees as follows:

- Income and expense items except opening and closing inventories are translated at the average exchange rate for the year. Opening and closing inventories are translated at the rates prevalent at the commencement and close respectively of the accounting period.
- All assets and liabilities are translated using the closing exchange rate.
- The differences arising on elimination of monetary intra-group balances and transactions are taken to the Consolidated Statement of Profit and Loss.
- The differences on translation including those arising on elimination of non-monetary intra-group balances and transactions are taken to Other comprehensive income (OCI).
- On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Consolidated Statement of Profit and Loss.
- On disposal or partial disposal of the foreign subsidiary, the foreign exchange differences recognized in OCI is reclassified to the Consolidated Statement of Profit and Loss.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e., April 1, 2015, in respect of all foreign operations to be nil at the date of transition. From April 1, 2015 onwards, such exchange differences are recognized in OCI and accumulated in equity.

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

i. **Government Grants**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants related to revenue is recognized on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets is recognized as income in equal amounts over the expected useful life of the related asset.

j. **Employee Benefits**

All employee benefits payable wholly within twelve months of rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognized during the period in which the employee renders related service.

Defined contribution plans

The Group's contribution to recognized provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Consolidated Statement of Profit and Loss on accrual basis. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

The Group fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The subsidiaries and joint venture do not have any defined contribution plans.

Defined benefit plans

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognized in Other comprehensive income. Remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods. Net interest and other expenses related to defined benefit plans are recognized in the Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a 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 recognized immediately in Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The subsidiaries and joint venture do not have any defined benefit plans.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

k. Research And Development Expenses

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an other intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

l. Lease Accounting

Group as a lessee

The Group lease asset classes primarily consist of leases for land and buildings. The Group assess whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(1) the contract involves the use of an identified asset

(2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the Group 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

m. Earning Per Share

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus / rights issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

n. Taxation

Income tax expense comprises current and deferred income tax.

Current tax

Current tax expense is recognized in the Consolidated Statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the relevant tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax expense is recognized in the statement of profit and loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognized. At each balance sheet date, the Group reassesses unrecognized deferred tax assets and is recognized to the extent that it is probable that future taxable profit will be available for their realization.

Current and deferred tax for the year

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible a temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognized in the Consolidated Statement of Profit and Loss, except, when they relate to items that are recognized in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in Other comprehensive income or directly in equity respectively.

o. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

p. Contingent Liabilities, Contingent Assets And Commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is disclosed in the consolidated financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

q. Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the chief operating decision maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Group's chief operating decision maker is the Managing Director of the Group.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

r. Cash And Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks 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.

For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

s. Assets Held For Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

t. Cash Dividend To Equity Holders

The Group recognizes liability to make cash distribution to equity holders of the Holding company when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the law, distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

u. Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognized in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Intangible Assets acquired in a Business Combination and recognized separately from Goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

v. Policy For Statement Of Cash Flows

The Group's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period 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.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

w. Changes in Significant Accounting Policies

The Group has not been required to apply any new standard, interpretation or amendment that has been issued and therefore there were no significant changes in Accounting policies.

x. **Recent Pronouncements**

The amendments to Schedule III of the Companies Act, 2013 are applicable from April 1, 2021. The Group has given effect of amendment by inclusion of the relevant disclosures under explanatory notes or by way of additional notes, wherever significant in nature.

y. **Recent Indian Accounting Standards (Ind AS) issued not yet effective**

Ministry of Corporate Affairs ("MCA") notified new standard 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, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

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

Ind AS 37– 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 Group has evaluated the amendment and the impact is not expected to be material.

z. **Corporate Social Responsibility ("CSR") expenditure**

CSR expenditure incurred by the Group is charged to the Consolidated Statement of Profit and Loss.

aa. **Impact of COVID-19 (pandemic)**

'The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

1.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent assets and

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

liabilities as at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Sale of products

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Sales returns

Revenue from sale of products is recognized when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Group needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Group has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of financial assets

The Group recognizes loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full-time expected credit losses.

The Group follows 'Simplified approach' for recognition of loss allowance on trade receivables under which Group does not track changes in credit risk. Rather, it recognizes loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

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

Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset or cash generating unit. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognized.

Defined benefit plans (Gratuity benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly

Fair value measurement of financial instruments

sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

When the fair value of financial assets and liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful life of property, plant and equipment and other intangible assets

As described in Note 1.4 (c and d), the Group reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation expert.

Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. The Group estimates the net realizable value for such inventories based on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognized in the periods in which such estimates have been changed.

The Group reassesses the estimation on each balance sheet date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER - INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars	Gross carrying value						Depreciation / Amortisation						Net Carrying Value	
	As At March 31, 2021	Additions	Deletions	Reclassification to Assets held for sale	Transalation gain/ (loss)	As At March 31, 2022	As At March 31, 2021	For the year	Deletions	Reclassification to Assets held for sale	Transalation gain/ (loss)	As At March 31, 2022	As At March 31, 2022	As At March 31, 2021
PROPERTY, PLANT AND EQUIPMENT														
Leasehold improvements	383.95	-	-	-	-	383.95	258.58	76.06	-	-	-	334.64	49.31	125.37
Freehold land *	41,011.83	-	-	-		41,011.83	-	-	-	-	-	-	41,011.83	41,011.83
Buildings **	17,229.85	40.76	3.00	-	(6.75)	17,260.86	2,499.98	490.11	0.54	-	2.05	2,991.60	14,269.27	14,729.87
Plant and machinery	12,761.70	1,712.34	89.68	-	(0.92)	14,383.44	7,089.69	1,163.95	62.13	-	0.50	8,192.01	6,191.42	5,672.01
Laboratory testing machines	6,458.12	467.90	58.47	-	-	6,867.55	3,630.64	545.10	54.29	-	-	4,121.45	2,746.10	2,827.48
Electrical installations	1,350.27	88.56	8.20	-	-	1,430.63	767.94	98.81	8.20	-	-	858.55	572.08	582.33
Furniture, fixtures and fittings	2,941.94	98.11	0.36	-	(0.67)	3,039.02	1,728.72	192.35	0.36	-	-	1,920.71	1,118.31	1,213.22
Office equipments	2,824.21	329.90	9.96	-	-	3,144.15	2,268.57	310.93	9.49	-	-	2,570.01	574.14	555.64
Vehicles	615.39	2.81	-	-	(1.05)	617.15	334.81	75.67	-	-	0.05	410.53	206.62	280.58
Total of Property, plant and equipment (A)	**85,577.26**	**2,740.38**	**169.67**	**-**	**(9.39)**	**88,138.58**	**18,578.93**	**2,952.98**	**135.01**	**-**	**2.60**	**21,399.50**	**66,739.08**	**66,998.33**
RIGHT-OF-USE ASSETS														
Right-of-use (leasehold properties) **(B)**	2,554.98	2,494.26	-	-	-	5,049.24	1,077.60	657.76	-	-	(1.44)	1,733.92	3,315.32	1,477.38
OTHER INTANGIBLE ASSETS														
Marketing Rights/ Trademarks	139.42	-	-	-	-	139.42	90.53	14.54	-	-	-	105.07	34.35	48.89
Software	1,270.41	132.00	-	-	-	1,402.41	879.82	104.93	-	-	-	984.75	417.66	390.59
Goodwill	212.80	-	-	-	-	212.80	212.80	-	-	-	-	212.80	-	-
Total of Other intangible assets (C)	**1,622.63**	**132.00**	**-**	**-**	**-**	**1,754.63**	**1,183.15**	**119.47**	**-**	**-**	**-**	**1,302.62**	**452.01**	**439.48**
Total (A+B+C)	**89,754.87**	**5,366.64**	**169.67**	**-**	**(9.39)**	**94,942.45**	**20,839.68**	**3,730.21**	**135.01**	**-**	**1.16**	**24,436.04**	**70,506.41**	**68,915.19**
Capital work in progress - Tangible													**10,470.41**	**1,921.12**
Capital work in progress - Intangible asset under development													**11.25**	-

* Freehold land of ₹ 640.66 Lakhs (Previous year-₹ 640.66 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 Lakhs (Previous year-₹ 3,178.14 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Group has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Group has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Group.

All property, plant and equipment are held in the name of the Group.

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(a) Capital Work-in-progress Ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Amount in capital WIP for a period of				
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3 Yrs	Grand Total
Non Project	1,973.02	450.24	25.98	8.39	2,457.63
Projects in progress	7,518.46	483.56	10.76	-	8,012.78
Grand Total	**9,491.48**	**933.80**	**36.74**	**8.39**	**10,470.41**

(b) Capital Work-in-progress Ageing schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Amount in capital WIP for a period of				
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3Yrs	Grand Total
Non Project	830.14	541.01	-	8.39	1,379.54
Projects in progress	524.32	17.26	-	-	541.58
Grand Total	**1,354.46**	**558.27**	**-**	**8.39**	**1,921.12**

(c) Intangible assets under development Ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Amount in capital WIP for a period of				
	Less than 1 Yr	1-2 Yrs	2-3 Yrs	More than 3Yrs	Grand Total
Non Project	11.25	-	-	-	11.25

(d) Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

(e) CWIP completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (March 31, 2021 : None)

(f) For capital expenditures contracted but not incurred-Refer note 43.

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

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, OTHER INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	GROSS CARRYING VALUE							DEPRECIATION/ AMORTISATION							NET CARRYING VALUE	
	As At March 31, 2020	Additions	Acquisition through Business com-binaton	Deletions	Reclassifi-cation to Assets held for sale	Tran-slation gain	As At March 31, 2021	As At March 31, 2020	For the year	Impaire-ment losses	Deletions	Reclassifi-cation to Assets held for sale	Tran-slation gain	As At March 31, 2021	As At March 31 2021	As At March 31, 2020
PROPERTY, PLANT AND EQUIPMENT																
Leasehold improve-ments	383.95	-	-	-	-	-	383.95	182.52	76.06	-	-	-	-	258.58	125.37	201.43
Freehold land *	41,159.25	-	-	58.97	88.45	-	41,011.83	-	-	-	-	-	-	-	41,011.83	41,159.25
Buildings**	14,405.62	3,507.82	-	314.95	403.36	34.72	17,229.85	2,197.79	464.72	-	86.97	76.02	0.46	2,499.98	14,729.87	12,207.83
Plant and machinery	11,825.92	965.78	0.81	32.07	-	1.26	12,761.70	5,940.42	1,165.24	-	16.14	-	0.17	7,089.69	5,672.01	5,885.50
Laboratory testing machines	6,020.83	437.29	-	-	-	-	6,458.12	3,065.29	565.35	-	-	-	-	3,630.64	2,827.48	2,955.54
Electrical installations	1,260.55	187.33	-	97.61	-	-	1,350.27	752.00	103.95	-	88.01	-	-	767.94	582.33	508.55
Furniture, fixtures and fittings	2,743.22	197.92	0.72	-	-	0.08	2,941.94	1,533.45	195.27	-	-	-	-	1,728.72	1,213.22	1,209.77
Office equipments	2,653.75	172.82	-	2.36	-	-	2,824.21	1,901.08	369.85	-	2.36	-	-	2,268.57	555.64	752.67
Vehicles	585.30	61.45	1.12	32.60	-	0.12	615.39	281.92	85.46	-	32.60	-	0.03	334.81	280.58	303.38
Total of Property, plant and equipment (A)	**81,038.39**	**5,530.41**	**2.65**	**538.56**	**491.81**	**36.18**	**85,577.26**	**15,854.47**	**3,025.90**	**-**	**226.08**	**76.02**	**0.66**	**18,578.93**	**66,998.33**	**65,183.92**
RIGHT-OF-USE ASSETS																
Right-of-use (leasehold properties) **(B)**	2,064.16	473.98	15.23	-	-	1.61	2,554.98	519.73	557.63	-	-	-	0.24	1,077.60	1,477.38	1,544.43
OTHER INTANGIBLE ASSETS																
Marketing Rights/ Trademarks	133.08	2.50	3.84	-	-	-	139.42	74.83	15.70	-	-	-	-	90.53	48.89	58.25
Software	1,261.41	9.00	-	-	-	-	1,270.41	697.71	182.11	-	-	-	-	879.82	390.59	563.70
Goodwill	-	-	212.80	-	-	-	212.80	-	-	212.80	-	-	-	212.80	-	-
Total of Other intangible assets (C)	**1,394.49**	**11.50**	**216.64**	**-**	**-**	**-**	**1,622.63**	**772.54**	**197.81**	**212.80**	**-**	**-**	**-**	**1,183.15**	**439.48**	**621.95**
TOTAL (A+B+C)	**84,497.04**	**6,015.89**	**234.52**	**538.56**	**491.81**	**37.79**	**89,754.87**	**17,146.74**	**3,781.34**	**212.80**	**226.08**	**76.02**	**0.90**	**20,839.68**	**68,915.19**	**67,350.30**
Capital work-in-progress															**1,921.12**	**2,385.00**

* Freehold land of ₹ 640.66 Lakhs (Previous year - ₹ 640.66 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 Lakhs (Previous year - ₹ 3,178.14 Lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Group has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Group has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Group.

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

3 INVESTMENTS

List of significant investments in subsidiaries

(₹ in Lakhs)

	Non-Current	
	As at March 31, 2022	**As at March 31, 2021**
UNQUOTED		
Investments measured at amortised cost		
Investments in government securities (Refer note below)		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of ₹ 2,000	0.02	0.02
(A)	**0.09**	**0.09**
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
1,000 (Previous year -1,000) Equity shares of The Saraswat Co-Op. Bank Limited of ₹ 10 each	0.10	0.10
5,000 (Previous year-5,000) Equity shares of The North Kanara G.S.B Co-Op Bank Limited of ₹ 10 each	0.50	0.50
100 (Previous year-100) Equity shares of Roha industries Association Sahakari Grahak Bhandar Limited of ₹ 25 each	0.03	0.03
18,000 (Previous year-NIL) Equity shares of Shivalik Solid Waste Management of ₹ 10 each	1.80	-
(B)	**2.43**	**0.63**
Investments mandatorily measured at fair value through profit or loss		
Investments in units of mutual funds	491.33	3,985.18
Investments in fully paid-up Non Convertible Debentures	893.92	2,013.20
(C)	**1,385.25**	**5,998.38**
Sub-Total (D) = (A+B+C)	**1,387.77**	**5,999.10**
QUOTED		
Investments measured at amortised cost		
Investments in fully paid-up bonds	33,618.14	19,976.37
Less: Provision for impairment in the value of investments	(1,000.00)	(1,500.00)
(E)	**32,618.14**	**18,476.37**
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
34,375 (Previous year - 84,375) Equity shares of Motherson Sumi Systems Limited of ₹ 1 each	47.94	170.05
34,375 (Previous year - NIL) Equity shares of Motherson Sumi Wiring India Limited of ₹ 1 each	22.15	-
6,000 (Previous year - 6,000) Equity shares of Sun Pharmaceutical Industries Limited ₹ 1 each	54.89	35.86

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

	Non-Current	
	As at March 31, 2022	As at March 31, 2021
23,250 (Previous year - 23,250) Equity shares of HDFC Bank Limited ₹ 1 each	341.86	347.25
13,070 (Previous year - 13,070) Equity shares of Housing Development Finance Corporation Limited ₹ 2 each	312.43	326.61
65,300 (Previous year - 65,300) Equity shares of ICICI Bank Limited ₹ 2 each	476.89	379.56
210,400 (Previous year - 210,400) Equity units of Mindspace business Parks REIT	729.12	620.03
81,179 (Previous year - 81,200) Equity units of Brookfield India Real estate trust	254.20	181.24
10,81,300 (Previous year - Nil) Equity units of Powergrid Infrastructure Investment Trust	1,447.86	-
6,00,000 (Previous year - Nil) Equity units of National Highway Infra Trust	779.70	-
(F)	**4,467.04**	**2,060.60**
Sub-Total (G) = (E+F)	**37,085.18**	**20,536.97**
Total (D+G)	**38,472.95**	**26,536.07**
Aggregate book value of quoted investments	37,085.18	20,536.97
Aggregate market value of quoted investments	37,085.18	20,536.97
Aggregate value of unquoted investments	1,387.77	5,999.10
Aggregate amount of impairment in value of investments	1,000.00	1,500.00

Note: National Savings Certificates of the value of ₹ 0.04 Lakhs (Previous year – ₹ 0.04 Lakhs) and Government of India G.P. Notes of the value of ₹ 0.02 Lakhs (Previous year – ₹ 0.02 Lakhs) have been lodged with the Excise authorities. National Savings Certificates of ₹ 0.03 Lakhs (Previous year – ₹ 0.03 Lakhs) have been lodged with the Sales tax authorities.

4 LOANS*

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to employees	47.23	31.25
	47.23	**31.25**

*There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

The Group has complied with the provisions of section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers)Rules, 2017.

The Group has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

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 Group 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 Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

5 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Margin money deposits*	45.00	209.04
Security deposits	654.55	627.77
	699.55	**836.81**

*Margin money deposits are given as security against bank guarantee with original maturity of more than 12 months for various performance obligations. [Refer note 43 (b)]

6 INCOME TAX ASSETS (NET)

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Income tax paid [Net of provision - ₹ 34,948.20 Lakhs (Previous year - ₹ 28,084.64 Lakhs)]	3,370.78	2,403.12
	3,370.78	**2,403.12**

7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances	3,339.38	1,517.88
Prepaid expenses	83.71	86.91
	3,423.09	**1,604.79**

8 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Raw materials [Including stock in transit ₹ 0.58 Lakhs (Previous year - ₹ 261.71 Lakhs)]	7,857.20	6,258.23
Packing materials [Including stock in transit ₹ 3.42 Lakhs (Previous year - ₹ Nil]	2,424.51	1,514.73
Work-in-progress	3,002.96	2,428.11
Finished goods [Including stock in transit ₹ 941.48 Lakhs (Previous year - ₹ 560.87 Lakhs)]	13,869.48	8,126.33
Stock-in-trade	3,315.71	3,164.95
	30,469.86	**21,492.35**

During the year ended March 31, 2022, ₹ 1,030.25 Lakhs (Previous year - ₹1,001.93 Lakhs) was charged to the statement of profit and loss on account of damaged and slow moving inventories.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

The above includes inventories held by third parties amounting to ₹ NIL (March 31, 2021 - ₹ NIL)

No Inventories are hypothecated with the bankers against working capital limits.

9 INVESTMENTS

(₹ in Lakhs)

	Current	
	As at March 31, 2022	**As at March 31, 2021**
UNQUOTED		
Investments mandatorily measured at fair value through profit or loss		
Investments in mutual funds	48,010.76	50,991.38
Investments in fully paid-up non convertible debentures	2,066.21	1,492.68
	50,076.97	**52,484.06**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	50,076.97	52,484.06
Aggregate amount of impairment in value of investments	-	-

Refer note 39 for accounting policies on financial instruments for methods of valuation.
The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

10 TRADE RECEIVABLES

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		8,217.44	11,053.70
Credit impaired		470.93	171.90
Unsecured, considered good receivable from related parties (Refer note 47)		-	-
	(A)	**8,688.37**	**11,225.60**
Less : Allowance for credit loss	**(B)**	470.93	171.90
	(A-B)	**8,217.44**	**11,053.70**

Movement in expected credit loss allowance

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	171.90	111.86
Less: Amount collected and hence reversal of provision	36.02	0.08
Add: Provision made during the year	335.05	60.12
Balance at the end of the year	**470.93**	**171.90**

Notes :-

(a) There are no trade or other receivables which are due from directors or other officers of the Group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

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

(b) For terms and conditions relating to related party receivables, refer note 47.

(c) Trade receivables are usually non-interest bearing and are generally on credit terms upto 120 days. The Group's term includes charging of interest for delayed payment beyond agreed credit days. The Group charges interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.

(d) For explanations on the Group's credit risk management processes, Refer note 38.

(e) The Group follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.

(f) Refer note 39 for accounting policies on financial instruments

(g) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule as below.

(h) Trade receivables ageing schedule Current.

Ageing for trade receivables outstanding as at March 31, 2022

(₹ in Lakhs)

Particulars	Not due	Less than 6 Months	6 months-1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables billed							
Undisputed trade receivables-							
Considered good	6,417.78	1,647.24	78.17	8.95	61.24	4.06	8,217.44
Undisputed trade receivables-							
Which have significant increase in credit risk	-	4.91	69.21	315.78	10.49	70.54	470.93
Disputed trade receivables-							
Considered good	-	-	-	-	-	-	-
Disputed trade receivables-							
Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-							
Credit impaired	-	-	-	-	-	-	-
	6,417.78	**1,652.15**	**147.38**	**324.73**	**71.73**	**74.60**	**8,688.37**
Less :- Allowance for doubtful trade receivables billed							470.93
Net							**8,217.44**

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

Ageing for trade receivables outstanding as at March 31, 2021

(₹ in Lakhs)

Particulars	Not due	Less than 6 Months	6 months-1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables billed							
Undisputed trade receivables-							
Considered good	6,094.77	4,725.96	189.47	21.63	1.14	20.73	11,053.70
Undisputed trade receivables-							
Which have significant increase in credit risk	-	-	-	64.48	16.76	90.66	171.90
Disputed trade receivables-							
Considered good	-	-	-	-	-	-	-
Disputed trade receivables-							
Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-							
Credit impaired	-	-	-	-	-	-	-
	6,094.77	**4,725.96**	**189.47**	**86.11**	**17.90**	**111.39**	**11,225.60**
Less :- Allowance for doubtful trade receivables billed							171.90
Net							**11,053.70**

Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Cash on hand	6.65	7.47
Balances with banks:		
In current accounts	3,130.88	3,035.68
In deposit accounts (with original maturity of 3 months or less)	635.00	-
	3,772.53	**3,043.15**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Margin money deposits*	29.69	33.04
In unpaid dividend account**	63.45	81.71
	93.14	**114.75**

* Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.(Refer note 43 (b))

**Earmarked balances with banks relate to unclaimed dividend.

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

13 LOANS

(₹ in Lakhs)

	Current	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans/ advances to employees	55.49	32.39
	55.49	**32.39**

Note: There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

The Group has complied with the provision section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

The Group has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

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 Group 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 Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

14 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	Current	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Export benefit receivable	184.99	546.08
Security deposits	89.55	108.57
Interest accrued on investments and others	38.79	79.14
Net defined Gratuity benefits plan assets	93.52	164.18
	406.85	**897.97**

Note: There are no trade or other receivables which are due from directors or other officers of the group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

15 OTHER CURRENT ASSETS

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
Advances to suppliers		2,380.45	1,134.23
Prepaid expenses		852.88	771.12
Balances with statutory/ government authorities		3,693.16	1,935.46
Credit impaired			
Balances with statutory/ government authorities		25.69	25.69
	(A)	**6,952.18**	**3,866.50**
Less: Allowance for doubtful advances	**(B)**	25.69	25.69
	(A-B)	**6,926.49**	**3,840.81**

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

16 ASSETS HELD FOR SALE

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Freehold land	-	88.45
Building	-	327.34
	-	**415.79**

During previous year the Holding Company classified freehold land of ₹ 88.45 Lakhs (NBV- ₹ 88.45 Lakhs) and Building of ₹ 403.36 Lakhs (NBV- ₹ 327.34 Lakhs) of Bhiwandi depot as assets held for sale since the Holding Company planned to acquire bigger facility. Same is disposed off during the current financial year. Gain on such disposal recognized in Statement of Profit and Loss is ₹ 79.22 Lakhs in the current financial year.

17 SHARE CAPITAL

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
294,200,000 (Previous year - 294,200,000) Equity shares of ₹ 1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of ₹ 100 each	3.00	3.00
	2,945.00	**2,945.00**
Issued share capital:		
168,810,084 (Previous year - 168,810,084) Equity shares of ₹ 1 each, fully paid-up	1,688.10	1,688.10
	1,688.10	**1,688.10**
Subscribed and paid-up share capital:		
168,810,084 (Previous year - 168,810,084) Equity shares of ₹ 1 each, fully paid-up	1,688.10	1,688.10
Add: Nil (Previous year - Nil) Equity shares forfeited	-	-
Less: Nil (Previous year - Nil) Equity shares forfeited Cancelled	-	-
Total	**1,688.10**	**1,688.10**

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022		As at March 31, 2021	
	No. in Lakhs	₹ in Lakhs	No. in Lakhs	₹ in Lakhs
At the beginning of the period	1,688.10	1,688.10	1,709.73	1,709.73
Less: Share capital bought back	-	-	21.63	21.63
Outstanding at the end of the period	**1,688.10**	**1,688.10**	**1,688.10**	**1,688.10**

(b) Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2022, the amount of per share interim dividend paid as distribution to equity shareholders is ₹ Nil (Previous year - ₹ NIL per share).

The Holding Company had cancelled 31,45,000 forfeited equity shares of ₹ 0.25/- each containing total amount of ₹ 7.86 Lakhs of forfeited equity shares and the same was by approved by shareholders in the annual general meeting held on September 27, 2019 by way of ordinary resolution. The forfeited capital amount has been transferred to Capital reserve as per the applicable provisions of Companies Act, 2013.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at March 31, 2022	As at March 31, 2021
	No. in Lakhs	No. in Lakhs
Equity shares bought back by the Holding Company	90.23	90.23

The Board of Directors, at its meeting held on February 9, 2022 had approved a proposal of the Holding Company to buy-back its 29,00,000 fully paid–up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the Company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Holding Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on April 12, 2022 and was completed on April 27, 2022 and the Holding Company bought back and extinguished a total of 29,00,000 equity shares at a price of ₹ 475 per equity share, comprising of 1.72% of pre-buyback paid up equity share capital of the Holding Company. The buyback resulted in a cash outflow of ₹ 13,775 Lakhs (excluding transaction cost). The Holding Company funded the Buyback from its General reserve.

The Board of Directors, at its meeting held on August 7, 2020 had approved a proposal of the Holding Company to buy-back its 21,63,000 fully paid–up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the Holding company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Holding Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on September 16, 2020 and was completed on September 29, 2020 and the Holding Company bought back and extinguished a total of 21,63,000 equity shares at a price of ₹ 450 per equity share, comprising of 1.27% of pre-buyback paid up equity share capital of the Holding Company. The buyback resulted in a cash outflow of ₹ 9,733.50 Lakhs (excluding transaction cost). The Holding Company funded the Buyback from its General reserve. In accordance with Section 69 of the Companies Act, 2013, as at results approved for the period ended December 31, 2020, the Holding Company has credited 'Capital Redemption Reserve' with an amount of ₹ 21.63 Lakhs, being amount equivalent to the nominal value of the Equity Shares bought back as an appropriation from General Reserve.

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

(d) 'The details of Shareholding of Promoters are as under as at March 31, 2022 and March 31, 2021 are as follows:

	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of Shares	Total Share %	Number of Shares	Total Share %	
Aditi C Bhanot	11,48,552	0.68	11,46,766	0.68	-
Nandan Mohan Chandavarkar	52,04,173	3.08	52,04,173	3.08	-
Nomita R Chandavarkar	54,30,830	3.22	54,30,830	3.22	-
Ameya Ashok Chandavarkar	1,02,44,985	6.07	1,02,44,985	6.07	-
Mohan Anand Chandavarkar Trust	1,81,76,466	10.77	1,81,76,466	10.77	-
Sandhya Mohan Chandavarkar Trust	1,84,97,057	10.96	1,84,97,057	10.96	-
Meera Ramdas Chandavarkar	3,26,80,175	19.36	3,26,80,175	19.36	-
Virgo Advisors Private Limited	1,02,78,940	6.09	1,02,78,940	6.09	-
Leo Advisors Private Limited	1,54,18,266	9.13	1,54,18,266	9.13	

(e) Details of shareholders holding more than 5% shares in the Holding Company

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Total Share %	Number of Shares	Total Share %
Equity shares of Re. 1 each fully paid				
Meera Ramdas Chandavarkar	3,26,80,175	19.36	3,26,80,175	19.36
Sandhya Mohan Chandavarkar Trust	1,84,97,057	10.96	1,84,97,057	10.96
Mohan Anand Chandavarkar Trust	1,81,76,466	10.77	1,81,76,466	10.77
Leo Advisors Private Limited	1,54,18,266	9.13	1,54,18,266	9.13
Virgo Advisors Private Limited	1,02,78,940	6.09	1,02,78,940	6.09
Ameya Ashok Chandavarkar	1,02,44,985	6.07	1,02,44,985	6.07

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

18 OTHER EQUITY

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Capital redemption reserve			
Opening balance		90.23	68.60
Add: Transfer from General reserve on buy back of Equity shares		-	21.63
Closing balance	**(A)**	**90.23**	**90.23**
Capital reserve			
Opening balance		7.86	7.86

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Add: Cancellation of forfeited Equity Shares		-	-
Closing balance	**(B)**	**7.86**	**7.86**
General reserve			
Opening balance		10,085.66	19,577.96
Less: Premium paid on buy back of Equity shares		-	(9,711.87)
Less: Transfer to Capital redemption reserve on buyback of Equity shares		-	(21.63)
Add: Adjustment on derecognition of joint venture		-	241.20
Closing balance	**(C)**	**10,085.66**	**10,085.66**
Retained Earnings			
Opening balance		1,61,060.98	1,33,173.53
Add: Profit for the year		21,640.33	30,134.56
Add: Remeasurement gain/ (losses) of defined benefit plans		189.01	87.62
Less: Expenses relating to buyback of Equity Shares* (net)		(76.17)	(69.64)
Less: Tax on buyback paid*		-	(2,217.13)
Less: Adjustment on derecognition of joint venture		-	(47.96)
Closing balance	**(D)**	**1,82,814.15**	**1,61,060.98**
Foreign currency translation reserve (Other comprehensive income)			
Opening balance		39.51	282.50
Add: Movement during the year		(63.23)	(128.40)
Less: Adjustment on derecognition of joint venture		-	(114.59)
Closing balance	**(E)**	**(23.72)**	**39.51**
FTVOCI reserve (Other comprehensive income)			
Opening balance		441.15	(77.22)
Less: Net profit/ (loss) on equity shares carried at fair value through OCI		575.61	518.37
Closing balance	**(F)**	**1,016.76**	**441.15**
	Total (A+B+C+D +E+F)	**1,93,990.94**	**1,71,725.39**

*The Board of Directors, at its meeting held on February 9, 2022 had approved a proposal of the Holding Company to buy-back its 29,00,000 fully paid–up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the holding company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Holding Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on April 12, 2022 and was completed on April 27, 2022 and the Holding Company bought back and extinguished a total of 29,00,000 equity shares at a price of ₹ 475 per equity share, comprising of 1.72% of pre-buyback paid up equity share capital of the Holding Company. The buyback resulted in a cash outflow of ₹ 13,775 Lakhs (excluding transaction cost). The Holding Company funded the Buyback from its General reserve.

Nature and purpose of Reserves

(a) Capital redemption reserve

As per Companies Act, 2013, Capital redemption reserve is created when the Group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to Capital redemption reserve.

(b) Capital reserve

As per Companies Act, 2013, Capital redemption reserve is created when the Group cancelled its own shares.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(c) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by transfer from one component of equity to another and is not item of Other comprehensive income.

(d) Retained earnings

Retained earnings are the profits/ (losses) that the Group has earned till date, less any transfer to General reserve, dividends or other distribution paid to shareholders.

(e) 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.

(f) Other comprehensive income

The Group has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in other comprehensive income is transferred retained earnings on disposal of the investment.

19(A) BORROWINGS*

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	**As at March 31, 2021**
Deferred sales tax loans (unsecured) (Refer note 1 below)	20.80	34.37
Loans from non-controlling interest (Refer note 2 below)	54.36	51.42
Less: Amount disclosed under "Borrowings" (Refer note 19(B))	10.00	13.57
	65.16	**72.22**

*Refer note 20 for Non current Lease liabilites

19(B) BORROWINGS*

(₹ in Lakhs)

	Current	
	As at March 31, 2022	**As at March 31, 2021**
Deferred sales tax loans (unsecured) (Refer note below)	10.00	13.57
	10.00	**13.57**
	75.16	**85.79**

*Refer note 23 for Current Lease liabilites

Note 1: Under various schemes of Government of Maharashtra, the Holding Company was entitled to interest free Sales tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-13 years commencing after a period of 10 - 12 years from the year of availment of deferred sales tax loan.

Due in financial year	(₹ in Lakhs)
2022-23	10.00
2023-24	7.59
2024-25	3.21
	20.80

Note 2: Loans from non-controlling interest are repayable on demand and carry an interest rate of 5 %.

20 LEASE LIABILTIES

(₹ in Lakhs)

	Non-current	
	As at March 31, 2022	As at March 31, 2021
Lease liabilities	3,145.28	1,379.81
Less: Current maturities of finance lease obligation (Refer note 23 & 49)	682.33	700.25
	2,462.95	**679.56**

21 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Deferred tax liability			
Depreciation		1,342.51	1,450.86
Undistributed earnings of subsidiary		223.06	-
Unrealised gain on investments		958.37	785.01
	(A)	**2,523.94**	**2,235.87**
Less: Deferred tax asset			
Provision for doubtful debts/ advances		124.99	49.73
Impairement provision		-	308.57
Liabilities disallowed under Section 43B of the IT Act, 1961		697.05	698.00
Difference in Right-of-use assets and Lease liabilities		27.65	47.49
Foreign currency transalation reserves		66.26	44.42
	(B)	**915.95**	**1,148.21**
Net deferred tax liability	**(A)-(B)**	**1,607.99**	**1,087.66**

Reconciliation of deferred tax assets/ liabilities (net):

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Net deferred tax liability at the beginning	1,087.66	920.63
Tax (income)/expense recognised in profit or loss	467.81	144.49
Tax expense recognised in OCI	74.36	66.96
Foreign currency transalation reserves	(21.84)	(44.42)
Net deferred tax liability at the end	**1,607.99**	**1,087.66**

22 TRADE PAYABLES

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro and small enterprises ("MSME")	2,558.20	1,332.78
Total outstanding dues of creditors other than Micro and small enterprises	11,135.77	6,394.77
	13,693.97	**7,727.55**

Note :

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

(i) Trade payables include amount payable to vendors and accrual of expenses that are expected to be settled in the Group's normal operating cycle or due to be settled within twelve months from the reporting date.

(ii) For explanations on the Group's liquidity risk management processes Refer note 38.

(iii) Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 is provided as under for the year 2021-22, to the extent the Group has received intimation from the "Suppliers" regarding their status under the Act :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount remaining unpaid to any supplier due at end of each accounting year	70.99	24.37
(b) The interest due on the amount remaining unpaid to any supplier at end of each accounting year	5.43	5.07
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	5.43	5.07
(f) 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 Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Group regarding the status its suppliers.

(iv) Terms and conditions of the creditors other than Micro and small enterprises -Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables						
MSME	2,481.76	71.01	-	-	-	2,552.77
Others	5,956.92	2,302.21	157.47	49.46	-	8,466.06
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	2,675.14
Total	**8,438.68**	**2,373.22**	**157.47**	**49.46**	**-**	**13,693.97**

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables						
MSME	1,302.84	24.76	0.12	-	-	1,327.72
Others	3,030.34	757.90	39.21	8.55	66.15	3,902.15
Disputed Dues- MSME	-	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	2,497.68
Total	**4,333.18**	**782.66**	**39.33**	**8.55**	**66.15**	**7,727.55**

23 LEASE LIABILTIES

(₹ in Lakhs)

	Current	
	As at March 31, 2022	As at March 31, 2021
Finance lease obligation (Refer note 20 & 49)	682.33	700.25
	682.33	**700.25**

24 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	Current	
	As at March 31, 2022	As at March 31, 2021
Other financial liabilities carried at amortised cost		
Unpaid dividend (Refer note below)	63.45	81.71
Sundry deposits	1,278.29	1,326.46
Employee benefits payable	4,624.44	3,532.08
Due to directors*	491.56	645.08
Other payables (includes disputed liabilities, trade advances, etc.)	622.77	548.21
	7,080.51	**6,133.54**

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

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

*Pertains to commission payable to directors (Refer note 47)

25 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Advances from customers	339.59	394.14
Statutory dues payable*	531.86	494.95
	871.45	**889.09**

*Include Goods and Service Tax, Provident fund, Employees' State Insurance, Labour Welfare fund, Profession tax, Tax deducted at source and Tax collected at source.

26 PROVISIONS

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
For Employee benefits (Refer note 45)	1,833.72	1,907.78
For Others	1,768.48	1,710.58
	3,602.20	**3,618.36**

(₹ in Lakhs)

	Gratuity benefits	Compensated absences	Sales returns	Total Excluding Gratuity benefits
Balance as on April 1, 2021	(164.18)	1,907.78	1,710.58	3,618.36
Provision made during the year	323.22	147.76	2,404.80	2,552.56
Remeasurement gain on defined benefit plans	(254.18)	-	-	-
Provision utilised during the year	1.62	(221.81)	(2,346.91)	(2,568.72)
Balance as on March 31, 2022	**(93.52)**	**1,833.73**	**1,768.47**	**3,602.20**
Current	**-**	**1,833.73**	**1,735.85**	**3,569.58**
Non-current	**-**	**-**	**32.62**	**32.62**
Net defined Gratuity benefits plan assets-shown under - Other - financial assets (Refer note no 14)	**93.52**	**-**	**-**	**-**

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

(₹ in Lakhs)

	Gratuity benefits	Compensated absences	Sales returns	Total Excluding Gratuity benefits
Balance as on April 1, 2020	472.66	1,240.61	1,710.58	2,951.19
Provision made during the year	316.65	821.28	2,167.20	2,988.48
Remeasurement gain of defined benefit plans	(117.09)	-	-	-
Provision utilised during the year	(836.40)	(154.11)	(2,167.20)	(2,321.31)
Balance as on March 31, 2021	**(164.18)**	**1,907.78**	**1,710.58**	**3,618.36**
Current	**-**	**1,907.78**	**1,671.36**	**3,579.14**
Non-current	**-**	**-**	**39.22**	**39.22**
Net defined Gratuity benefits plan assets- shown under - Other financial assets (Refer note no 14)	**164.18**	**-**	**-**	**-**

27 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Tax payable [Net of Income tax paid - ₹ 41,824.16 Lakhs and (Previous year ₹ 41,830.51 Lakhs)]	1,307.69	1,305.35
	1,307.69	**1,305.35**

A The details of Non-current/ (Current) Income tax assets / (Liabilites) as at 31 March 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current Income tax assets (net of provision for taxes)	3,370.78	2,403.12
Current tax liabilities (net of advances)	1,307.69	1,305.35
Net current income tax asset / (liability) at the end	**2,063.09**	**1,097.77**

B The movement in the gross current tax assets/ (liability) for year ended March 31, 2022

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Net current tax asset at the beginning	1,097.77	132.73
Income tax paid	7,883.59	9,502.70
Current tax expense	(6,854.71)	(8,506.61)
Tax expense recognised in OCI	(63.56)	(29.47)
Adjustments of tax relating to earlier years	-	(1.58)
Net current tax asset / (liability) at the end	**2,063.09**	**1,097.77**

C Income tax expense recognised in Consolidated Statement of Profit and Loss

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current tax on profits for the year	6,854.71	8,508.19
Deferred tax	467.81	144.49
	7,322.52	**8,652.68**

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

D Income/ (loss) tax expense recognised in Other Comprehensive Income

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Tax on remeasurement (gain)/ losses of defined benefit plans	(63.56)	(29.47)
Tax on gain on FVTOCI financial assets (net)	(74.36)	(66.96)
Tax on foreign currency transalation losses	21.84	44.42
	(116.08)	**(52.01)**

E Income tax expense reconciliation

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	28,939.01	38,772.61
Applicable tax rate	25.168%	25.168%
Tax as per applicable tax rate of Holding company in India	7,283.37	9,758.29
Share of loss of joint venture	-	(1.92)
Current tax on adjustments for earlier years	-	1.58
Tax on (income)/ expenses not considered for tax purpose	(738.83)	(451.14)
Tax effect on exempt income	(17.79)	(32.89)
Tax incentives	(114.29)	(37.44)
Tax on additional allowances for capital (gain)/ loss	245.52	(452.44)
Tax impact of change in rates on opening deferred tax liability	-	-
Others (net)	22.68	(6.77)
Effect of tax rate of foreign subsidiaries (net)	641.86	(124.59)
Income tax expense charged to the Consolidated Statement of Profit and Loss	**7,322.52**	**8,652.68**

F Deferred tax income recognised in Consolidated Statement of Profit and Loss and Other Comprehensive Income

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase/ (decrease) in Deferred tax liability		
Depreciation	(108.35)	(151.06)
Unrealised gain on investments	173.36	785.01
	65.01	**633.95**
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	75.26	15.11
Impairement provision	(308.57)	190.69
Liabilities disallowed under Section 43B of the IT Act, 1961	(0.95)	169.21
On Undistributed earnings of FDC International	(223.06)	-
Difference in Right-of-use assets and Lease liabilities	(19.84)	47.49
Foreign currency transalation reserves	21.84	44.42
	(455.32)	**466.92**
Net deferred tax expense recognised in Consolidated Statement of Profit and Loss	**520.33**	**167.03**
Net deferred tax expense recognised in Consolidated Statement of Profit and Loss	**467.81**	**144.49**
Net deferred tax expense recognised in Consolidated Other Comprehensive income	**52.52**	**22.54**

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

28 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Refer note 48)	1,52,333.76	1,32,314.21
Other operating revenue (Refer note 48)	458.19	1,006.13
	1,52,791.95	**1,33,320.34**
Other operating revenue		
Export incentive	217.38	637.58
Other miscellaneous receipts	240.81	368.55
	458.19	**1,006.13**

29 OTHER INCOME

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest income on financial assets carried at amortised cost		
Current investments	-	34.30
Non-current investments	2,248.54	1,106.03
Others (Refer note below)	55.73	58.47
b) Dividend income		
Current investments	-	13.61
Non-current investments	70.80	-
c) Others		
Net gain on sale of investments	585.82	2,435.83
Net gain on derecoginition of financial assets	-	1.96
Fair value gain on financial instruments at fair value through profit or loss	3,458.73	5,253.73
Provision for impairment in the value of investments written back	500.00	-
Net exchange gain on foreign currency transactions	373.05	279.16
Net gain on disposal of property, plant and equipment	99.73	67.68
Other non operating income (Includes rental income, miscellaneous provisions written back)	217.09	451.79
	7,609.49	**9,702.56**

Note: Interest on others includes interest on margin money deposits, fixed deposits, security deposits, interest on delayed payments from debtors etc.

30 COST OF MATERIALS CONSUMED

(Raw materials and Packing materials)

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	7,772.96	9,944.83
Add: Transfer of subsidiaries stock in trade (Refer note 31)	74.27	-
Add: Purchases	47,858.84	32,492.83
	55,706.07	**42,437.66**
Less: Inventory at the end of the year	10,281.71	7,772.96
	45,424.36	**34,664.70**

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

31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the end of the year		
Finished goods	13,869.48	8,126.33
Stock-in-trade	3,315.71	3,164.95
Work-in-progress	3,002.96	2,428.11
	20,188.15	**13,719.39**
Inventory at the beginning of the year		
Finished goods	8,126.33	7,778.76
Stock-in-trade	3,164.95	1,620.31
Work-in-progress	2,428.11	1,652.44
	13,719.39	**11,051.51**
Stock-in-trade (on acquisition of subsidary)	-	57.49
Stock-in-trade (of subsidiary transferred to Raw material consumed) (Refer note 30)	(74.27)	-
	(6,543.03)	**(2,610.39)**
Change in Inventories		
Finished goods	(5,743.15)	(347.57)
Stock-in-trade	(150.76)	(1,544.64)
Stock-in-trade (on acquisition of subsidary)	-	57.49
Stock-in-trade (of subsidiary transferred to Raw material consumed)	(74.27)	-
Work-in-progress	(574.85)	(775.67)
	(6,543.03)	**(2,610.39)**

32 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	30,593.54	24,724.51
Contribution to provident and other funds (Refer note 44)	2,146.68	1,876.27
Staff welfare expenses	1,592.93	3,027.76
	34,333.15	**29,628.54**

33 FINANCE COSTS

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on finance lease obligations (Refer Note 49)	122.85	149.47
Interest on others	127.37	127.34
Other borrowing costs	58.73	66.61
	308.95	**343.42**

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

34 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	2,952.98	3,025.90
Amortisation of right-of-use assets and other intangible assets	777.23	755.44
	3,730.21	**3,781.34**

35 OTHER EXPENSES

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Processing charges	2,409.01	1,387.34
Power, fuel and water charges	2,891.50	2,707.98
Repairs and maintenance		
Building	548.91	461.51
Plant and machinery	813.31	694.97
Others	1,384.35	1,134.74
Labour contract expenses	1,833.56	1,502.93
Stores and spares	1,723.92	1,289.62
Pharma lab expenses	2,526.49	2,013.95
Research and Development expenses	1,584.75	1,325.78
Rent (including lease rent) (Refer note 49)	9.47	24.28
Rates and taxes	86.03	100.62
Insurance	362.37	288.92
Travelling and conveyance	4,269.02	3,388.37
Communication expenses	298.92	314.20
Carriage, freight and forwarding	4,458.39	3,003.73
Export Expenses	881.46	969.51
Advertisement and sales promotion	1,587.19	1,216.20
Printing & Stationery charges	1,379.45	800.82
Publicity expenses	6,713.28	2,656.11
Sales tax/ Value added tax/ GST paid	296.49	235.79
Commission	858.88	692.18
Auditor's remuneration		
As audit fee	48.02	40.00
For other services	2.75	2.50
Out of pocket expenses	1.66	1.63
Legal and Professional charges	566.09	598.37
Directors sitting fees	5.35	4.60
Allowances for credit loss	335.05	60.12
Bad debts written off	39.52	-
Donation	25.56	40.52
CSR Expenditure (Refer note 52)	604.25	550.99
Miscellaneous expenses	1,523.92	1,371.26
	40,068.92	**28,879.54**

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

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

During the year ended March 31, 2022

(₹ in Lakhs)

	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Total
Remeasurement gain on defined benefit plans	252.57	-	-	252.57
Tax on remeasurement gain on defined benefit plans	(63.56)	-	-	(63.56)
Gain on FVTOCI financial assets (net)	-	649.97	-	649.97
Tax on gain on FVTOCI financial assets (net)	-	(74.36)	-	(74.36)
Exchange differences in translating financial statements of foreign operations	-	-	(86.76)	(86.76)
Tax on foreign currency transalation reserves	-	-	21.84	21.84
	189.01	**575.61**	**(64.92)**	**699.70**

During the year ended March 31, 2021

(₹ in Lakhs)

	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Total
Remeasurement gain of defined benefit plans	117.09	-	-	117.09
Tax on remeasurement gain of defined benefit plans	(29.47)	-	-	(29.47)
Loss on FVTOCI financial assets (net)	-	585.33	-	585.33
Tax on gain on FVTOCI financial assets (net)	-	(66.96)	-	(66.96)
Exchange differences in translating financial statements of foreign operations	-	-	(176.48)	(176.48)
Tax on foreign currency transalation reserves	-	-	44.42	44.42
	87.62	**518.37**	**(132.06)**	**473.93**

37 EARNINGS PER SHARE (EPS)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (₹ in Lakhs)	21,616.49	30,119.93
Weighted average number of shares [Refer note 17(a)]	16,88,10,084	16,99,83,437
Nominal value per share (₹)	1.00	1.00
Earnings per share - Basic (₹)	12.81	17.72
- Diluted (₹)	12.81	17.72

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

Risk Management is an integral part of the Group's plans and operations. While the Group has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organised framework. The Group recognises risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

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

The Group, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and FVTPL investments.

The Group has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

a **Interest Rate Risk :**

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the Group's interest income. The Group does not have any exposure to floating rate financial instruments.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

b **Foreign Currency Risk :**

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

c **Equity price risk :**

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Group's investments measured at fair value through other comprehensive income exposes the Group to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Group's investment in quoted equity securities as of March 31, 2022 and 2021 was ₹ 4,467.04 Lakhs and ₹ 2,060.60 Lakhs, respectively. A 10% change in equity price as of March 31, 2022 and 2021 would result in a pre- tax impact of ₹ 446.70 Lakhs and ₹ 206.06 Lakhs, respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

Foreign Currency Sensitivity :

The following table demonstrate the sensitivity to a reasonably possible change in USD rate with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on Profit before tax (₹ in Lakhs)	Effect on Equity (₹ in Lakhs)
March 31, 2022	+1%	66.66	49.88
	-1%	(66.66)	(49.88)
March 31, 2021	+1%	59.42	44.47
	-1%	(59.42)	(44.47)

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

Credit Risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Group manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis. Concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in equity instruments, money market liquid mutual funds, Bonds & Non-Convertible debentures with financial institutions. The Group has set counterparty limits based on multiple factors including financial position, credit rating, etc.

The Group's maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 is the carrying value of each class of financial asset.

Liquidity Risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

Financial assets :

(₹ in Lakhs)

	As at March 31, 2022			As at March 31, 2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Investments	50,076.97	38,472.95	88,549.92	52,484.06	26,536.07	79,020.13
Loans	55.49	47.23	102.72	32.39	31.25	63.64
Trade receivables	8,143.19	74.25	8,217.44	11,010.20	43.50	11,053.70
Cash and cash equivalents	3,772.53	-	3,772.53	3,043.15	-	3,043.15
Bank Balances other than above	93.14	-	93.14	114.75	-	114.75
Other financial assets	406.85	699.55	1,106.40	897.97	836.81	1,734.78

Financial liabilities :

(₹ in Lakhs)

	As at March 31, 2022			As at March 31, 2021		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	13,487.04	206.93	13,693.97	7,613.52	114.03	7,727.55
Borrowings	10.00	65.16	75.16	13.57	72.22	85.79
Lease liabilities	682.33	2,462.95	3,145.28	700.25	679.56	1,379.81
Other financial liabilities	7,080.51	-	7,080.51	6,119.97	-	6,119.97

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

39 FINANCIAL INSTRUMENTS

Break up of financial assets carried at amortised cost

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investments (Refer note 3)	32,618.23	18,476.46	-	-
Loans (Refer note 4 and 13)	47.23	31.25	55.49	32.39
Trade receivables (Refer note 10)	-	-	8,217.44	11,053.70
Cash and cash equivalents (Refer note 11)	-	-	3,772.53	3,043.15
Bank balance other than cash and cash equivalents (Refer note 12)	-	-	93.14	114.75
Other Financial assets (Refer note 5 and 14)	699.55	836.81	406.85	897.97
Total financial assets carried at amortised cost	**33,365.01**	**19,344.52**	**12,545.45**	**15,141.96**

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

The carrying value and fair value of financial instruments by categories as at the balance sheet date were as follows:

(₹ in Lakhs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets:				
FVTOCI financial investments	4,469.47	2,061.23	4,469.47	2,061.23
FVTPL financial investments	51,462.22	58,482.44	51,462.22	58,482.44
Total	**55,931.69**	**60,543.67**	**55,931.69**	**60,543.67**

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

	Total ₹ in Lakhs
As at April 1, 2020	(77.22)
Re-measurement recognised in OCI	518.37
As at March 31, 2021	441.15
Re-measurement recognised in OCI	575.61
As at March 31, 2022	**1,016.76**

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

Fair value hierarchy

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

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

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

The following table represents the fair value hierarchy of Financial assets measured at fair value as at March 31, 2022:

(₹ in Lakhs)

Financial assets:	As at March 31, 2022	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	48,502.09	48,502.09	-	-
Non-Convertible debentures*	2,960.13	-	2,960.13	-
Quoted Equity instruments	4,467.04	4,467.04	-	-
Unquoted Equity instruments	2.43	-	-	2.43
Total	**55,931.69**	**52,969.13**	**2,960.13**	**2.43**

The following table represents the fair value hierarchy of Financial assets measured at fair value as at March 31, 2021:

(₹ in Lakhs)

Financial assets:	As at March 31, 2021	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	54,976.56	54,976.56	-	-
Non-Convertible Debentures*	3,505.88	-	3,505.88	-
Quoted Equity instruments	2,060.60	2,060.60	-	-
Unquoted Equity instruments	0.63	-	-	0.63
Total	**60,543.67**	**57,037.16**	**3,505.88**	**0.63**

*** Measurement of fair value for level 2 investments**

Valuation technique used by Group for measuring level 2 fair value for financial instruments measured at fair value in statement of profit and loss is as follows -

Discounted cash flows: The valuation model considers present value of expected receipt/payments using appropriate discounting rates.

There have been no transfers between Level 1 and Level 2 during the period.

Break up of financial liabilities carried at amortised cost

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Borrowings {Refer note 19(A) & 19(B)}	65.16	72.22	10.00	-
Lease liabilities (Refer note 20 and note 23)	2,462.95	679.56	682.33	700.25
Trade payables (Refer note 22)	-	-	13,693.97	7,727.55
Other financial liabilities (Refer note 24)	-	-	7,080.51	6,133.54
Total financial liabilities carried at amortised cost	**2,528.11**	**751.78**	**21,466.81**	**14,561.34**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

40 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2022 and March 31, 2021.

The Group maintains a strong capital base and the primary objective of Group's capital management is to maximise the shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, the Group is debt free and would like to remain debt free.

The Group does not have any interest bearing loans and borrowings in the current year as well as previous year.

41 FINANCIAL PERFORMANCE RATIOS:

	Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance
A	**Performance ratios**					
	Net Profit ratio	Profit after tax	Revenue from operations	14.15%	22.59%	(37.38%)
	Net Capital turnover ratio	Revenue from operations	Closing working capital	2.10	1.84	14.30%
	Return on capital employed	Profit before interest and tax	Closing capital employed	14.95%	22.56%	(33.73%)
	Return on equity ratio	Profit after tax	Closing shareholder's equity	11.05%	17.37%	(36.39%)
	Return on investment	Closing less opening market price	Opening market price	(10.07%)	46.65%	(121.59%)
	Debt service coverage ratio	Profit before interest, tax and Depreciation and amortisation expense	Closing debt service	-	-	-
B	**Leverage ratios**					
	Debt-Equity ratio	Total Borrowings	Equity	0.00038	0.00049	(22.35%)
C	**Liquidity ratios**					
	Current ratio	Current Assets	Current Liabilities	3.68	4.57	(19.55%)
D	**Activity ratio**					
	Inventory turnover ratio	Cost of goods sold	Closing inventory	1.74	1.93	(9.84%)
	Trade receivables turnover ratio	Revenue from operations	Closing current trade receivables	18.59	12.06	54.16%
	Trade payables turnover ratio	Cost of goods sold	Closing trade payables	3.85	5.33	(27.71%)

Notes:

1. Net profit ratio - Net Profit ratio was lower on account of input cost pressure and other expenses reaching pre-covid levels partly mitigated by calibrated price hike.
2. Return on capital employed – Decrease in return on capital employed is mainly on account of decrease in profits during the year.
3. Return on equity ratio - Decrease in return on capital employed is mainly on account of decrease in profits during the year.

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

4. Trade receivables turnover ratio - Trade receivables turnover ratio improved due to better collections.
5. Trade payable turnover ratio - Trade payable turnover ratio improved on account of improvement in credit period.
6. Return on investment – There was substantial movement in share price in FY 2021 hence the Return on investment higher compared to current year.

42 CONSOLIDATION OF ACCOUNTS:

The list of subsidiary companies which are included in consolidation are as under:

Name of the Company	Country of Incorporation	Proportion of ownership interest/ voting power
FDC International Limited	United Kingdom	100% (Previous year – 100%)
FDC Inc.	United States of America	100% (Previous year – 100%)
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited. (w.e.f July 27, 2020) (Previously held as joint venture)	Republic of South Africa	93% (Previous year – 93%)

43 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
Contingent Liabilities			
a.	Disputed tax matters		
	Income tax (Appealed by the Group)	3,578.04	2,074.57
	GST (Appealed by the Group)	14.19	1.90
	Sales Tax (Appealed by the Group)	117.90	117.90
b.	In respect of guarantees given by banks (Refer note 5 & 12)	602.72	726.85
c.	Letter of credit issued by bankers	438.72	-
d.	Estimated amount of duty payable on export obligation against outstanding advance licenses	201.47	237.46
e.	During the year FY 2013-14, the Holding Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain formulations under the Drug (Prices Control) Order, 1995. The Holding Company had filed writ petition before the Hon'ble Supreme Court of India for stay of demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Holding Company. The said writ petition was disposed of in July 2016 with a liberty to the writ petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Holding Company has filed a writ petition with Delhi High Court in August 2016 for which the Holding Company has deposited 50% of overcharged amount with NPPA. The Holding Company has also simultaneously filed revision petition with NPPA, hence, no provision is considered necessary in respect of the amount majorly being the interest component.	675.13	636.52
Commitments			
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)		10,984.39	5,451.37

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

Note:

The Holding Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities, GST Authorities and National Pharmaceutical Pricing Authority of India. The Holding Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Holding Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. In respect of litigations, where the management assessment of a financial outflow is probable, the Holding Company has made a provision of ₹ 2,250.00 Lakhs as at March 31, 2022 (Previous year – ₹ 2,250.00 Lakhs).

44 THE CODE ON SOCIAL SECURITY, 2020:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Holding Company is in the process of carrying out the evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

45 DISCLOSURE OF EMPLOYEE BENEFITS:

As per Ind AS 19 - "Employee Benefits", the disclosures as required by the Accounting Standard are given below:

Defined Contribution Plan

Contributions to Defined Contribution Plans are recognized as an expense for the year under Contribution to provident and other funds (Refer note 32) as under:

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	683.26	542.11
Employer's Contribution to Pension Scheme	771.41	665.92
Employer's Contribution to Superannuation Fund	75.13	72.21

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Holding Company irrevocably contributes funds to a separate Gratuity Trust which is recognized by Income tax authorities.

(₹ in Lakhs)

		Gratuity	
		Funded Plan	
		As at March 31, 2022	As at March 31, 2021
I.	**Change in Benefit Obligation**		
	Liability at the beginning of the year	3,099.29	2,676.27
	Interest Cost	172.94	154.15
	Current Service Cost	332.39	289.43
	Benefit Paid	(197.90)	(127.23)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

	Gratuity	
	Funded Plan	
	As at March 31, 2022	As at March 31, 2021
Actuarial (gain)/ loss arising from changes in demographic assumptions	0.59	-
Actuarial (gain)/ loss arising from changes in financial assumptions	(80.46)	28.33
Actuarial (gain)/ loss arising from changes in experience adjustments	(116.39)	78.34
Liability at the end of the year	**3,210.46**	**3,099.29**
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	3,263.47	2,203.61
Interest income	182.10	126.93
Contributions	-	836.40
Benefit Paid	(197.90)	(127.23)
Return on plan assets, Excluding interest income	56.31	223.76
Fair Value of Plan Assets at the end of the year	**3,303.98**	**3,263.47**
III. Amount recognized in the Consolidated Balance Sheet		
Liability at the end of the year	(3,210.46)	(3,099.29)
Fair Value of Plan Assets at the end of the year	3,303.98	3,263.47
Amount recognized in the Consolidated Balance Sheet	**93.52**	**164.18**
IV. Net Interest Cost for Current Period		
Interest Cost	172.94	(154.15)
Interest Income	(182.10)	(126.93)
Net Interest Cost for Current Period	**(9.16)**	**27.22**
V. Expense recognized in the Consolidated Statement of Profit and Loss		
Current Service Cost	332.39	289.43
Net Interest Cost for current period	(9.16)	27.22
Expense recognized in the Consolidated Statement of Profit and Loss	**323.23**	**316.65**
VI. Expense recognized in the Consolidated Other Comprehensive Income (OCI)		
Actuarial (gain)/ loss on Obligations for the period	(196.26)	106.67
Return on Plan Assets excluding Interest Income	(56.31)	(223.76)
Net (Income)/ Expense recognized in the Consolidated OCI	**(252.57)**	**(117.09)**
VII. Investment Details		
Government of India Assets	91.02	102.27
Corporate Bonds	-	-
Public Sector Bonds	1,083.95	1,104.36
State Government	1,791.34	1,791.34
Equity	191.87	191.87
Others	145.80	73.63
Total	**3,303.98**	**3,263.47**
VIII. Actuarial Assumptions		
Discount Rate Current	6.09%	5.58%
Weighted Average Duration of the Defined Benefit Obligation	6	6
Rate of Return on Plan Assets Current	6.09%	5.58%

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

(₹ in Lakhs)

		Gratuity	
		Funded Plan	
		As at March 31, 2022	As at March 31, 2021
	Employee Attrition rate - Field	20 to 40%	20 to 40%
	Employee Attrition rate - Others	10 to 30%	10 to 30%
	Salary Escalation Current	8.00%	8.00%
IX.	**Maturity Analysis of Projected Benefit Obligation from the Fund**		
	Projected Benefits payable in future years from the date of reporting:		
	Within the next 12 months	495.98	423.86
	Between 2 and 5 years	1,562.24	1,464.23
	Sum of 6 to 10 years	1,249.38	1,215.48
	Sum of 11 years and above	1,266.56	1,266.57

X. Sensitivity Analysis for significant assumptions as at March 31, 2022 is shown below:

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in Lakhs)

	Gratuity	
	Funded Plan	
	As at March 31, 2022	As at March 31, 2021
Benefit Obligation as at the end of the year	**3,210.46**	**3,099.29**
Increase/ (decrease) in Present Value of Benefit Obligation as at the end of the year:		
Effect of +1% change in Rate of Discounting	(145.76)	(150.59)
Effect of -1% change in Rate of Discounting	162.07	168.28
Effect of +1% change in Rate of Salary Increase	148.97	153.98
Effect of -1% change in Rate of Salary Increase	(137.31)	(141.23)
Effect of +1% change in Rate of Employee Turnover	(19.69)	(27.00)
Effect of -1% change in Rate of Employee Turnover	21.31	29.35

XI. Salary Escalation Rate

The estimates of future salary increase considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

XII. Basis used to determine Rate of Return on Plan Assets

The rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

XIII. The Group expects to contribute ₹ 208.98 Lakhs to gratuity in next year (Previous year – ₹ 168.21 Lakhs).

The liability for leave encashment as at the year end is ₹ 1,707.59 Lakhs (Previous year – ₹ 1,782.03 Lakhs) and provision for sick leave as at the year end is ₹ 126.14 Lakhs (Previous year – ₹ 125.75 Lakhs).

46 SEGMENT INFORMATION:

Primary segment information

The Group is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only business segment.

Secondary segment information

The Group's operating divisions are managed from India. The principal geographical areas in which the Group operates are India and others. The country-wise segmentation is not relevant as exports to individual countries are not more than 10% of enterprise revenue.

The information related to secondary segment is as under:

(₹ in Lakhs)

		India	USA	Others	Total
Segment Revenue	**2021-2022**	**1,30,813.11**	**7,981.27**	**13,997.57**	**1,52,791.95**
	2020-2021	1,00,065.08	17,694.70	15,560.56	133,320.34
Carrying amount of Non-Current Assets by location of assets	**March 31, 2022**	**83,955.46**	**-**	**455.70**	**84,411.16**
	March 31, 2021	72,027.43	-	413.67	72,441.10

Non-Current Assets for this purpose consists of Property, plant and equipment, Capital work-in-progress, Other intangible assets and Other non-current assets.

The Group does not have any customer with whom revenue from transactions is more than 10% of Group's total revenue.

47 RELATED PARTY DISCLOSURES, AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiary Company

- *Fair Deal Corporation Pharmaceuticals SA (Pty) Limited. (w.e.f July 27, 2020)
  *Previously held as Joint venture.

Names of other related parties with whom transactions have taken place during the year:

Managerial Personnel

- Mr. Mohan A. Chandavarkar	Managing Director
- Mr. Ashok A. Chandavarkar	Executive Director
- Mr. Nandan M. Chandavarkar	Joint Managing Director
- Mr. Ameya A. Chandavarkar	Executive Director and CEO- International Business
- Ms. Nomita R. Chandavarkar	Executive Director
- Ms. Swati S. Mayekar	Independent Director
- Mr. Uday Kumar Gurkar	Chairman and Independent Director
- Mr. Bijlani Mahesh Chandru	Independent Director
- Mr. M. G. Parmeswaran	Independent Director
- Ms. Usha Chandrashekhar	Independent Director
- Mr. Sanjay Jain	Chief Financial Officer
- Ms. Varsharani Katre	Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, Wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, Wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, Mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, Daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- Shree Trust
- SFA Sporting Service Private Limited
- Sandhya Mohan Chandavarkar Trust
- Mohan Anand Chandavarkar Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Nature of transactions:

(₹ in Lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
1	**Interest income**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	-	11.01
2	**Donation paid**		
	Anand Chandavarkar Foundation	25.00	20.00
3	**Corporate Social Responsibility**		
	Shree Trust	4.00	-
4	**Managerial remuneration****		
	Mr. Mohan A. Chandavarkar	305.92	340.98
	Mr. Ashok A. Chandavarkar	162.75	186.65
	Mr. Nandan M. Chandavarkar	237.78	263.96
	Mr. Ameya A. Chandavarkar	154.93	176.43
	Ms. Nomita R. Chandavarkar	64.91	74.69
	Ms. Swati S. Mayekar	3.55	3.40
	Mr. Uday Kumar Gurkar	3.55	3.40
	Mr. Bijlani Mahesh Chandru	2.75	2.60
	Mr. M G Parmeswaran	2.75	2.60
	Ms. Usha A. Chandrashekhar	2.75	2.60
	Mr. Sanjay Jain	97.75	93.00
	Ms. Varsharani Katre	30.97	27.62
		1,070.36	**1,177.93**
5	**Buyback of Shares**		
	Mr. Nandan M. Chandavarkar	-	260.49
	Mr. Ameya A. Chandavarkar	-	512.80
	Ms. Nomita R. Chandavarkar	-	271.83

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
	Ms. Meera R. Chandavarkar	-	1,635.75
	Ms. Aditi C. Bhanot	-	57.40
	Sandhya Mohan Chandavarkar Trust	-	925.84
	Mohan Anand Chandavarkar Trust	-	909.80
	Leo Advisors Private Limited	-	771.74
	Virgo Advisors Private Limited	-	514.49
	Mr. Sanjay Jain	-	0.17
		-	**5,860.31**
9	**Loan granted**	-	
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	-	41.36

Outstanding amount of related parties:

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
1	**Outstanding balances payable included in Other current Liabilities**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Limited*	-	-
2	**Outstanding balances payable included in Other Financial Liabilities**		
	Mr. Mohan A. Chandavarkar	153.38	195.40
	Mr. Ashok A. Chandavarkar	101.72	130.70
	Mr. Nandan M. Chandavarkar	114.16	146.09
	Mr. Ameya A. Chandavarkar	88.99	113.63
	Ms. Nomita R. Chandavarkar	38.78	49.25
	Ms. Swati S. Mayekar	2.00	2.00
	Mr. Uday Kumar Gurkar	2.00	2.00
	Mr. Bijlani Mahesh Chandru	2.00	2.00
	Mr. M G Parmeswaran	2.00	2.00
	Ms. Usha A. Chandrashekhar	2.00	2.00
	Mr. Sanjay Jain	-	4.66
	Ms. Varsharani Katre	-	1.65
		507.03	**651.38**

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note : * Fair Deal Corporation Pharmaceuticals SA (Pty) Limited became subsidiary company w.e.f July 27, 2020 and accordingly all inter- group transactions are eliminated on consolidation

** Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Holding Company as a whole and separate figures are not available.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

48 DISCLOSURE UNDER IND AS 115 - "REVENUE FROM CONTRACTS WITH CUSTOMERS"

The Group is engaged into manufacturing of pharmaceutical products. There is no impact on the Group's revenue on applying Ind AS 115 from the contract with customers.

(₹ in Lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A)	**Disaggregation of revenue from contracts with customers**		
	1) Revenue from contracts with customers		
	Sale of products (transferred at point in time)		
	Domestic Sales		
	Formulation	1,29,981.37	98,722.31
	Bulk Drugs	463.12	536.67
	Sub total (a)	**1,30,444.49**	**99,258.98**
	Export Sales		
	Formulation	10,556.39	14,084.26
	Bulk Drugs	5,595.38	6,074.69
		16,151.77	**20,158.95**
	Profit share – Formulation	**5,737.50**	**12,896.28**
	Sub total (b)	**21,889.27**	**33,055.23**
	Total (a + b)	**1,52,333.76**	**1,32,314.21**
	2) Other operating revenue		
	Export incentives	217.38	637.58
	Other miscellaneous receipts	240.81	368.55
		458.19	**1,006.13**
	Total Revenue	**1,52,791.95**	**1,33,320.34**
B)	**Sales by performance obligations**		
	Upon shipment	5,520.90	9,295.17
	Upon delivery	1,41,075.36	1,10,122.76
	Profit share – Formulation	5,737.50	12,896.28
		1,52,333.76	**1,32,314.21**
C)	**Reconciliation of revenue from contract with customer**		
	Revenue from contract with customer as per the contract price	1,56,884.74	1,35,541.08
	Adjustments made to contract price on account of:		
	a) Discounts/ Rebates/ Incentives/ late delivery charges	1,395.21	730.77
	b) Sales Returns/ Credits/ Reversals	3,155.77	2,496.10
	Revenue from contract with customer	**1,52,333.76**	**1,32,314.21**
	Other operating revenue	**458.19**	**1,006.13**
	Revenue from operations	**1,52,791.95**	**1,33,320.34**

No single customer contributed 10% or more to the Group revenue for the year March 31, 2022 & March 31, 2021

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

49 DISCLOSURE UNDER IND AS 116 – LEASES:

The Group significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases. There are no contingent rents.

A) Movement in the lease liabilities

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Opening Balances	1,379.81	1,458.66
Additions	2,494.26	473.98
Additions on acquisition of subsidiary (net of translation adjustments)	-	17.05
Interest expenses on lease liabilities (Refer note 33)	122.85	149.47
Payment of lease liabilities	(846.18)	(689.52)
Lease rent waiver	(5.46)	(29.83)
Closing Balances	**3,145.28**	**1,379.81**

B) Maturity analysis of lease liabilities

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Maturity analysis- Contractual undiscounted cash flows		
Within one year	914.22	805.71
After one year but not for more than five years	2,815.55	762.09
More than five years	-	-
Total undiscounted lease liabilities	**3,729.77**	**1,567.80**
Lease liabilities included in the statement of financial position		
Non-Current	2,462.95	679.56
Current	682.33	700.25
Total	**3,145.28**	**1,379.81**

C) Amount recognized in the Consolidated statement of profit and loss

(₹ in Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities (Refer Note 33)	122.85	149.47
Depreciation on Right-of-use assets	657.76	557.63

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

50 ACQUISITION OF ADDITIONAL STAKE IN FAIR DEAL CORPORATION PHARMACEUTICALS SA (PTY) LIMITED :

a. During previous year on July 27, 2020, FDC Limited, acquired further stake of 44% in Fair Deal Corporation Pharmaceutical SA (PTY) Limited, South Africa ('FDC SA') by acquiring of 143,000 Equity shares from Pharma Q Holdings Pty Limited, one of the joint venture partner. The consideration for the acquisition aggregates to ₹ 6.21 Lakhs as per the agreement signed between the parties on July 17, 2020.

b. 44% Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below :

(₹ in Lakhs)

Particulars	Amount
Loans from Shareholders	789.21
Lease Liabilities	15.62
Trade Payables	8.08
Other financial liabilities	3.51
Total liabilities (A)	**816.42**
Property, Plant and Equipments	2.65
Right-of-use assets	15.23
Other Intangible assets	3.84
Inventories	57.49
Trade receivables	0.80
Loans	4.05
Cash and cash equivalents	24.98
Other current assets	0.29
Total assets (B)	**109.33**
Total Fair value of net liabilities before adjustments C = (A-B)	**707.09**
Less: Inter Company Loan adjustments **(D)**	(508.39)
Total Fair value of net liabilities E = (C-D)	**198.70**
Add: Fair value of investments already held (49%)	6.91
Add: Fair value of Non-controlling interest (7%)	0.98
Fair value of Balance acquired (44%)	**206.59**
Add: Purchase consideration paid	**6.21**
Goodwill	**212.80**

c. The fair value of 49% equity interest already held before the acquisition date is ₹ 6.91 Lakhs. The amount of gain of ₹ 36.93 Lakhs as a result of remeasuring already held 49% investment is recognized as other income in the consolidated Statement of Profit and Loss.

d. From the date of acquisition to March 31, 2021, Fair Deal Corporation Pharmaceuticals SA (Pty) Limited Contributed ₹ 6.12 Lakhs to revenue from operations and a loss of ₹ 207.09 Lakhs to the consolidated profit before tax on a pre-consolidation adjustments basis.

Had these business combination been effected at April 1, 2020, the revenue of the Group from continuing operations would have been higher by ₹ 3.70 Lakhs and loss from continuing operations would have been higher by ₹ 46.76 Lakhs on a pre-consolidation adjustments basis.

51 EXCEPTIONAL ITEM:

Exceptional item for previous year includes impairment of goodwill resulting from the acquisition of FDC SA.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

52 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ARE AS UNDER:

a. Gross amount required to be spent by the Holding Company during the year is ₹ 602.40 Lakhs (Previous year - ₹ 548.78 Lakhs).

b. Amount spent during the year is given hereunder:

(₹ in Lakhs)

Sr. No.	Particulars of Activity	For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	Construction/ acquisition of any asset	300.00	-
(ii)	On purpose other than (i) above		
	Education	131.09	15.00
	Healthcare	173.16	535.99
	Total	**604.25**	**550.99**

C. Related party transactions in relation to Corporate Social Responsibility during this year is 4.00 Lakhs (Previous year - NIL).

D. Details of ongoing projects for CSR under section 135(6) of the Act :

(₹ in Lakhs)

Opening Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Closing balance as at March 31, 2022	
With Holding Company	In Separate CSR Unspent A/c		With Holding Company	In Separate CSR Unspent A/c	With Holding Company	In Separate CSR Unspent A/c
-	-	602.40	604.25	-	-	-

53 Details of Loans, Inter Corporate Deposits and Investments as required under Section 186(4) of the Companies Act 2013:

Details of loans given by the Group:

There were no loans given by the Group in favour of entities outside the group.

54

The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

55 Struck off Company:

The Holding Company does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

56 Additional information as required under Schedule III to the Companies Act, 2013 of Enterprises consolidated as Subsidiaries/ Joint Venture:

(₹ in Lakhs)

Name of the entity	As at March 31, 2022								As at March 31, 2021							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consoli-dated Net Assets	Amount	As % of Consoli-dated Profit or Loss	Amount	As % of Consoli-dated Profit or Loss	Amount	As % of Consoli-dated Profit or Loss	Amount	As % of Consoli-dated Net Assets	Amount	As % of Consoli-dated Profit or Loss	Amount	As % of Consoli-dated Profit or Loss	Amount	As % of Consoli-dated Profit or Loss	Amount
Parent																
FDC Limited	99.50%	1,94,662.38	100.54%	21,732.37	100.00%	699.70	101.00%	22,432.07	99.32%	1,72,226.66	99.77%	30,050.35	100.00%	473.93	99.77%	30,524.28
Subsidiaries																
Foreign																
1. FDC International Limited	0.44%	867.25	1.05%	226.16	0.00%	-	1.00%	226.16	0.50%	858.45	0.92%	278.02	-	-	0.91%	278.02
2. FDC Inc.	0.03%	55.30	(0.01%)	(1.53)	0.00%	-	(0.00%)	(1.53)	0.03%	55.40	0.00%	(1.35)	-	-	0.00%	(1.35)
2. Fair Deal corporation Pharmaceuticals SA (Pty) Limited.	0.03%	51.26	(1.58%)	(340.51)	0.00%	-	(2.00%)	(340.51)	0.15%	255.66	(0.69%)	(207.09)	-	-	(0.68%)	(207.09)
Joint Ventures																
(Accounted as per equity method)																
Foreign																
Fair Deal Corporation Pharmaceuticals SA (Pty) Limited.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	100.00%	**1,95,636.19**	**100.00%**	**21,616.49**	**100.00%**	**699.70**	**100.00%**	**22,316.19**	**100.00%**	**1,73,396.17**	**100.00%**	**30,119.93**	**100.00%**	**473.93**	**100.00%**	**30,593.86**

As per our report of even date attached.

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

Chartered Accountants
Firm's Registration No. 101248W/W-100022

AMAR SUNDER
Partner
Membership No. 078305

Place : Mumbai
Date : May 25, 2022

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

CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : May 25, 2022

Notes

Notes

FDC Limited

142-48, S.V. Road, Jogeshwari (W),
Mumbai - 400 102
Tel: 022 - 2673 9100
www.fdcindia.com