

## INDEPENDENT AUDITOR'S REPORT

To the Members of INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of **INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report and Company's Information but does not include the financial statements and our auditor's report thereon.





Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 (Ind AS) of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with



them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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. As required by Section 143(3) of the Act, based on our audit, we report that:

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.

- a) 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.
- b) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- c) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 3.33 to the financial statements.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.





- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with Section 123 of the Act.

For **R.S. SANGHAI & ASSOCIATES**  
**Chartered Accountants**  
 Firm's registration number: 109094W



**R.S. SANGHAI**  
 Partner  
 M. No.: 036931

Place: Mumbai  
 Date: 10<sup>th</sup> May, 2022

UDIN No.	2	2	0	3	6	9	3	1	A	I	S	L	O	I	2	5	9	8
----------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---



**Re: INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**"Annexure A" to the Independent Auditors' Report for the year ended 31<sup>st</sup> March, 2022**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended 31<sup>st</sup> March, 2022, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year and accordingly, requirements of para 3(i)(d) is not applicable and hence not commented upon.
- (e) According to the information and explanations given to us and on the basis of our audit procedures, we report that no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder against the Company.
- ii. (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the management has conducted physical verification of inventory at reasonable intervals during the year which in our opinion is appropriate considering the size and the nature of business of the Company. The discrepancies noticed on such physical verification of inventory as compared to book records which has been properly dealt with in the books of account were not more than ten percent in aggregate for each class of inventory.
- (b) The existing working capital limits secured on current assets i.e., Fixed Deposits, Inventory and Debtors in excess of five crore rupees from the banks have been renewed during the year. The quarterly statements furnished by the Company with banks are in agreement with the books of account of the Company.





iii. The Company has made investments in companies, and granted unsecured loans to its employees, during the year, in respect of which:

- a) The Company has not given any loan or advance in the nature of loans to any other entity during the year, and hence reporting requirement under para 3(iii)(a) of the Order is not applicable.
- b) In our opinion, the investments made and the terms and conditions of the grant of loans to employees, during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company to its employees, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- d) In respect of loans granted by the Company to its employees, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same employees.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting requirement under para 3(iii)(f) of the order is not applicable.

The Company has not provided any 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.

- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposit in the nature of deposit and amounts which are deemed to be deposits, as defined under the Companies (Acceptance of Deposits) Rules, 2014 from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 are not applicable. According to the information and explanations given to us and on the basis of the audit procedures performed by us, we report that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- vi. In respect of the Company, maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.





- vii. (a) According to information and explanations given to us and on the basis of our audit procedures performed, we report that the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. No undisputed amount is payable in respect of the above as at 31<sup>st</sup> March, 2022, for a period of more than six months from the date on when they become payable.
- (b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31<sup>st</sup> March, 2022 on account of disputes, are given below -

Name of the Statute	Nature of Dues	Total Amount (Rs. In Crore)	Financial Year	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.003	2012-13	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	0.070	2013-14	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	6.230	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.630	2017-18	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956	Sales-Tax	0.090	2008-09	Joint Commissioner
Central Sales Tax Act, 1956	Sales-Tax	0.270	2010-11	Joint Commissioner
Central Sales Tax Act, 1956	Sales-Tax	0.120	2016-17	Joint Commissioner
CGST Act, 2017	Goods & Service Tax	0.050	2018-19	Joint Commissioner (Appeals)
<b>Total</b>		<b>8.463</b>		

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to information and explanations given to us and on the basis of our audit procedures performed, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company is not declared as a wilful defaulter by any bank or financial institution or any other lender.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loan at the beginning of the year and hence, reporting requirement under para 3(ix)(c) of the Order is not applicable.





- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.
- (e) The Company does not have any Subsidiary, Joint Venture or Associate companies and accordingly reporting requirement under para 3(ix)(e) is not applicable.
- (f) The Company does not have any Subsidiary, Joint Venture or Associate companies and hence reporting requirement under para 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting requirement under para 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) and hence reporting requirement under para 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) The requirements of establishing whistle blower mechanism is not applicable to the Company as per Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, reporting requirement under para (xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting requirement under para (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting requirements under para 3(xvi)(a), (b) and (c) of the Order are not applicable.



- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting requirement under para 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting requirement under para 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project and accordingly reporting requirement under para 3(xx)(b) of the Order is not applicable for the year.

For **R.S. SANGHAI & ASSOCIATES**  
**Chartered Accountants**  
Firm's registration number: 109094W



**R.S. SANGHAI**  
Partner  
M. No.: 036931

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

UDIN No.	2	2	0	3	6	9	3	1	A	I	S	L	O	I	2	5	9	8
----------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---



**Re: INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**"Annexure B" to the Independent Auditors' Report for the year ended 31<sup>st</sup> March, 2022**

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2(e) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date:

We have audited the internal financial controls with reference to financial statements of **INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED** ("the Company") as of 31<sup>st</sup> March, 2022, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.



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

### **Meaning of Internal Financial Controls with reference to financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R.S. SANGHAI & ASSOCIATES**  
**Chartered Accountants**

Firm's registration number: 109094W



**R.S. SANGHAI**  
Partner

M. No.: 036931

Place: Mumbai

Date: 10<sup>th</sup> May, 2022

UDIN No.	2	2	0	3	6	9	3	1	A	I	S	L	O	I	2	5	9	8
----------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2022

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>I. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, plant and equipment	3.1	93.02	86.16
(b) Capital work in progress	3.1	1.49	4.74
(c) Intangible assets	3.1	10.53	5.06
(d) Financial assets			
(i) Investments	3.2	89.56	34.84
(ii) Other non-current financial assets	3.3	34.28	56.27
(e) Deferred tax assets	3.4D	12.64	8.51
(f) Other non-current assets	3.5	0.55	0.77
<b>Total Non-Current Assets</b>		<b>242.07</b>	<b>196.35</b>
<b>2 Current Assets</b>			
(a) Inventories	3.6	70.93	64.25
(b) Financial assets			
(i) Investments	3.7	3.72	1.47
(ii) Trade receivables	3.8	92.14	102.55
(iii) Cash and cash equivalents	3.9	1.60	1.02
(iv) Bank balances other than (iii) above	3.10	94.33	59.70
(v) Loans	3.11	1.18	1.06
(vi) Other financial assets	3.12	11.10	15.74
(c) Other current assets	3.13	29.20	22.74
<b>Total Current Assets</b>		<b>304.20</b>	<b>268.53</b>
<b>TOTAL ASSETS</b>		<b>546.27</b>	<b>464.88</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	3.14	0.25	0.25
(b) Other equity (Refer statement of changes in equity)		376.13	325.92
<b>Total Equity</b>		<b>376.38</b>	<b>326.17</b>
<b>2 Liabilities</b>			
<b>2a Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	3.15	7.44	2.31
(ii) Other financial liabilities	3.16	0.53	0.62
(b) Provisions	3.17	60.21	47.03
(c) Other non-current liabilities	3.18	1.22	1.45
<b>Total Non-Current Liabilities</b>		<b>69.40</b>	<b>51.41</b>
<b>2b Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	3.19	2.71	2.11
(ii) Lease liabilities	3.20	2.96	1.96
(iii) Trade payables			
(a) total outstanding dues of Micro and Small Enterprises	3.21	3.26	8.04
(b) total outstanding dues other than (ii) (a) above	3.21	43.55	33.59
(iv) Other financial liability	3.22	36.25	32.31
(b) Other current liabilities	3.23	6.76	4.41
(c) Provisions	3.24	3.41	2.68
(d) Current tax liabilities (Net)	3.25	1.59	2.20
<b>Total Current Liabilities</b>		<b>100.49</b>	<b>87.30</b>
<b>Total Liabilities</b>		<b>169.89</b>	<b>138.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>546.27</b>	<b>464.88</b>

**Significant Accounting Policies**

Critical accounting judgments and key sources of estimation uncertainty

**Notes to the Financial Statements**

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date,

For **R.S.SANGHAI & ASSOCIATES**

Chartered Accountants

FRN-109094W

**R. S. Sanghai**

Partner

Membership No.: 036931

Place: Mumbai

Date: 10<sup>th</sup> May, 2022



1  
2  
3

For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN: U24230MH1986PTC039692

**M. K. Singh**  
Managing Director  
DIN: 000881412

**Anand R. ...**  
Executive Director  
DIN: 008106635

**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March, 2022 (₹ in Crore)	For the Year ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>1 Income</b>			
(a) Revenue from operations	3.26	<b>562.10</b>	476.58
(b) Other income	3.27	<b>12.41</b>	9.39
<b>Total Income</b>		<b>574.51</b>	485.97
<b>2 Expenses</b>			
(a) Cost of materials consumed	3.28	<b>159.68</b>	122.86
(b) Purchases of stock-in-trade		<b>1.55</b>	0.60
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	3.29	<b>(4.58)</b>	11.58
(d) Employee benefits expense	3.30	<b>167.43</b>	143.37
(e) Finance costs	3.31	<b>3.27</b>	2.92
(f) Depreciation and amortisation expense	3.1	<b>10.96</b>	10.12
(g) Other expenses	3.32	<b>165.19</b>	126.83
<b>Total Expenses</b>		<b>503.50</b>	418.28
<b>3 Profit Before Tax (1) - (2)</b>		<b>71.01</b>	67.69
<b>4 Tax Expenses</b>	3.4A		
(a) Current tax		<b>18.40</b>	14.60
(b) Adjustment of tax relating to previous year		<b>0.30</b>	(0.29)
(c) Deferred tax		<b>(5.38)</b>	(4.82)
(d) MAT credit entitlement		<b>-</b>	(1.27)
<b>Total Tax Expenses</b>		<b>13.32</b>	8.22
<b>5 Profit for the Year (3) - (4)</b>		<b>57.69</b>	59.47
<b>6 Other Comprehensive Income</b>			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plans		<b>(0.97)</b>	(0.41)
(ii) Tax on Remeasurements of defined benefit plans		<b>0.49</b>	0.12
<b>Total of Other Comprehensive Income for the Period, Net of Tax</b>		<b>(0.48)</b>	(0.29)
<b>7 Total Comprehensive Income for the Period (5) + (6)</b>		<b>57.21</b>	59.18
<b>8 Earning per Share (in ₹): Face of ₹ 10/- each</b>		<b>2,307.60</b>	2,378.96
<b>Basic and Diluted Earnings per Share</b>	3.36		

Significant Accounting Policies

Critical accounting judgments and key sources of estimation uncertainty

Notes to the Financial Statements

The accompanying notes are an integral part of these financial statements

As per our Report attached of even date,

For **R.S.SANGHAI & ASSOCIATES**

Chartered Accountants

FRN-109094W

**R. S. Sanghai**

Partner

Membership No.: 036931

Place: Mumbai

Date: 10<sup>th</sup> May, 2022



For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN: U24230MH1986PTC039692

**M. K. Singh**

Managing Director

DIN : 000881412

**Anand R.**

Executive Director

DIN : 008106635



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.  
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

Particulars	For the year ended 31 <sup>st</sup> March, 2022 (₹ in Crore)	For the year ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit Before Tax	71.01	67.69
Adjustment for:		
Depreciation and amortisation expense	10.96	10.12
Fair valuation of investments	(0.52)	(0.63)
(Gain) / Loss on sale of investments (net)	(0.11)	(0.26)
(Gain) / Loss on sale of property, plant and equipment (net)	(0.01)	0.06
Dividend income classified as investing cash flow	(0.08)	(0.01)
Interest income classified as investing cash flow	(11.20)	(8.01)
Finance costs	2.99	2.69
Unrealised foreign currency (gain) / loss on revaluation	(0.02)	(0.08)
Provision for doubtful debts	1.08	2.50
Amortisation on government grant	(0.23)	(0.23)
<b>Subtotal of Adjustments</b>	<b>2.86</b>	<b>6.15</b>
<b>Operating profit before working capital changes</b>	<b>73.87</b>	<b>73.84</b>
Changes in working capital:		
(Increase) / Decrease in trade receivables	9.33	(13.08)
(Increase) / Decrease in other non-current financial assets	(0.20)	(0.22)
(Increase) / Decrease in other non-current assets	0.22	0.57
(Increase) / Decrease in loans current financial assets	(0.12)	(0.26)
(Increase) / Decrease in other current financial assets	4.64	(7.35)
(Increase) / Decrease in inventories	(6.68)	0.51
(Increase) / Decrease in other current assets	(6.46)	(0.84)
Increase / (Decrease) in other non-current financial liabilities	(0.09)	(0.01)
Increase / (Decrease) in other non-current liabilities	-	0.01
Increase / (Decrease) in trade payable	5.18	6.16
Increase / (Decrease) in other current financial liability	3.94	4.60
Increase / (Decrease) in other current liabilities	2.35	0.11
Increase / (Decrease) in provisions	12.94	18.36
<b>Subtotal of Adjustments</b>	<b>25.05</b>	<b>8.56</b>
<b>Cash generated from operations</b>	<b>98.92</b>	<b>82.40</b>
Less: Income taxes paid (net of refund)	(17.62)	(12.37)
<b>Net cash from operating activities</b>	<b>81.30</b>	<b>70.03</b>
<b>B Cash Flow from Investing Activities:</b>		
Payments for property, plant and equipment	(11.54)	(7.89)
Proceeds from sale of property, plant and equipment	0.21	0.28
Payments for purchases of investments	(57.81)	(33.61)
Proceeds from sale of investments	1.53	2.23
Redemption / (investments) in bank deposits	(12.44)	(5.13)
Other dividends	0.08	0.01
Interest received	11.20	8.01
<b>Net cash outflow from investing activities</b>	<b>(68.77)</b>	<b>(36.10)</b>
<b>C Cash Flow from Financing Activities:</b>		
Dividends paid to company's shareholders (including DDT)	(7.00)	-
Interest paid	(2.99)	(2.68)
Repayments of borrowings	0.60	(36.75)
Repayment of Lease Liabilities	(2.56)	(2.15)
<b>Net cash outflow from financing activities</b>	<b>(11.95)</b>	<b>(41.58)</b>
<b>D Net (decrease) / Increase in cash and cash equivalents (A+B+C)</b>	<b>0.58</b>	<b>(7.65)</b>
<b>E Cash and cash equivalents at beginning of the financial year</b>	<b>1.02</b>	<b>8.67</b>
<b>F Cash and cash equivalents at end of the financial year (D+E)</b>	<b>1.60</b>	<b>1.02</b>
<b>Notes:</b>		
<b>1 Cash and cash equivalents include:</b>		
Cash on hand	0.27	0.25
Balance with banks	1.33	0.77
<b>Total cash and cash equivalents</b>	<b>1.60</b>	<b>1.02</b>

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind-AS-7) on Cash Flow Statement.

2 Bank overdraft repayable on demand are grouped under cashflows from financing activities.

As per our Report attached of even date,

For **R.S.SANGHAI & ASSOCIATES**

Chartered Accountants

FRN-109094W

**R. S. Sanghai**

Partner

M.No. 036931

Place: Mumbai

Date: 10<sup>th</sup> May, 2022



For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN: U24230MH1986PTC039692

**M. K. Singh**  
Managing Director  
DIN : 000881412

**Anand R.**  
Executive Director  
DIN : 008108635

**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**(a) Equity share capital**

(₹ in Crore)

**(1) Current reporting Period**

Balance as at 1 <sup>st</sup> April, 2021		Changes in equity share capital during the current year		Balance as at 31 <sup>st</sup> March, 2022	
Number	(₹ in Crore)	Number	(₹ in Crore)	Number	(₹ in Crore)
2,50,000	0.25	-	-	2,50,000	0.25

**(2) Previous reporting Period**

Balance as at 1 <sup>st</sup> April, 2020		Changes in equity share capital during the current year		Balance as at 31 <sup>st</sup> March, 2021	
Number	(₹ in Crore)	Number	(₹ in Crore)	Number	(₹ in Crore)
2,50,000	0.25	-	-	2,50,000	0.25





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

(₹ in Crore)

**(b) Other equity**
**(1) Current Reporting period**

Particulars	Reserves & surplus			Other Comprehensive Income (Remeasurements of defined benefit plans)	Total
	Capital Total Reserve	Other Reserves (specify nature)	Retained Earnings		
Balance as at 1 <sup>st</sup> April, 2021	0.30	183.00	144.42	(1.80)	325.92
Total Comprehensive Income for the current year	-	-	57.69	(0.48)	57.21
Dividends	-	-	(7.00)	-	(7.00)
Balance as at 31 <sup>st</sup> March, 2022	0.30	183.00	195.11	(2.28)	376.13

**(2) Previous Reporting period**

Particulars	Reserves & surplus			Other Comprehensive Income (Remeasurements of defined benefit plans)	Total
	Capital Total Reserve	Other Reserves (General)	Retained Earnings		
Balance as at 1 <sup>st</sup> April, 2020	0.30	183.00	84.95	(1.51)	266.74
Total Comprehensive Income for the current year	-	-	59.47	(0.29)	59.18
Dividends	-	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2021	0.30	183.00	144.42	(1.80)	325.92



**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES:**

**1 Company overview and Significant accounting policies**

**1A GENERAL INFORMATION**

**Indchemie Health Specialities Private Limited** ('the Company') was incorporated in 1986 under the provisions of Companies Act, 1956 of India, as a company with limited liability. The Company is domiciled in India with its registered office address being at 510, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai – 400018, India. The Company is engaged in manufacture and sale of pharmaceutical products.

**1B SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements:**

**a) Statement of compliance**

The financial statements of the Company as at and for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The financial statements are prepared in Indian rupees rounded off to the nearest lakhs except for EPS (Earnings per share), unless otherwise stated.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on **May 10, 2022**.

**b) Basis of preparation and presentation**

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2**. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) Expected to be realised or intended to sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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 classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

**c) Basis of measurement**

These financial statements are prepared under historical cost convention unless otherwise indicated.

**d) Functional and presentation currency**

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**1.2 Property, plant and equipment ("PPE"):**

**i. Recognition and Measurement**

- a) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use incurred up to that date.
- b) Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.
- c) Cost of items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of Property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under "Other non-current assets".

**ii. Subsequent expenditure**

Subsequent expenditure relating to PPE is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



iii. **Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act. The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ up to the date on which is asset is ready to use/ disposed of. Freehold land is not depreciated.

The carrying amount of PPE as on 1<sup>st</sup> April, 2014 and additions made thereafter is depreciated over the remaining useful life as under:

PPE	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	30 Years
Plant and Machinery	10 Years to 15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	3 Years to 5 Years

1.3 **Intangible assets:**a) **Recognition and measurement**

Intangible assets such as Right to use lease asset that is acquired by the Company and have finite useful life are measured at cost less accumulated amortisation and any accumulated impairment losses.

b) **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the Statement of profit and loss as incurred.

c) **Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the Statement of profit and loss. The estimated useful lives for current and comparative periods are as follows:

Intangible assets	Useful life
Computer Software	6 years
Right of use assets	Over the period of lease





**1.4 Impairment of non-financial assets:**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**1.5 Leases:**

The Company assesses whether a contract contains a lease, at inception of a 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:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) 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 or 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 include the options to extend the lease before the end of the lease term, but the renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee.

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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using discount rates generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with





similar characteristics. 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.

## 1.6 Financial instruments:

### **Recognition and initial measurement**

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

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

### **Classification and subsequent measurement**

#### **Financial Assets**

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

- Amortised cost;
- Fair value through Other Comprehensive Income (FVOCI) - Debt investment;
- Fair value through Other Comprehensive Income (FVOCI) - Equity investment; or
- Fair value through Profit and Loss (FVTPL)

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

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

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

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

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

### **Financial assets: Business model assessment**

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





- the stated 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 de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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

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

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

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

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

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



**Financial assets: subsequent measurement and gains and losses**

**i) Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**ii) Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

**iii) Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**iv) Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

**Financial Liabilities**

**Classification, subsequent measurement and gains and losses**

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

**De-recognition**

**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers not retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

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





### Financial liabilities

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

### Offsetting

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously

### 1.7 Equity instruments:

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

### 1.8 Inventories:

- a) Raw Materials and Packing Materials are valued at lower of cost or net realizable value. However, if the finished goods in which they will be incorporated are expected to be sold at or above cost they are valued at cost. If the decline in price of materials indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on moving weighted average basis.
- b) Finished Goods and Work-in-Progress are valued at lower of cost and net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities and other overheads. Trading Goods are valued at lower of cost (on moving weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- c) 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.

### 1.9 Revenue recognition and measurement:

- a) Revenue from sale of goods is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, allowances and any taxes or duties collected on behalf of the government





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

---

such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts, probable saleable and nonsaleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

- b) Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations.
- c) Revenue (including in respect of insurance or other claims, interest etc.) is recognized when it is reasonable to expect that the ultimate collection will be made.
- d) Dividend from investment is recognised as revenue when right to receive the payments is established.
- e) Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

**1.10 Goods and Services Tax (GST):**

In accordance with the method of accounting regularly employed by the Company, GST input tax credit has been accounted on the basis of "exclusive method".

**1.11 Foreign currencies:**

**a) Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. The functional and presentation currency of the Company is Indian Rupees.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

**1.12 Employee Benefits:**

**a) Post-employment Benefits and Other Long-Term Benefits:**

**i) Defined Contribution Plan:**

Company's contribution for the year paid/ payable to defined contribution retirement benefit schemes are charged to Statement of profit and loss. The Company's contributions towards provident fund for eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

**ii) Defined Benefit and Other Long Term Benefit Plans:**

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement





of Other Comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the Balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

**b) Short term employee benefits:**

Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee. These benefits includes performance incentives.

**1.13 Taxes on Income:**

Income tax expense represents the sum of the current tax, deferred tax and Minimum Alternate Tax ("MAT").

**a) Current tax**

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company 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.

**b) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is not recognised:

- in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit
- in case of temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised
- in case of temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary





differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

**1.14 Borrowing Costs:**

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

**1.15 Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of 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.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

**1.16 Earnings per share ('EPS'):**

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

**1.17 Government Grants:**

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which





depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

**1.18 Non-current assets held for sale:**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the statement of profit & loss.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

**1.19 Cash and cash equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.



## INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY FOR THE YEAR ENDED  
31<sup>st</sup> MARCH 2022

### Note 2: Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The company prepares its financial statements in accordance with Ind AS as issued by the Ministry of Corporate Affairs (MCA), the application of which often requires judgments to be made by management when formulating the company's financial position and results. The directors are required to adopt those accounting policies most appropriate to the company's circumstances for the purpose of presenting fairly the company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in **Note 1** to the financial statements, 'Significant accounting policies'.

#### **a) Estimate of current and deferred tax**

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

#### **b) Recognition of deferred tax assets**

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

#### **c) Estimation of useful life**

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by the management as per Schedule II of Companies Act, 2013.

#### **d) Provision for trade and other receivables**

Trade and other receivables are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

#### **e) Provisions and contingent liabilities**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

#### **f) Provision for Expected Sales Returns**

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on the basis of historical data of such returns.





INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

3.1. : Property, Plant and Equipment and Capital Work in Progress

(₹ in Crore)

Particulars	Tangible assets								Intangible assets			Capital Work in Progress
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total	Computer software	Right to use assets	Total	
<b>At Cost</b>												
As at 1 <sup>st</sup> April, 2020	2.80	1.32	35.36	76.91	2.35	3.80	2.50	125.04	-	7.15	7.15	
Additions	-	-	0.44	3.05	0.02	-	0.33	3.84	1.09	1.15	2.24	
Adjustments	-	-	-	-	-	-	-	-	-	(0.02)	(0.02)	
Deletions	-	-	-	(0.02)	-	(0.03)	-	(0.05)	-	(0.46)	(0.46)	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>2.80</b>	<b>1.32</b>	<b>35.80</b>	<b>79.94</b>	<b>2.37</b>	<b>3.77</b>	<b>2.83</b>	<b>128.83</b>	<b>1.09</b>	<b>7.82</b>	<b>8.91</b>	
As at 1 <sup>st</sup> April, 2021	2.80	1.32	35.80	79.94	2.37	3.77	2.83	128.83	1.09	7.82	8.91	
Additions	-	-	2.15	10.68	0.23	1.16	0.44	14.66	0.02	9.28	9.30	
Adjustments	-	-	-	(0.01)	-	-	0.01	-	-	-	-	
Deletions	-	-	-	(0.02)	-	(0.62)	-	(0.64)	-	(2.14)	(2.14)	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2.80</b>	<b>1.32</b>	<b>37.95</b>	<b>90.59</b>	<b>2.60</b>	<b>4.31</b>	<b>3.28</b>	<b>142.85</b>	<b>1.11</b>	<b>14.96</b>	<b>16.07</b>	
<b>Depreciation and Amortisation</b>												
As at 1 <sup>st</sup> April, 2020	-	0.09	5.24	25.79	0.84	1.60	1.36	34.92	-	1.77	1.77	
Depreciation/amortisation charge for the year	-	0.01	1.36	5.30	0.22	0.45	0.44	7.78	0.04	2.30	2.34	
Adjustments	-	-	-	-	-	-	-	-	-	(0.02)	(0.02)	
Deductions	-	-	-	-	-	(0.03)	-	(0.03)	-	(0.24)	(0.24)	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>0.10</b>	<b>6.60</b>	<b>31.09</b>	<b>1.06</b>	<b>2.02</b>	<b>1.80</b>	<b>42.67</b>	<b>0.04</b>	<b>3.81</b>	<b>3.85</b>	
As at 1 <sup>st</sup> April, 2021	-	0.10	6.60	31.09	1.06	2.02	1.80	42.67	0.04	3.81	3.85	
Depreciation/amortisation charge for the year	-	0.02	1.41	5.27	0.20	0.40	0.41	7.71	0.18	3.07	3.25	
Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Deductions	-	-	-	(0.01)	-	(0.54)	-	(0.55)	-	(1.56)	(1.56)	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>0.12</b>	<b>8.01</b>	<b>36.35</b>	<b>1.26</b>	<b>1.88</b>	<b>2.21</b>	<b>49.83</b>	<b>0.22</b>	<b>5.32</b>	<b>5.54</b>	
<b>Net Book Value</b>												
As at 1 <sup>st</sup> April, 2020	2.80	1.23	30.12	51.12	1.51	2.20	1.14	90.12	-	5.38	-	1.33
As at 31 <sup>st</sup> March, 2021	2.80	1.22	29.20	48.85	1.31	1.75	1.03	86.16	1.05	4.01	5.06	4.74
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2.80</b>	<b>1.20</b>	<b>29.94</b>	<b>54.24</b>	<b>1.34</b>	<b>2.43</b>	<b>1.07</b>	<b>93.02</b>	<b>0.89</b>	<b>9.64</b>	<b>10.53</b>	<b>1.49</b>

Note : All the title deeds of Immoveable property are held in the name of the company.

CWIP ageing schedule for the year ended 31<sup>st</sup> March, 2022

Particulars	Amount in CWIP/Intangible Asset for a period of				Total
	Less than one year	1-2 Years	2-3 Years	More than 3 Years	
Projects In progress	1.20	0.29	-	-	1.49

CWIP completion schedule for the year ended 31<sup>st</sup> March, 2022

Particulars	Amount in CWIP/Intangible Asset for a period of				Total
	Less than one year	1-2 Years	2-3 Years	More than 3 Years	
Plant & Machinery under installation	1.49	-	-	-	1.49

CWIP ageing schedule for the year ended 31<sup>st</sup> March, 2021

Particulars	Amount in CWIP/Intangible Asset for a period of				Total
	Less than one year	1-2 Years	2-3 Years	More than 3 Years	
Projects In progress	4.74	-	-	-	4.74

CWIP completion schedule for the year ended 31<sup>st</sup> March, 2021

Particulars	Amount in CWIP/Intangible Asset for a period of				Total
	Less than one year	1-2 Years	2-3 Years	More than 3 Years	
Plant & Machinery under installation	4.45	0.29	-	-	4.74



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.2. : Non-Current Investments :**
**Non-current investment consist of the following:**

Description	Face Value per share	As at 31st March, 2022		As at 31st March, 2021	
		Numbers	Fair Value (₹ in Crore)	Numbers	Fair Value (₹ in Crore)
<b>Fully paid equity shares (Unquoted)</b> <b>(At Fair Value through Profit &amp; Loss)</b>					
The Shivalik Solid Waste Management Ltd.	10	9,000	0.01	9,000	0.01
The Saraswat Co-operative Bank Ltd.	10	2,500	-	2,500	-
<b>Preference Share (Unquoted)</b> <b>(At Fair Value through Profit &amp; Loss)</b>					
The Saraswat Co-operative Bank Ltd.	10	1,00,000	0.10	1,00,000	0.10
<b>Secured Redeemable Non-Convertible Tax Free Bonds (Quoted)</b> <b>(At amortised cost)</b>					
7.39% National Highway Authority of India 2031	1,000	10,000	1.10	10,000	1.11
8.66% India Infrastructure Finance Company Ltd. 2034	1,000	10,000	1.22	10,000	1.24
<b>Unsecured Redeemable Non-Convertible Taxable Bonds (Quoted)</b> <b>(At amortised cost)</b>					
10.88% Cholamandalam Investment and Finance Co. Ltd. 2029	50,000	10	0.51	10	0.51
6.85% Indian Railway Finance Corporation Ltd. 2040	10,00,000	10	1.01	10	1.01
6.94% National Highway Authority of India 2037	10,00,000	10	1.00	10	1.00
9.60% Tata Motors Finance Ltd. 2030	10,00,000	5	0.50	5	0.50
7.74% State Bank of India 2025	10,00,000	23	7.44	23	7.48
7.97% Rural Electric Corp Ltd. 2037	10,00,000	10	3.02	10	3.03
8.15% Bank of Baroda 2026	10,00,000	50	10.05	50	10.06
8.25% Bank of Baroda 2025	10,00,000	23	2.34	23	2.36
10.50% Indusind Bank Ltd. 2024	10,00,000	5	0.51	5	0.51
7.73% State Bank of India 2025	10,00,000	60	5.94	60	5.92
9.30% Bank of India 2026	10,00,000	50	5.03	Nil	-
7.26% National Highways Authority Of India 2038	10,00,000	25	2.54	Nil	-
8.99% Bank of Baroda 2024	10,00,000	20	2.08	Nil	-
7.90% Axis Finance Ltd. 2031	1,00,00,000	3	2.98	Nil	-
7.72% State Bank of India 2026	1,00,00,000	3	3.02	Nil	-
7.05% National Highways Authority of India 2041	10,00,000	20	2.01	Nil	-
7.72% State Bank of India 2026	1,00,00,000	6	6.05	Nil	-
8.40% Canara Bank 2026	1,00,00,000	5	5.05	Nil	-
8.70% Union Bank of India 2026	1,00,00,000	6	6.04	Nil	-
8.35% Tata Motors Finance Ltd. 2031	1,00,00,000	2	2.00	Nil	-
8.40% Punjab National Bank 2026	1,00,00,000	3	3.02	Nil	-
8.44% Indian Bank 2025	10,00,000	50	5.06	Nil	-
7.95% Bank of Baroda 2026	1,00,00,000	2	2.01	Nil	-
8.73% Union Bank of India 2025	10,00,000	10	1.02	Nil	-
8.50% Punjab National Bank 2027	1,00,00,000	2	2.01	Nil	-
8.20% Shriram City Union Finance Ltd. 2024 NCD	10,00,000	20	2.01	Nil	-
8.50% Shriram Transport Finance Comp 2026	10,00,000	19	1.88	Nil	-
8.40% Tata Motors Finance Solutions 2032	10,00,000	10	1.00	Nil	-
<b>TOTAL</b>			<b>89.56</b>		<b>34.84</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.3 : Other Non-Current Financial Assets:</b>		
In Deposit Accounts:		
Bank Deposits with maturity beyond 12 months (Refer note 3.10)	32.44	54.63
Interest on Deposits, accrued but not due	0.08	0.22
Security Deposits	1.76	1.42
<b>TOTAL</b>	<b>34.28</b>	<b>56.27</b>
<b>Note:</b> Bank Deposits of <b>Rs. 30.39 Crore</b> as at 31.03.2022 (P.Y. Rs. 35.37 Crore) is under lien with the Banks against Overdraft facility.		



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.4 : Income Taxes**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2022 (₹ in Crore)	For the Year Ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>(A) Amounts recognised in profit and loss</b>		
Current tax	18.40	14.60
Adjustment of tax relating to previous year	0.30	(0.29)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(5.38)	(4.82)
Recognition of MAT credit entitlement	-	(1.27)
Deferred tax expense	(5.38)	(6.09)
Tax expense for the year	13.32	8.22

  

Particulars	For the year ended 31 <sup>st</sup> March, 2022			For the year ended 31 <sup>st</sup> March, 2021		
	Before tax (₹ in Crore)	Tax (expense) benefit (₹ in Crore)	Net of tax (₹ in Crore)	Before tax (₹ in Crore)	Tax (expense) benefit (₹ in Crore)	Net of tax (₹ in Crore)
<b>(B) Amounts recognised in other comprehensive income</b>						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(0.97)	0.49	(0.48)	(0.41)	0.12	(0.29)
	(0.97)	0.49	(0.48)	(0.41)	0.12	(0.29)

  

Particulars		For the Year Ended 31 <sup>st</sup> March, 2022 (₹ in Crore)		For the Year Ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>(C) Reconciliation of effective tax rate</b>				
Profit before tax		71.01		67.69
Tax using the Company's domestic tax rate	34.944%	24.81	29.120%	19.71
(Current year 34.944% and Previous Year 29.120%)				
<b>Tax effect of:</b>				
Short term capital gains taxable at lower rate	-0.01%	(0.01)	-0.01%	(0.01)
Long term capital gains exempt under income tax	-0.02%	(0.01)	-0.09%	(0.06)
Expense/Income not deductible/Included for tax purposes	3.83%	2.72	0.74%	0.50
Income exempt from Income tax	-0.08%	(0.06)	-0.08%	(0.05)
Additional deduction allowed under Income Tax Act	-18.73%	(13.30)	-17.76%	(12.02)
Interest u/s 234B & 234C	0.11%	0.08	0.60%	0.40
Others	0.00%	-	0.04%	0.03
Earlier year Tax adjustment	0.42%	0.30	-0.43%	(0.29)
Change in tax rate	-1.70%	(1.21)		
		18.769%	13.32	12.138%
			8.22	

The Company's weighted average tax rates for the year ended 31<sup>st</sup> March, 2022 and 2021 were 34.944% and 29.12%, respectively. Income tax expense is Rs. 13.32 Crore for the year ended 31<sup>st</sup> March, 2022, as compared to income tax expense of Rs. 8.22 Crore for the year ended 31<sup>st</sup> March, 2021.

The Company's effective tax rate for the year ended 31<sup>st</sup> March, 2022 was 18.769% (31<sup>st</sup> March, 2020 : 12.138%)





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.4 : Income Taxes**
**(D) Movement in Deferred Tax Balances**

(₹ in Crore)

31 <sup>st</sup> March, 2022							
Particulars	Net balance 1 <sup>st</sup> April, 2021	Recognised in profit or loss	Recognised in OCI	Utilised/Written Off during the year	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and Intangible assets	(9.58)	(2.95)	-	-	(12.53)	-	(12.53)
Employee benefits	6.97	2.38	0.49	-	9.84	9.84	-
Trade receivables	1.99	0.78	-	-	2.77	2.77	-
Provision for anticipated sales return	7.51	4.88	-	-	12.39	12.39	-
Deferred Government Grant	0.48	0.02	-	-	0.50	0.50	-
Investment	0.18	(0.15)	-	-	0.03	0.03	-
Right to used refund assets	(0.91)	0.22	-	-	(0.69)	-	(0.69)
Other items	0.05	0.01	-	-	0.06	0.06	-
Rent Lease Asset	(1.17)	(2.20)	-	-	(3.37)	-	(3.37)
Rent Lease Liability	1.25	2.39	-	-	3.64	3.64	-
MAT credit entitlement	1.74	-	-	(1.74)	-	-	-
<b>Tax assets (Liabilities)</b>	<b>8.51</b>	<b>5.38</b>	<b>0.49</b>	<b>(1.74)</b>	<b>12.64</b>	<b>29.23</b>	<b>(16.59)</b>
Offsetting of deferred tax assets and deferred tax liabilities						(16.59)	16.59
<b>Net tax assets</b>	<b>8.51</b>	<b>5.38</b>	<b>0.49</b>	<b>(1.74)</b>	<b>12.64</b>	<b>12.64</b>	<b>-</b>

31 <sup>st</sup> March, 2021							
Particulars	Net balance 1 <sup>st</sup> April, 2020	Recognised in profit or loss	Recognised in OCI	Utilised during the year	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and Intangible assets	(9.40)	(0.18)	-	-	(9.58)	-	(9.58)
Employee benefits	5.92	0.93	0.12	-	6.97	6.97	-
Trade receivables	1.26	0.73	-	-	1.99	1.99	-
Provision for anticipated sales return	3.09	4.42	-	-	7.51	7.51	-
Deferred Government Grant	0.55	(0.07)	-	-	0.48	0.48	-
Investment	0.36	(0.18)	-	-	0.18	0.18	-
Right to used refund assets	-	(0.91)	-	-	(0.91)	-	(0.91)
Other items	0.01	0.04	-	-	0.05	0.05	-
Rent Lease Asset	(1.57)	0.40	-	-	(1.17)	-	(1.17)
Rent Lease Liability	1.60	(0.35)	-	-	1.25	1.25	-
MAT credit entitlement	0.21	1.53	-	-	1.74	1.74	-
<b>Tax assets (Liabilities)</b>	<b>2.03</b>	<b>6.36</b>	<b>0.12</b>	<b>-</b>	<b>8.51</b>	<b>20.17</b>	<b>(11.66)</b>
Offsetting of deferred tax assets and deferred tax liabilities						(11.66)	11.66
<b>Net tax assets</b>	<b>2.03</b>	<b>6.36</b>	<b>0.12</b>	<b>-</b>	<b>8.51</b>	<b>8.51</b>	<b>-</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In case income tax payable on book profit (that is Minimum alternate tax - 'MAT') exceeds the income tax payable on tax profit, the differential amount shall be carried forward as a MAT credit for a period of 15 years. The said MAT credit can be offset against any future income tax payable. As at 31<sup>st</sup> March, 2022 the balance of MAT credit is Nil (Rs. 1.74 Lakhs as at 31<sup>st</sup> March, 2021).

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.5 : Other Non-Current Assets:</b>		
Capital Advances	0.55	0.77
<b>TOTAL</b>	<b>0.55</b>	<b>0.77</b>
<b>3.6 : Inventories:</b>		
Raw and Packing Materials	43.84	41.74
Work-in-Progress	1.31	4.91
Finished Goods	24.93	16.76
Stock-in-Trade	0.85	0.84
<b>TOTAL</b>	<b>70.93</b>	<b>64.25</b>
<b>Note:</b> The Company follows suitable provisioning norms for writing down the inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31.03.2022 is <b>Rs. 1.50</b> Crore (P.Y. Rs. 0.95 Crore).		





INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

3.7. : Current Investments (At Fair Value through Profit & Loss) :

Current investment consist of the following:

Description	Face Value per share	As at 31st March, 2022		As at 31st March, 2021	
		Numbers	Fair Value (₹ in Crore)	Numbers	Fair Value (₹ in Crore)
<b>Unsecured Redeemable Non-Convertible Taxable Bonds (Quoted)</b>					
Powergrid Infrastructure Investment Trust Ltd.	100	81,000	1.09	Nil	-
<b>Mutual Funds (Quoted)</b>					
UTI S&P BSE Low Volatility Index Fund	N.A.	2,49,501	0.25	Nil	-
Union Balance Advantage Fund	N.A.	1,70,407	0.25	Nil	-
<b>Fully paid equity shares (Quoted)</b>					
63 Moons Technologies Ltd.	2	5,000	0.13	5,000	0.04
Aban Offshore Ltd.	2	2,000	0.01	2,000	0.01
Aditya Birla Capital Ltd.	10	1,000	0.01	1,000	0.01
Adlabs Entertainment Ltd.	10	3,700	0.01	3,700	-
Ashok Leyland Ltd.	1	500	0.01	1,000	0.01
Yes Bank Ltd.	2	4,000	0.01	4,000	0.01
Vedanta Ltd.	1	7,000	0.28	7,000	0.16
Union Bank of India	10	10,000	0.04	10,000	0.04
Ujjivan Financial Services Ltd.	10	500	0.01	500	0.01
UCO Bank	10	1,000	-	1,000	-
The Karnataka Bank Ltd.	10	2,200	0.01	2,200	0.01
Asian Paints Ltd.	1	250	0.08	250	0.06
Tech Mahindra Ltd.	5	500	0.07	500	0.05
Tata Motors Ltd.	2	250	0.01	250	0.01
Tata Consultancy Services Ltd.	1	395	0.15	200	0.06
Bajaj Hindusthan Sugar Limited	1	5,000	0.01	5,000	-
Tata Communications Ltd.	10	400	0.05	500	0.05
Bhushan Steel Ltd.	2	266	0.03	4,000	0.02
Suzlon Energy Ltd.	2	25,000	0.02	25,000	0.01
Sun Pharmaceutical Industries Ltd.	1	1,100	0.10	1,100	0.07
Castrol India Ltd.	5	1,000	0.01	1,000	0.01
Sun Pharma Advanced Research Co. Ltd.	1	600	0.02	600	0.01
Subex Ltd.	10	18,500	0.06	20,000	0.07
State Bank of India	1	500	0.02	Nil	-
SBI Life Insurance Company Ltd.	10	200	0.02	400	0.04
Reliance Infrastructure Ltd.	10	300	-	300	-
Colgate Palmolive (India) Ltd.	1	Nil	-	50	0.01
Dwarikesh Sugar Industries Ltd.	1	500	0.01	6,000	0.02
Equitas Holdings Ltd.	10	2,000	0.02	2,000	0.02
MOIL Ltd.	10	277	0.01	800	0.01
Punjab & Sind Bank	10	2,000	-	2,000	-
GIC Housing Finance Limited	10	500	0.01	500	0.01
Reliance Home Finance Ltd.	10	1,000	-	1,000	-
Reliance Naval Defence and Engineering Ltd.	10	13,888	-	13,888	-
Reliance Communications Ltd.	5	28,000	0.01	28,000	0.01
Punjab National Bank	2	5,000	0.02	5,000	0.02
Punjab Lloyd Ltd.	2	10,000	-	10,000	-
Panyam Cements & Mineral Industries Ltd.	10	1,000	-	1,000	-
The Orissa Minerals Development Company Ltd.	1	Nil	-	100	0.03
Gujarat State Fertilizers & Chemicals Limited	2	500	0.01	500	-
HDFC Asset Management Company Ltd.	5	150	0.03	70	0.02
Hindustan Zinc Ltd.	2	500	0.02	500	0.01
Hindustan Copper Ltd.	5	1,500	0.02	1,500	0.02
Oil & Natural Gas Corporation Ltd.	5	5,250	0.09	5,250	0.05
NHPC Ltd.	10	2,000	0.01	2,000	-
ICICI Securities Ltd.	5	500	0.03	800	0.03
NBCC (India) Limited	2	2,000	0.01	2,000	0.01
IDBI Bank Ltd.	10	1,000	-	1,000	-
Natco Pharma Ltd.	2	150	0.01	150	0.01
Monte Carlo Fashions Limited	10	500	0.02	500	0.01
MMTC Ltd.	1	3,750	0.02	3,750	0.02
Multi Commodity Exchange of India Ltd. [MCX]	10	100	0.01	100	0.02
Reliance ETF Liquid BeES	1000	Nil	-	1	-
IDFC Bank Ltd.	10	2,000	0.01	2,000	0.01
L&T Finance Holdings Ltd.	10	10,000	0.08	10,000	0.10
IFCI Ltd.	10	10,000	0.01	10,000	0.01
Kwality Limited	1	5,000	-	5,000	-
Accelya Kale Solutions Ltd. [Kale Consultants]	10	50	-	50	-
Indbank Merchant Banking Services Limited	10	5,000	0.01	5,000	0.01
IDFC Ltd.	10	2,000	0.01	2,000	0.01
Infosys Ltd.	5	600	0.11	400	0.06
Bharat Financial Inclusion Ltd.	10	191	0.02	191	0.02
Indian Oil Corporation Limited	10	2,000	0.02	2,000	0.02
Piramal Enterprises Ltd.	2	Nil	-	21	-
Bharat Dynamics Ltd.	10	500	0.03	1,000	0.03
Reliance Industries Ltd.	10	225	0.06	200	0.04
Ujjivan Small Finance Bank Ltd.	10	4,000	0.01	4,000	0.01
Britannia Industries Ltd.	1	50	0.02	50	0.02
Housing Development Finance Corporation Ltd.	2	100	0.01	50	0.01
NXT Digital Ltd.	10	400	0.02	400	0.02
Aarti Industries Ltd.	5	200	0.02	Nil	-
Adani Ports & Special Economic Zone Ltd	2	800	0.06	Nil	-
HDFC Life Insurance Company Ltd.	10	500	0.03	Nil	-
Just Dial Ltd.	10	900	0.06	Nil	-
Aarti Drug Ltd.	10	150	0.01	150	0.01
<b>TOTAL</b>			<b>3.72</b>		<b>1.47</b>



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.8 : Trade Receivables:</b>		
(Unsecured)		
Considered good (Refer note no. 3.46)	92.14	102.55
Considered doubtful	7.91	6.83
Less: Allowance for bad and doubtful debts	(7.91)	(6.83)
<b>TOTAL</b>	<b>92.14</b>	<b>102.55</b>
<b>Note:</b>		
Above Trade Receivables include amount due from related parties <b>Rs. 18.22 Crore</b> as at 31.03.2022 (P.Y. Rs. 17.30 Crore) (Refer note no. 3.43)		
<b>3.9 : Cash and Cash Equivalents:</b>		
Cash on hand	0.27	0.25
Balance with banks:		
In current accounts	1.33	0.77
<b>TOTAL</b>	<b>1.60</b>	<b>1.02</b>
<b>3.10 : Other Bank Balances:</b>		
Bank Deposits with Maturity within 12 Months	94.33	59.70
<b>TOTAL</b>	<b>94.33</b>	<b>59.70</b>
<b>Note:</b>		
Bank Deposits of <b>Rs. 39.86 Crore</b> as at 31.03.2022 (P.Y. Rs. 7.99 Crore) is under lien with the Banks against Overdraft facility.		
<b>3.11 : Current Loans:</b>		
(Unsecured, Considered Good, unless Otherwise Stated)		
Loans and Advances to Employees	1.18	1.06
<b>TOTAL</b>	<b>1.18</b>	<b>1.06</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.12 : Other Current Financial Assets:</b>		
Interest on Deposits, Accrued but not Due	2.13	1.82
Export Incentives Receivable	0.91	1.67
Budgetary Support under GST Receivable	5.13	11.36
Interest on Bond & others	2.93	0.89
<b>TOTAL</b>	<b>11.10</b>	<b>15.74</b>
<b>3.13 : Other Current Assets:</b>		
Balances with Government Authorities	23.06	16.97
Advance to Suppliers: Considered Good	1.94	1.14
Prepaid Expenses	2.21	1.50
Right on refund assets	1.99	3.13
<b>TOTAL</b>	<b>29.20</b>	<b>22.74</b>



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**3.14 : Equity Share Capital:**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>Authorised:</b> 2,50,000 equity shares (P.Y. 2,50,000 equity shares) of Rs. 10/- each.	0.25	0.25
	0.25	0.25
<b>Issued, Subscribed and Paid up:</b> 2,50,000 equity shares (P.Y. 2,50,000 equity shares) of Rs. 10/- each.	0.25	0.25
<b>TOTAL</b>	0.25	0.25

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:**

Particulars	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Number of shares at the commencement of the year	2,50,000	0.25	2,50,000	0.25
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Number of shares at the end of the year	2,50,000	0.25	2,50,000	0.25

**(b) Rights, preferences and restrictions attached to Equity Shares:**

The Company has only one class of equity shares with voting rights having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the shareholders of equity shares will be entitle to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by Holding Company:**

Name of Holding Company:	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
M/s. Alkem Laboratories Ltd. (Holding Company)	1,27,500	51.00%	1,27,500	51.00%

**(d) Details of shareholders holding more than 5% shares in the Company:**

Name of the shareholders:	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Number of shares	Percentage of Holding	Number of shares	Percentage of Holding
M/s. Alkem Laboratories Ltd. (Holding Company)	1,27,500	51.00%	1,27,500	51.00%
Mr. Mritunjay Kumar Singh	27,816	11.12%	16,500	6.60%
Mr. Dhananjay Kumar Singh	20,938	8.38%	16,500	6.60%
Mr. Basudeo Narain Singh	18,750	7.50%	18,750	7.50%
Mr. Balmiki Prasad Singh	18,073	7.23%	11,192	4.48%
Mr. Satish Kumar Singh	16,557	6.62%	9,676	3.87%
Mr. Samprada Singh	Nil	Nil	16,364	6.55%





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**3.14 : Equity Share Capital:**

**(e) Shares held by promoters:**

Sr. No.	Promoter Name	As at 31 <sup>st</sup> March, 2022			As at 31 <sup>st</sup> March, 2021		
		No. of Shares	% of total Shares	% change during the year	No. of Shares	% of total Shares	% change during the year
1	Mr. Mritunjay Kumar Singh	27816	11.12%	68.58%	16500	6.60%	0.00%
2	Mr. Dhananjay Kumar Singh	20938	8.38%	26.90%	16500	6.60%	0.00%
3	Mr. Satish Kumar Singh	16557	6.62%	71.11%	9676	3.87%	0.00%
4	Mr. Balmiki Prasad Singh	18073	7.23%	61.48%	11192	4.48%	0.00%
5	Mr. Samprada Singh	Nil	0.00%	-100.00%	16364	6.55%	0.00%
6	Mr. Samprada Singh [Huf]	Nil	0.00%	-100.00%	4277	1.71%	0.00%
7	Mrs. Manju Singh	2866	1.15%	0.00%	2866	1.15%	0.00%
8	Mr. Basudeo Narain Singh	18750	7.50%	0.00%	18750	7.50%	0.00%
9	Mrs. Rekha Singh	Nil	0.00%	-100.00%	11375	4.55%	0.00%
10	Mrs. Archana Singh	5000	2.00%	100.00%	2500	1.00%	0.00%
11	Mrs. Madhurima Singh	1250	0.50%	0.00%	1250	0.50%	0.00%
12	Ms. Divya Singh	2500	1.00%	0.00%	2500	1.00%	0.00%
13	Mr. Aniruddha Singh	2500	1.00%	0.00%	2500	1.00%	0.00%
14	Mrs. Seema Singh	1250	0.50%	0.00%	1250	0.50%	0.00%
15	Ms. Meghna Singh	2500	1.00%	0.00%	2500	1.00%	0.00%
16	Mr. Shrey Shreeanant Singh	2500	1.00%	0.00%	2500	1.00%	0.00%
17	M/s. Alkem Laboratories Limited	127500	51.00%	0.00%	127500	51.00%	0.00%
		250000	100.00%		250000	100.00%	



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.15 : Lease liabilities:</b>		
Non-Current Lease Liabilities (Refer note no. 3.50)	7.44	2.31
<b>TOTAL</b>	<b>7.44</b>	<b>2.31</b>
<b>3.16 : Non Current Financial Liabilities</b>		
Security Deposits	0.53	0.62
<b>TOTAL</b>	<b>0.53</b>	<b>0.62</b>
<b>3.17 : Non Current Provisions</b>		
Provisions for Employee Benefits		
Gratuity (Refer note no. 3.35)	16.90	14.37
Compensated absences	7.84	6.87
Provision for anticipated sales returns (Refer note. No. 3.38)	35.47	25.79
<b>TOTAL</b>	<b>60.21</b>	<b>47.03</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.18 : Other non-current liabilities</b>		
Deferred Income on Government Grant (Refer note. No. 3.52)	1.22	1.45
	<b>1.22</b>	<b>1.45</b>
<b>3.19 : Current Borrowings:</b>		
<b>Secured</b>		
Loans repayable on demand from banks	2.71	2.11
<b>TOTAL</b>	<b>2.71</b>	<b>2.11</b>
<b>Note:</b>		
1. Overdraft from Banks are secured against pledge of Fixed Deposits with the banks.		
2. Cash credit from Bank are secured against working Capital Loan from bank comprises of Cash Credit provided by Saraswat bank is secured against hypothecation of Company's stock, tangible movable property, book debts, receivable & claims and mortgage of property situated at 659/B, Somnath Industrial Area, Kevdi Road, Dabhel Village, Daman UT.		
<b>3.20 : Lease liabilities:</b>		
Current Lease Liabilities (Refer note no. 3.50)	2.96	1.96
<b>TOTAL</b>	<b>2.96</b>	<b>1.96</b>
<b>3.21 : Trade Payables:</b>		
Dues to Micro and Small Enterprises (Refer note no. 3.34 & 3.47)	3.26	8.04
Others (Refer note no. 3.47)	43.55	33.59
<b>TOTAL</b>	<b>46.81</b>	<b>41.63</b>



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.22 : Other Current Financial Liabilities:</b>		
Interest accrued but not due on borrowings	0.20	0.14
Employee payables	29.62	27.77
Accrual for expenses	6.43	4.40
<b>TOTAL</b>	<b>36.25</b>	<b>32.31</b>
<b>3.23 : Other Current Liabilities:</b>		
Deferred Income on Government Grant (Refer note. No. 3.52)	0.23	0.23
Due to Statutory Authorities	5.37	4.18
Advances from customers	1.16	-
<b>TOTAL</b>	<b>6.76</b>	<b>4.41</b>
<b>Note:</b>		
Due to statutory authorities includes GST, PF, ESIC, TDS, TCS and Profession tax.		
<b>3.24 : Current Provisions:</b>		
Provision for employee benefits:		
Gratuity (Refer note no. 3.35)	1.94	1.49
Compensated absences	1.47	1.19
<b>TOTAL</b>	<b>3.41</b>	<b>2.68</b>
<b>3.25 : Current Tax (Net):</b>		
For Income Tax (Net of Advance Tax)	1.59	2.20
<b>TOTAL</b>	<b>1.59</b>	<b>2.20</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	For the Year ended 31 <sup>st</sup> March, 2022 (₹ in Crore)	For the Year ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.26 : Revenue From Operations:</b>		
<b>Revenue from contract with customers:</b>		
Sale of products	510.47	436.33
Rendering of services	42.66	31.47
(A)	553.13	467.80
<b>Other Operating Revenues:</b>		
Budgetary Support under GST	7.21	5.59
Export incentives	0.32	2.24
Scrap sales	1.21	0.72
Government subsidy income (Refer note no. 3.52)	0.23	0.23
<b>Total Other Operating Revenue:</b>	(B) 8.97	8.78
<b>TOTAL (A+B)</b>	562.10	476.58
<b>3.27 : Other Income:</b>		
Interest on bank deposits	6.88	7.56
Interest on bond & others	4.32	0.45
Dividend	0.08	0.01
Foreign currency transactions and translation gain (Net)	0.49	0.48
Net profit on sale of investments (from current investments)	0.11	0.26
Gain on fair valuation of investment (from current investments)	0.52	0.63
Gain on sale of fixed assets (Net)	0.01	-
<b>TOTAL</b>	12.41	9.39



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	For the Year ended 31 <sup>st</sup> March, 2022 (₹ in Crore)	For the Year ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.28 : Cost of Materials Consumed</b>		
Raw material consumed	111.26	118.70
Packing material consumed	48.42	4.16
<b>TOTAL</b>	<b>159.68</b>	<b>122.86</b>
<b>3.29 : Changes In Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress:</b>		
<b>Opening Stock:</b>		
Finished goods	16.76	28.18
Stock-in-trade	0.84	0.94
Work-in-progress	4.91	4.97
<b>(A)</b>	<b>22.51</b>	<b>34.09</b>
<b>Less: Closing stock:</b>		
Finished goods	24.93	16.76
Stock-in-trade	0.85	0.84
Work-in-progress	1.31	4.91
<b>(B)</b>	<b>27.09</b>	<b>22.51</b>
<b>TOTAL (A-B)</b>	<b>(4.58)</b>	<b>11.58</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

Particulars	For the Year ended 31 <sup>st</sup> March, 2022 (₹ in Crore)	For the Year ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.30 : Employee Benefits Expense:</b>		
Salaries, wages and bonus	155.29	133.55
Contribution to provident and other funds (Refer note no. 3.35)	9.48	7.87
Employees' welfare expenses	2.66	1.95
<b>TOTAL</b>	<b>167.43</b>	<b>143.37</b>
<b>3.31 : Finance Costs:</b>		
Interest on borrowings	1.09	1.23
Interest on MSME creditors	0.06	0.08
Interest on Defined benefit liabilities (Refer note no. 3.35)	1.04	0.85
Interest on lease Liabilities (IND AS 116) (Refer note no. 3.50)	0.77	0.48
Other borrowing cost	0.31	0.28
<b>TOTAL</b>	<b>3.27</b>	<b>2.92</b>



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED

NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

Particulars	For the Year ended 31 <sup>st</sup> March, 2022 (₹ in Crore)	For the Year ended 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>3.32 : Other Expenses:</b>		
Consumption of stores and spare parts	7.09	4.27
Power and fuel	11.44	8.41
Contract Labour Charges	15.27	12.07
Manufacturing Charges	0.03	0.01
<b>Repairs:</b>		
- Buildings	0.45	0.32
- Plant and machineries	3.16	1.96
- Others	3.22	2.09
Rent (Refer Note No. 3.50)	(0.01)	0.08
Rates and taxes	0.53	0.11
Insurance	3.24	2.63
Marketing and promotions	53.81	39.90
Travelling and conveyance	43.07	31.37
Selling and distribution expenses	9.09	7.37
Commission and discount	2.60	2.91
Legal and professional Fees	1.05	1.03
GST Expenses	3.68	4.20
Loss on sale of fixed assets (net)	-	0.06
Communication and printing expenses	2.10	1.36
Vehicle expenses	1.01	1.10
Sundry balance written off	0.04	0.18
Allowance for doubtful debts	1.08	2.50
Corporate Social Responsibility (CSR) expenditure (Refer Note No. 3.45)	0.91	1.46
Miscellaneous expenses (Refer Note No. 3.44)	2.33	1.44
<b>TOTAL</b>	<b>165.19</b>	<b>126.83</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**3.33 : Contingent Liabilities and Commitments**

**a) Contingent Liabilities not Provided For**

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>1</b>	<b>Claims against the Company not acknowledged as debt:</b>		
(i)	Sales Tax demand disputed in appeal - advances paid against pending dispute	0.48	0.36
(ii)	GST demand disputed with Telangana (FY 2018-19)	0.05	Nil
(iii)	Income Tax demand disputed with A.O. for rectification (FY 2012-13)	0.003	0.003
(iv)	Income Tax demand disputed with A.O. for rectification (FY 2013-14)	0.07	0.21
(v)	Income Tax demand disputed in appeal with Commissioner of Income-tax Appeals (FY 2016-17)	6.23	6.23
(vi)	Income Tax demand disputed in appeal with Commissioner of Income-tax Appeals (FY 2017-18)	1.63	1.63
	<b>Total</b>	<b>8.46</b>	<b>8.43</b>

Management considers that the sales tax, Goods & Service Tax and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have any materially adverse effect on its financial statements.

**b) Commitments**

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
1	Estimated amount of contracts remaining to be executed on Capital Accounts (advances paid Rs. 0.55 Crore (Previous Year Rs. 0.77))	1.38	2.04
2	Letter of Credit opened by the Banks	2.18	Nil
3	Outstanding Bank Guarantees	1.76	0.22



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.34 : Dues to Micro and Small enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED), certain disclosures are required to be made relating to Micro and Small Enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro & Small enterprises as defined in MSMED are set out in following disclosure.

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
1	Principal amount remaining unpaid to any supplier at the end of each accounting year	3.26	8.04
2	Interest due thereon	0.06	0.08
3	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil	Nil
4	The amounts of the payments made to suppliers beyond the appointed day during each accounting year	Nil	Nil
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	Nil	Nil
6	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.20	0.14
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	Nil	Nil

**Note:**

- The above disclosure is made based on the information available with the Company and has been relied upon by the Auditors.

**3.35 : Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:**
**i) Defined contribution plans:**

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions.

The Company has recognised the following amounts in the statement of Profit and Loss

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
Contribution to Provident Fund	8.62	7.10
Contribution to ESIC	0.86	0.76
<b>Total</b>	<b>9.48</b>	<b>7.86</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**ii) Defined benefit plan:**

The Company earmarks liability towards unfunded Group Gratuity and compensated leaves and provides for payment to vested employees as under:

**a) On normal retirement/ early retirement/ withdrawal/ resignation:**

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

**b) On death in service:**

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31<sup>st</sup> March, 2022 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March, 2022.

Sr. No.	Particulars	For the Year Ended	
		31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
I)	<b>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</b>		
	Current Service Cost	1.62	1.41
	Interest Cost	1.04	0.85
	Actuarial (gain) / losses	0.97	0.41
	Past Service Cost (Vested benefits)	-	-
	Benefits paid	(0.65)	(0.27)
	PVO at the beginning of the year	15.86	13.45
	PVO at end of the year	18.84	15.86
II)	<b>Change in fair value of plan assets</b>		
	Expected return on plan assets	-	-
	Actuarial gain/(losses)	-	-
	Contributions by the employer	0.65	0.27
	Benefits paid	(0.65)	(0.27)
	Fair value of plan assets at beginning of the year	-	-
	Fair value of plan assets at end of the year	-	-
III)	<b>Reconciliation of PVO and fair value of plan assets:</b>		
	PVO at end of year	-	-
	Actuarial gain/(losses)	-	-
	Funded status	-	-
	Unrecognised actuarial gain/ (loss)	-	-
	Net asset/ (liability) recognised in the balance sheet	-	-
IV)	<b>Net cost for the year</b>		
	Current Service cost	1.62	1.41
	Interest cost	1.04	0.85
	Past Service Cost (Vested benefits)	-	-
	Actuarial (gain) / losses	0.97	0.41
	Net cost	3.63	2.68
V)	<b>Assumption used in accounting for the gratuity plan:</b>		
	Discount rate (%)	7.10%	6.86%
	Salary escalation rate (%)	7.00%	7.00%



**Discount rate:**

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary Escalation Rate:**

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below :

Particulars	As at Year Ended				
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)	31 <sup>st</sup> March, 2020 (₹ in Crore)	31 <sup>st</sup> March, 2019 (₹ in Crore)	31 <sup>st</sup> March, 2018 (₹ in Crore)
Defined Benefit Obligation at end of the period	18.84	15.86	13.45	10.42	8.55
Plan assets at end of the period	-	-	-	-	-
Funded assets	-	-	-	-	-
Experience gain/loss adjustment on plan liabilities	1.47	0.76	0.16	0.36	0.32
Experience gain/loss adjustment on plan assets	-	-	-	-	-
Actuarial gain/(loss) due to change in assumption	(0.50)	(0.34)	0.98	(0.23)	(0.06)

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

Particulars	31 <sup>st</sup> March, 2022		31 <sup>st</sup> March, 2021	
	Increase (₹ in Crore)	Decrease (₹ in Crore)	Increase (₹ in Crore)	Decrease (₹ in Crore)
Discount rate (1% movement)	(1.88)	2.24	(1.67)	1.99
Future salary growth (1% movement)	2.06	(1.78)	1.84	(1.58)

**3.36 : Basic and Diluted Earnings per Share (EPS)**

Particulars			For the Year Ended	
			31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Profit /(loss) after tax attributable to equity shareholders	₹ in Crore	A	57.69	59.47
Number of equity shares at the beginning of the year	Nos.		2,50,000	2,50,000
Equity shares issued during the period	Nos.		-	-
Number of equity shares outstanding at the end of the year	Nos.		2,50,000	2,50,000
Weighted average number of equity shares outstanding during the year	Nos.	B	2,50,000	2,50,000
Basic and diluted earnings per equity share-Face value of Rs.10/- per share	in ₹	(A / B)	2,307.60	2,378.96





## 3.37 : Disclosure as per Ind AS 115:

Reconciliation the amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
a) Revenue as per contracted price	564.10	510.44
<u>Adjustments:</u>		
Less: Provision for sales return	(9.67)	(15.18)
Less: Discounts	(1.32)	(27.46)
Add: Ind AS 21 Impact	0.02	-
Revenue from contract with customers	553.13	467.80
b) Other operating revenue	8.97	8.78
Revenue from Operations	562.10	476.58

## 3.38 : Disclosure as per Ind AS 37 for provisions:

Provision for anticipated sales return:

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
Carrying amount at the beginning of the year	25.79	10.62
Less: Utilised during the year	(12.90)	(10.62)
Add: Provision made during the year	22.58	25.79
Carrying amount at the end of the year	35.47	25.79



**INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**3.39 : Segment Reporting**

The Company is in the pharmaceutical business. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, Entity-Wise disclosures are as under :

Sr. No.	Particulars	For the Year Ended	
		31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
a)	Revenue from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues		
	Revenue from the Country of Domicile- India	524.75	425.37
	Revenue from foreign countries	28.38	42.43
		553.13	467.80

- b) Revenue from one customer (excluding taxes) is Rs. 118.37 Crore 2021-22 (P.Y. Rs. 101.48 Crore) which is more than 10% of the total revenue from India.

**3.40 : Dividend paid and proposed**

Dividends on equity shares were declared and paid by the company during the year

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
Dividend on Equity Shares (per share Rs. 280/-)	7.00	-
	7.00	-

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Companies are now required to pay/distribute dividend after deducting applicable taxes.

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
Proposed Dividend on Equity Shares (per share Rs. 280/-)	7.00	7.00
	7.00	7.00





**3.41 : Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31<sup>st</sup> March 2022.**  
**List of related parties and their relationship**

**A. Key Managerial Personnel ("KMP")**

**Name of KMP**

Mr. Mritunjay Kumar Singh  
 Mr. Anand Ramaswamy  
 Mr. Om Prakash Sharma  
 Mr. Abhay Kumar Sinha  
 Mr. Gautam Gulabchand Parekh  
 Mr. Akhouri Maheshwar Prasad

**Designation**

Managing Director  
 Executive Director  
 Director  
 Director  
 Independent Director  
 Independent Director

**B. Relatives of Key Management Personnel ("KMP") with whom transactions have taken place during the year / (Previous Year).**

**Name of relatives of KMP**

Mr. Basudeo Narain Singh  
 Mrs. Seema Singh  
 Miss Meghana Singh  
 Master Shrey Shree Anant Singh  
 Mr. Dhananjay Kumar Singh

**Relation**

Father of Mr. Mritunjay Kumar Singh  
 Wife of Mr. Mritunjay Kumar Singh  
 Daughter of Mr. Mritunjay Kumar Singh  
 Son of Mr. Mritunjay Kumar Singh  
 Brother of Mr. Mritunjay Kumar Singh

**C. Holding Company & Fellow Subsidiaries :**

**Name of the Company**

**Country of Incorporation**

**I. Holding Company: -**

Alkem Laboratories Ltd.

India

**II. Fellow Subsidiaries: -**

Cachet Pharmaceuticals Pvt. Ltd.  
 Enzene Biosciences Ltd.  
 Alkem Foundation  
 Connect 2 Clinic Private Limited (w.e.f 12th June, 2020)  
 The Pharma Network, LLC  
 Ascend Laboratories, LLC  
 S & B Pharma Inc.  
 S & B Pharma, LLC (wholly owned by the Pharma Network LLC w.e.f 8th April, 2020)  
 Ascend Laboratories (UK) Ltd.  
 S & B Holdings B.V.  
 Pharmacor Pty Limited  
 Ascend Laboratories (PTY) Ltd. (formerly known as Alkem Laboratories (PTY) Ltd.)  
 Ascend Laboratories Ltd.  
 The Pharma Network, LLP  
 Ascend Laboratories SpA  
 Pharma Network SpA  
 Ascend Laboratories S.A. DE C.V.  
 (wholly owned by Ascend Laboratories SpA w.e.f 2nd Sept., 2021)  
 Alkem Laboratories Corporation  
 Ascend GmbH (formerly known as Alkem Pharma GmbH)  
 Ascend Laboratories SDN BHD.  
 Alkem Laboratories Korea Inc  
 Pharmacor Ltd.  
 Ascend Laboratories SAS

India  
 India  
 India  
 India  
 United States of America  
 United States of America  
 United States of America  
 United States of America  
 United Kingdom  
 Netherlands  
 Australia  
 South Africa  
 Canada  
 Kazakhstan  
 Chile  
 Chile  
 Mexico  
  
 Philippines  
 Germany  
 Malaysia  
 South Korea  
 Kenya  
 Colombia

**D. Others**

**Name of the Entity**

Galpha Laboratories Ltd.

Others



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**3.42 : Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31<sup>st</sup> March 2022 (Continued)**

**Details of Transactions with Related Parties**

Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2022					
		Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Fellow Subsidiaries	Other Entities	Total
		(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
		a	b	c	d	e	a+b+c+d+e
1	Remuneration*	2.40 (2.29)	-	-	-	-	2.40 (2.29)
2	Sale of Finished Goods	-	-	87.38 (80.86)	3.97 (5.47)	- (0.02)	91.35 (86.35)
3	Sale of Raw and Packing Materials	-	-	0.59 (2.30)	0.01	-	0.60 (2.30)
4	Purchase of Raw and Packing Materials	-	-	0.54 (0.45)	- (0.00)	0.45 (0.31)	0.99 (0.76)
5	Services received	-	-	0.04 (0.02)	-	-	0.04 (0.02)
6	Services rendered	-	-	50.19 (36.87)	-	0.14 (0.17)	50.33 (37.04)
7	Rent Expenses	0.02 (0.02)	-	1.31 (1.30)	-	-	1.33 (1.32)
8	Dividend paid	0.46	-	3.57	-	-	4.03
11	Reimbursement of expenses to	-	-	0.24	-	-	0.24
12	Reimbursement of expenses from	-	-	0.23 (0.06)	-	-	0.23 (0.06)

Figures in the brackets are the corresponding figures of the previous year.

\* Based on the recommendation of Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the board of directors of the Company, in accordance with shareholder's approval, wherever necessary.

All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

**Key management personnel compensation**

Key management personnel compensation comprised the following :

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
Salaries and other employee benefits to whole-time directors	2.40	2.29
Fees and other benefits to independent directors	0.04	0.05
Short term employee benefits	0.01	0.01
Post-employment benefits	0.02	0.02





**INDICHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**3.43 : Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31<sup>st</sup> March 2022 (Continued)**

**Balance due from / to the related Parties**

Sr. No.	Particulars	For the Year ended 31 <sup>st</sup> March, 2022					
		Key Management Personnel	Relatives of Key Management Personnel	Holding Company	Fellow Subsidiaries	Other Entities	Total
		(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
		a	b	c	d	e	a+b+c+d+e
1	Outstanding Receivables	-	-	17.05 (16.55)	1.04 (0.75)	0.13 -	18.22 (17.30)
2	Outstanding Payable	-	-	-	-	- (0.01)	- (0.01)
3	Security Deposit	-	-	0.20 (0.20)	-	-	0.20 (0.20)

Figures in the brackets are the corresponding figures of the previous year.

**3.44 : Payment to auditors (excluding Goods & Service Tax)**

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>As Auditor</b>		
Audit fees	0.10	0.10
Audit under Income Tax Act	0.05	0.05
Audit under GST Act	0.07	0.07
<b>In other capacity</b>		
In any other services such as certification, etc.	0.01	0.01
<b>Total</b>	<b>0.23</b>	<b>0.23</b>

**3.45 : Corporate social responsibility expenditure :**

Particulars	For the Year Ended	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
1 Amount required to be spent as per Section 135 of the Act	1.10	1.27
2 Amount spent during the year on		
a Construction/acquisition of an asset	-	-
b On purposes other than (a) above	0.91	1.46
c Excess spend of previous year	0.19	-
3 Shortfall / (Excess) at the end of the year	-	(0.19)
4 Total of previous year shortfall	-	-
5 Reason of shortfall	N.A.	N.A.
6 Nature of CSR activities	Refer Note 1	Refer Note 2
7 Details of Related Party Transactions in relation to CSR Expenditure.	No	No
8 Movements in the provision during the year in respect to liability incurred by entering into Contractual Obligation.	No	No

Note:

1. Amount spent on CSR activities covered under item-viii (Prime Minister's National Relief Fund), item-iv (Environmental Sustainability) & item-i (Promoting health care including preventive health care) to Schedule VII of the companies act, 2013.

2. Amount spent on CSR activities covered under item-xii (Disaster Management), item-viii (PM Cares Fund), item-i (Eradication of hunger & poverty, Promoting health care including preventive health care), item-ii (Promotion of education) & item-iv (Environmental Sustainability) to Schedule VII of the companies act, 2013.



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

**3.46 : Trade receivable (Unsecured) :**

At March 31, 2022, the ageing of trade and other receivables was as follows:

Particulars	Not due	Outstanding for following period from due date of payment					31 <sup>st</sup> March, 2022 Total (₹ in Crore)
		Less than 6 Months	6 months to 1 Year	1 Year to 2 Years	2 Years to 3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered Goods	28.95	50.00	12.96	2.78	1.97	3.39	100.05
Allowance for Expected Credit Loss	-	-	-	-	-	-	(7.91)
<b>Total</b>	<b>28.95</b>	<b>50.00</b>	<b>12.96</b>	<b>2.78</b>	<b>1.97</b>	<b>3.39</b>	<b>92.14</b>

At March 31, 2021, the ageing of trade and other receivables was as follows:

Particulars	Not due	Outstanding for following period from due date of payment					31 <sup>st</sup> March, 2021 Total (₹ in Crore)
		Less than 6 Months	6 months to 1 Year	1 Year to 2 Years	2 Years to 3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered Goods	35.32	60.61	4.63	4.47	1.14	3.21	109.38
Allowance for Expected Credit Loss	-	-	-	-	-	-	(6.83)
<b>Total</b>	<b>35.32</b>	<b>60.61</b>	<b>4.63</b>	<b>4.47</b>	<b>1.14</b>	<b>3.21</b>	<b>102.55</b>

**3.47 : Trade Payables**

At March 31, 2022, the ageing of trade and other payable was as follows:

Particulars	Outstanding for following period from due date of payment					31 <sup>st</sup> March, 2022 Total (₹ in Crore)
	Not due	Less than 1 Year	1 Year to 2 Years	2 Years to 3 Years	More than 3 Years	
Micro and Small Enterprises	1.57	1.69	-	-	-	3.26
Others	16.77	26.16	0.29	0.26	0.07	43.55
<b>Total</b>	<b>18.34</b>	<b>27.85</b>	<b>0.29</b>	<b>0.26</b>	<b>0.07</b>	<b>46.81</b>

At March 31, 2021, the ageing of trade and other payable was as follows:

Particulars	Outstanding for following period from due date of payment					31 <sup>st</sup> March, 2021 Total (₹ in Crore)
	Not due	Less than 1 Year	1 Year to 2 Years	2 Years to 3 Years	More than 3 Years	
Micro and Small Enterprises	4.85	3.19	-	-	-	8.04
Others	17.83	15.08	0.57	0.09	0.02	33.59
<b>Total</b>	<b>22.68</b>	<b>18.27</b>	<b>0.57</b>	<b>0.09</b>	<b>0.02</b>	<b>41.63</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.48 : Financial instruments – Fair values and risk management**
**A. Accounting classification and fair values**

(₹ in Crore)

Particulars	As At 31 <sup>st</sup> March 2022							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1.60	1.60	-	-	-	-
Other Bank Balances	-	-	94.33	94.33	-	-	-	-
Non-current investments	0.11	-	89.45	89.56	-	-	0.11	0.11
Current investments	3.72	-	-	3.72	3.72	-	-	3.72
Short-term loans and advances	-	-	1.18	1.18	-	-	-	-
Trade and other receivables	-	-	92.14	92.14	-	-	-	-
Other Non-current financial asset	-	-	34.28	34.28	-	-	-	-
Other Current financial asset	-	-	11.10	11.10	-	-	-	-
<b>Total</b>	<b>3.83</b>	<b>-</b>	<b>324.08</b>	<b>327.91</b>	<b>3.72</b>	<b>-</b>	<b>0.11</b>	<b>3.83</b>
<b>Financial liabilities</b>								
Short term borrowings	-	-	2.71	2.71	-	-	-	-
Trade and other payables	-	-	46.81	46.81	-	-	-	-
Other Non-Current financial liabilities	-	-	7.97	7.97	-	-	-	-
Other Current financial liabilities	-	-	39.21	39.21	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>96.70</b>	<b>96.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As At 31 <sup>st</sup> March 2021							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1.02	1.02	-	-	-	-
Other Bank Balances	-	-	59.70	59.70	-	-	-	-
Non-current investments	0.11	-	34.73	34.84	-	-	0.11	0.11
Current investments	1.47	-	-	1.47	1.47	-	-	1.47
Short-term loans and advances	-	-	1.06	1.06	-	-	-	-
Trade and other receivables	-	-	102.55	102.55	-	-	-	-
Other Non-current financial asset	-	-	56.27	56.27	-	-	-	-
Other Current financial asset	-	-	15.74	15.74	-	-	-	-
<b>Total</b>	<b>1.58</b>	<b>-</b>	<b>271.07</b>	<b>272.65</b>	<b>1.47</b>	<b>-</b>	<b>0.11</b>	<b>1.58</b>
<b>Financial liabilities</b>								
Short term borrowings	-	-	2.11	2.11	-	-	-	-
Trade and other payables	-	-	41.63	41.63	-	-	-	-
Other Non-Current financial liabilities	-	-	2.93	2.93	-	-	-	-
Other Current financial liabilities	-	-	34.27	34.27	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>80.94</b>	<b>80.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED****NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022****3.48 : Financial instruments – Fair values and risk management****i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31<sup>st</sup> March 2022, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Particulars	As at	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
India	78.39	85.44
Nepal	11.87	12.11
Other regions	1.88	5.00
<b>Total</b>	<b>92.14</b>	<b>102.55</b>

At 31<sup>st</sup> March 2022, the Company had exposure to only one type of counter party.

At 31<sup>st</sup> March 2022, the Company had significant customer M/s. Alkem Laboratories Ltd. whose balance is more than 10% of the total receivables.

Particulars	As at	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
M/s. Alkem Laboratories Ltd.	17.08	16.55

**Impairment**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	Individual impairments	Collective impairments
<b>Balance as at 31<sup>st</sup> March 2020</b>	-	4.33
Impairment loss recognised/Reversed	-	2.50
Amounts written off	-	-
<b>Balance as at 31<sup>st</sup> March 2021</b>	-	6.83
Impairment loss recognised/Reversed	-	1.08
Amounts written off	-	-
<b>Balance as at 31<sup>st</sup> March 2022</b>	-	7.91





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED****NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022****3.48 : Financial instruments – Fair values and risk management****Debt securities**

The Company has an exposure of **Rs. 89.45 Crore** as at 31<sup>st</sup> March 2022 (31<sup>st</sup> March 2021 Rs. 34.73 Crore) for debt securities classified as financial asset measured at amortised cost. All the debt securities have been issued by companies registered in India in Indian Rupees.

There has been no allowance for impairment in respect of such debt securities - financial asset measured at amortised cost till 31<sup>st</sup> March 2022.

Credit Rating of debt securities is given below:

Particulars	As at	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>Credit Rating</b>		
A	3.50	0.50
A +	-	-
AA	17.63	0.51
AA -	-	-
AA +	53.44	28.85
AAA	14.88	4.87
<b>Total</b>	<b>89.45</b>	<b>34.73</b>

The Company did not have any debt securities that were past due but not impaired at 31<sup>st</sup> March 2022 or 31<sup>st</sup> March 2021. The Company has no collateral in respect of these investments.



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.48 : Financial instruments – Fair values and risk management**
**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Crore)

31 <sup>st</sup> March, 2022	Carrying Amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Working capital loans from banks	2.71	2.71	2.71	-	-	-	-
Trade and other payables	46.81	46.81	46.81	-	-	-	-
Other Non-Current financial liabilities	7.97	7.97	-	-	2.62	2.88	2.47
Other Current financial liabilities	39.21	39.21	36.25	2.96	-	-	-
<b>Total</b>	<b>96.70</b>	<b>96.70</b>	<b>85.77</b>	<b>2.96</b>	<b>2.62</b>	<b>2.88</b>	<b>2.47</b>

(₹ in Crore)

31 <sup>st</sup> March, 2021	Carrying Amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Working capital loans from banks	2.11	2.11	2.11	-	-	-	-
Trade and other payables	41.63	41.63	41.63	-	-	-	-
Other Non-Current financial liabilities	2.93	4.26	-	-	1.68	1.85	0.73
Other Current financial liabilities	34.27	34.62	32.70	1.92	-	-	-
<b>Total</b>	<b>80.94</b>	<b>82.62</b>	<b>76.44</b>	<b>1.92</b>	<b>1.68</b>	<b>1.85</b>	<b>0.73</b>





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED****NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022****3.48 : Financial instruments – Fair values and risk management****iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

**(l). Currency risk**

The Company is exposed to currency risk on account of other payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to **USD**. The Company has not hedged this foreign currency exposure.

**(a). Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are as below:

Particulars	31 <sup>st</sup> March, 2022 USD	31 <sup>st</sup> March, 2021 USD
<b>Financial assets</b>		
Trade and other receivables	0.02	0.07
	0.02	0.07
<b>Financial liabilities</b>		
Trade and other payables	0.04	-
	0.04	-

The following significant exchange rates have been applied during the year.

Particulars	Year-end spot rate	
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
USD	75.81	73.50



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.48 : Financial instruments – Fair values and risk management**
**(b). Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR in Crore	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 <sup>st</sup> March, 2022 10% movement USD	(0.17)	0.17	(0.11)	0.11
	<b>(0.17)</b>	<b>0.17</b>	<b>(0.11)</b>	<b>0.11</b>

Effect in INR in Crore	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 <sup>st</sup> March, 2021 10% movement USD	0.52	(0.52)	0.37	(0.37)
	<b>0.52</b>	<b>(0.52)</b>	<b>0.37</b>	<b>(0.37)</b>

**(II). Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk.

**(a). Exposure to interest rate risk**

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Carrying amount in INR	
	31 <sup>st</sup> March, 2022 (₹ in Crore)	31 <sup>st</sup> March, 2021 (₹ in Crore)
<b>Fixed-rate instruments</b>		
Financial assets	216.22	149.06
Financial liabilities	2.71	2.11
	<b>213.51</b>	<b>146.95</b>

**(b) Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED****NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022****3.49 : Capital Management**

(₹ in Crore)

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at March 31, 2022 was as follows.

	INR	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Total Borrowings	2.71	2.11
Non-Current Lease liabilities	7.44	2.31
Current Lease liabilities	2.96	1.96
Less : Cash and cash equivalent	(1.60)	(1.02)
<b>Adjusted net debt</b>	<b>11.51</b>	<b>5.36</b>
Total equity	376.38	326.17
Less : Hedging reserve	-	-
<b>Adjusted equity</b>	<b>376.38</b>	<b>326.17</b>
Adjusted net debt to adjusted equity ratio	0.0306	0.0164



**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**

**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**  
**3.50 : Disclosure as per IND AS 116 on Leases** (₹ in Crore)

**A. Transition Disclosures****i. Impact on financial statements**

On transition to IND AS 116, the entity recognised amount **Rs. 6.93 Crore** of right-of-use assets and **Rs. 6.93 Crore** of lease liabilities. There was no difference recognised in retained earnings on date of initial application of the standard as the Entity adopted the approach whereby the right-of-use assets are initially measured equal to the lease liability.

When measuring lease liabilities, the entity discounted lease payments using the incremental borrowing rate of the respective lease liability at 1<sup>st</sup> April 2019. The weighted-average rate applied is as mentioned in below table.

**ii. Reconciliation of operating lease commitment as at 31<sup>st</sup> March 2019 with lease liability recognized as at 1<sup>st</sup> April 2019:**

Operating lease commitment as at 31 <sup>st</sup> March 2019	9.58
Less: Recognition exemption for leases with less than 12 months of lease term at transition	0.40
Discounted using the incremental borrowing rate at 1 <sup>st</sup> April 2019	7.73% (1-3 years)
	8.26% (4-6 years)
	8.61% (7-9 years)
<b>Lease liability recognized as at 1<sup>st</sup> April 2019 :</b>	<b>6.93</b>

**iii. Practical expedients opted by the entity:**

- (a) Separation of non-lease components from lease components
- (b) Application of standard on a portfolio of leases with similar characteristics
- (c) Reassessment whether a contract contains a lease as at the date of initial application i.e. 01.04.2019
- (d) Non application of IND AS 16 for the leases for which the remaining lease term is less than 12 months as on the date of initial application.
- (e) The entity has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (f) Use of hindsight in determining the lease term if the contract contains options to extend or terminate the lease.





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED**
**NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**
**3.50 : Disclosure as per IND AS 116 on Leases**
**(₹ in Crore)**
**B. Leases as lessee**
**i. Right-of-use assets**
**2021-2022**

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

Particulars	Land and Buildings
	4.01
Depreciation charge for the year	(3.07)
Additions to right—of—use assets	9.28
Derecognition of right—of—use assets	(0.58)
<b>Balance at 31<sup>st</sup> March 2022</b>	<b>9.64</b>

**ii. Lease liability**

Particulars	2021-2022
<b>Maturity analysis of lease liability - discounted contractual cash flows</b>	
Less than one year	2.96
One to three years	5.15
More than three years	2.30
<b>Total discounted cash flows</b>	<b>10.41</b>
Current Financial liabilities (Refer note no. 3.15)	<b>2.96</b>
Non-current Financial liabilities (Refer note no. 3.20)	<b>7.45</b>

**iii. Amount recognised in profit or loss**

Particulars	2021-2022
<b>General and administrative expenses</b>	
Short-term lease rent expense	(0.01)
Other Income	(0.08)
<b>Depreciation and impairment losses</b>	
Depreciation of right of use lease asset	(3.07)
<b>Finance cost</b>	
Interest expense on lease liability	0.77
	<b>(2.39)</b>

**iv. Amount recognised in statement of cash flows -**

Particulars	2021-2022
Cash outflow for short-term leases	(0.09)
Principal component of Cash outflow for long-term leases	2.56
Interest component of Cash outflow for long-term leases	0.77
<b>Total cash outflow for leases</b>	<b>3.24</b>



INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED.

NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

3.51 Ratio Analysis and its elements:

Sr. No.	Particulars	Numerator	Denominator	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Variance
1	Current Ratio	Current Assets	Current Liabilities	3.03	3.08	-2%
2	Debt - Equity Ratio	Total Liabilities/Debt	Equity	0.03	0.02	84% *
3	Debt Service Coverage Ratio	Earnings available for debt service = (Net Profit after taxes + Non- cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of	Interest + Principal repayment	37.49	41.18	-9%
4	Return on Equity (%)	Net Profit after tax	Average Shareholder's Equity	16.42%	20.05%	-18%
5	Inventory Turnover Ratio	Sales	Average Inventory	7.55	6.76	12%
6	Trade Receivables T/o Ratio	Net Credit Sales	Average Trade Receivables	5.68	4.81	18%
7	Trade Payables T/o Ratio	Net Credit Purchases	Average Trade Payables	5.52	4.84	14%
8	Net Capital T/o Ratio	Net Sales	Working Capital (current assets - current liabilities)	2.72	2.58	5%
9	Net Profit (%)	Net Profit	Revenue from Operations	10.43%	12.71%	-18%
10	Return on Capital Employed (%)	Earnings before Interest and Tax (EBIT)	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	18.63%	20.81%	-10%
11	Return on Investments (%)	Return on Investments	Average Investments	6.09%	6.08%	0%

\* Additions & renewals in lease agreements has resulted in increase in lease liabilities.





**INDCHEMIE HEALTH SPECIALITIES PRIVATE LIMITED****NOTE - 3: NOTES TO THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022****3.52 : Government Grant**

The Company is eligible for government grant which is conditional upon construction of new factory in the Sikkim region under the capital investment subsidy scheme of North East Industrial and Investment Promotion Policy (NEIIPP) 2007. One of the grant is with respect to Kumrek facility in Sikkim [Unit-IV] amounting to Rs. 1.07 Crore received in FY 2016-17. The factory has been constructed and in operation since 27th August, 2007. The second grant is with respect to Kumrek facility in Sikkim [Unit-V] amounting to Rs. 2.34 Crore received in FY 2019-20. The factory has been constructed and in operation since 9th May, 2016. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised. The unamortised grant as on 31st March, 2022 amounts to Rs. 1.45 crore (Previous year: Rs. 1.68 crore), the breakup of which is as below:

Particulars	As at 31 <sup>st</sup> March, 2022 (₹ in Crore)	As at 31 <sup>st</sup> March, 2021 (₹ in Crore)
Non-Current	1.22	1.45
Current	0.23	0.23
	1.45	1.68

**3.53 : Recent accounting pronouncements**

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

**Ind AS 16 – Property Plant and equipment** - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

**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.

As per our Report attached of even date,  
For **R.S.SANGHAI & ASSOCIATES**  
Chartered Accountants  
FRN-109094W

**R. S. Sanghai**  
Partner  
Membership No.: 036931  
Place: Mumbai  
Date: 10<sup>th</sup> May, 2022



For and on behalf of the Board of Directors of  
**INDCHEMIE HEALTH SPECIALITIES PVT. LTD.**  
CIN: U24230MH1986PTC039692

**M. K. Singh**  
Managing Director  
DIN : 000881412

**Anand R.**  
Executive Director  
DIN : 008106635