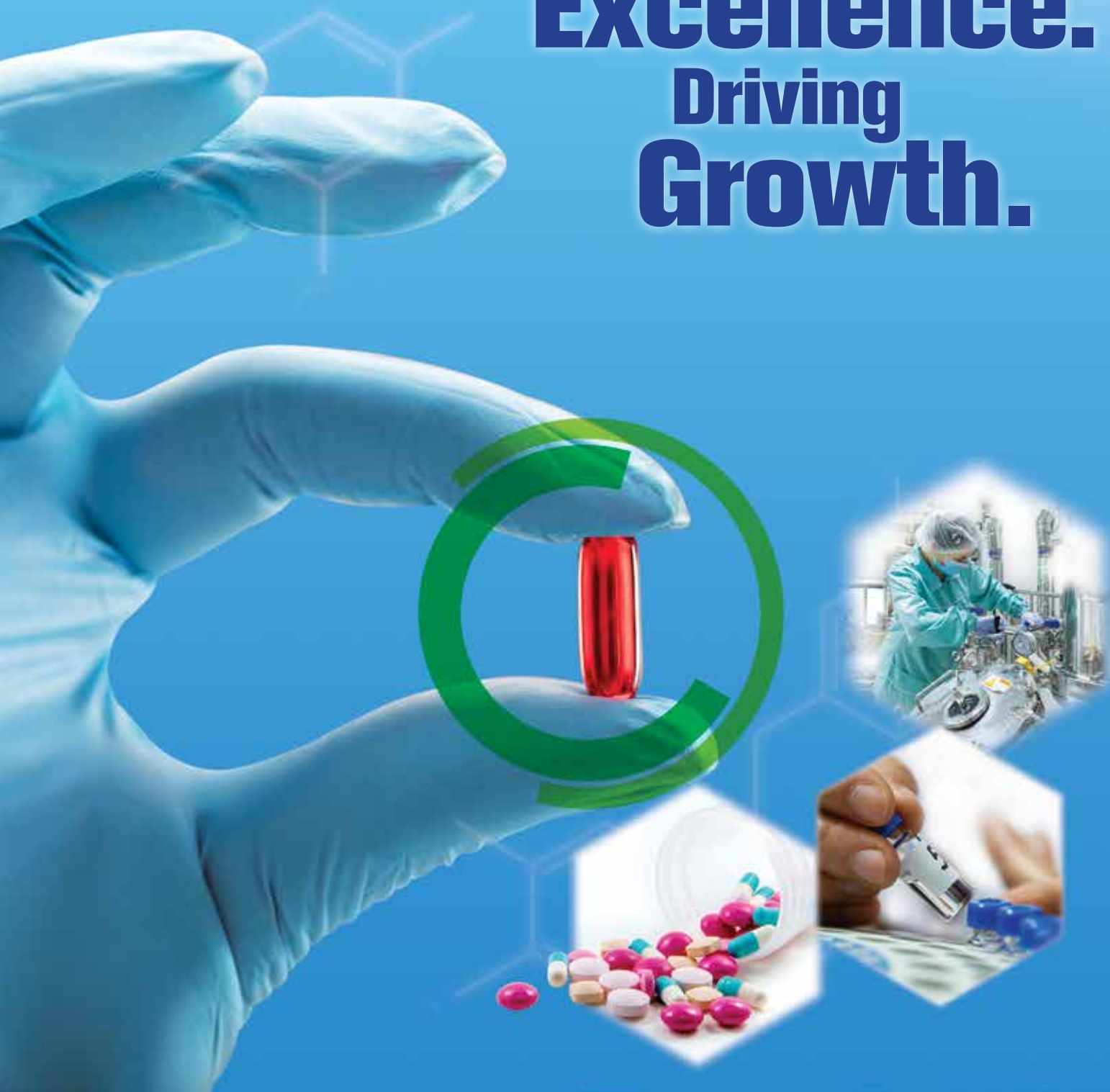


ANNUAL REPORT 2020-21



FDC Limited

**Delivering
Excellence.
Driving
Growth.**



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Forward-looking statements

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

Corporate Information

LATE ANAND L. CHANDAVARKAR

(1905-1959) Founder

LATE RAMDAS A. CHANDAVARKAR

(1933-2001) Chairman Emeritus

DIRECTORS

CA. Uday Kumar Gurkar

(Chairman of the Board)

Mr. Mohan A. Chandavarkar

(Managing Director)

Mr. Nandan M. Chandavarkar

(Joint Managing Director)

Mr. Ashok A. Chandavarkar

Mr. Ameya A. Chandavarkar

(CEO – International Business and Executive Director)

Ms. Nomita R. Chandavarkar

CA. Swati S. Mayekar

Mr. Melarkode Ganesan Parameswaran

Ms. Usha Athreya Chandrasekhar

Dr. Mahesh Bijlani

Mr. Sanjay Jain

Chief Financial Officer

Ms. Varsharani Katre

Company Secretary & Compliance Officer

AUDITORS

B S R & Co. LLP, Mumbai

PLANTS

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

IN-HOUSE R&D CENTRES

- Jogeshwari R&D Centre at 142-48, S. V. Road, Jogeshwari (West), Mumbai - 400 102
- Kandivali R&D Centre at 54 – EFGH, Kandivali Co-operative Industrial Estate Ltd., Charkop, Kandivali (W), Mumbai - 400 067

CORRESPONDENCE ADDRESS

- C-3 Skyvistas, Near Versova Police Station, 106A, J.P. Road, Andheri (West), Mumbai 400 053

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd

C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083

Tel.: (022) 49186270

E-mail ID.: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

CORPORATE IDENTIFICATION NUMBER (CIN):

L24239MH1940PLC003176

REGISTERED OFFICE

B-8, M.I.D.C. Industrial Estate, Waluj - 431 136, Dist. Aurangabad, Maharashtra

R&D, TRAINING CENTRE AND CORPORATE OFFICE

142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai 400 102

INVESTORS' INFORMATION

1. Date of Annual General Meeting
Wednesday, September 29, 2021
2. Venue and time
Through Video Conferencing (VC) / Other Audio Visual Mechanism (OAVM) at 10.00 a.m.
3. Book closure
September 22, 2021 to September 29, 2021 (both days inclusive)
4. Investors' complaints may be addressed to
The Secretarial Department
FDC Limited
142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai 400 102
Tel.: (022) 2673 9215, 2673 9100
E-mail ID.: investors@fdcindia.com
Website: www.fdcindia.com

Note: Kindly correspond directly with the Registrar & Share Transfer Agents regarding share transfers and share related matters.

Message from the Chairman



Dear Stakeholders,

It gives me immense pleasure to express my pride for our country and the pharmaceutical industry, especially our Company, which have played a crucial role in fighting the COVID-19 pandemic in Financial Year 2020-21.

The Indian Pharmaceutical Industry reinforced its importance and calibre of becoming a global manufacturing hub, having delivered several life-saving drugs, developed indigenous vaccines for COVID-19 and undertaken large-scale manufacturing of COVID-19 vaccines. At the country level, the Government

focused on helping nations globally with these drugs, vaccines and other essential supplies.

At our Company, we too played a part in the welfare of mankind while building on our capabilities. On one hand, we leveraged our R&D competence to launch several key products, in line with their heightened demand during the pandemic; on the other hand, we capitalised on our manufacturing excellence to ensure sustained deliveries to our customers globally, despite the challenges of API unavailability and travel restrictions. The entire management of the Company was constantly monitoring the pandemic situation and striving to minimise the impact of the same on its operations.

The Company considers its employees as an important asset. During these difficult times, it provided them with strong support by implementing various safety and healthcare measures. The Company also ensured paying full salaries with other privileges to all its employees during the whole pandemic period.

Further, in view of the economic challenges, the Executive Directors voluntarily decided to forgo a part of

their remuneration. They also awarded the outstanding performers during the pandemic period out of their personal funds.

I am thankful to our team, whose unparalleled dedication helped the Company tide over the crisis.

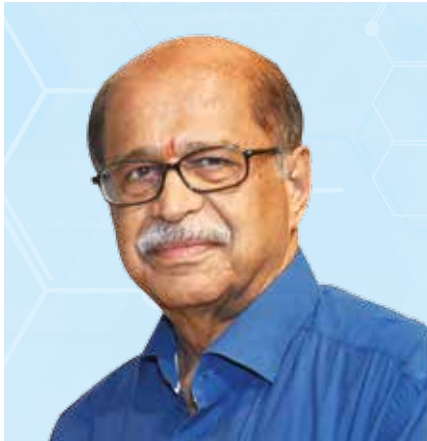
We further utilised this year to build on our strong foundation by intensifying our focus on product development and strengthening our global presence. We marked our presence in several emerging countries in Asia Pacific, CIS, Africa, Middle East and LATAM. We continue to explore more strategic partnerships to penetrate markets.

The coming years are going to be exciting for the Indian Pharmaceutical Industry in terms of global growth opportunities, and our Company has the potential to grow faster with it. We remain determined to continue with our legacy of serving people with quality products and to create more value for all stakeholders while doing so.

Warm Regards,

CA Uday Kumar Gurkar
Chairman of the Board

Message from the Managing Director



“

Our performance validates the robustness of our business model and portfolio. I am particularly thankful to our team-it displayed the spirit that enabled us to honour our commitment to customers, thus maintaining our global reputation for quality and reliability.

”

Extraordinary times necessitate extraordinary responses. Financial Year 2020-21 was one such year. The outbreak of COVID-19 pandemic put lives and livelihood at stake, and governments across the globe were under pressure to balance both. In India, too, the pandemic caused severe crisis in two waves. Most of the sectors faced tough operating challenges throughout the year. For the Indian Pharmaceutical Market (IPM), which includes companies like ours, the challenges were altogether different. On one hand, demand was high, and on the other hand there were various logistical issues, increase in freight costs and non-availability of key raw materials. The situation also demanded shifting to the production of COVID-19 relevant drugs, formulations and APIs that witnessed sharp demand.

Given the scenario, IPM grew by 4% in the Financial Year 2020-21, recovering from the decline witnessed in the first quarter of 2020. The Antiviral segment saw a sharp growth led by increased demand for Remdesivir and Favipiravir. Cardiac, Vitamins, Minerals and Nutrients segments registered double-digit growth. However, the Anti-infective demand was impacted. Despite the lacklustre in the FY 2020-21, the long-term prospects of IPM are positive with expectations of strong growth in the coming years. The domestic segment is expected to triple in the current decade, supported by increased healthcare spending by

the Government, increased thrust on rural health programmes, and alignment of companies' product portfolios to therapies that are in demand. The Indian pharmaceutical exports are also expected to grow strongly. IPM has already proved its competence in the global arena with supplies of quality and low-cost drugs across more than 200 countries. India is steadily improving its reputation from being just a contract manufacturing hub to a globally competitive centre of excellence in research and development. This shift in focus will play a critical role in the growth of IPM, going forward. Further, India's advantage of low-cost manufacturing, Government support through production-linked incentive scheme, and shift of supply chain from China to India are likely to help exports from India.

PERFORMANCE REVIEW FOR THE FINANCIAL YEAR 2020-21

Our performance validates the robustness of our business model and portfolio. I am particularly thankful to our team – it displayed the spirit that enabled us to honour our commitment to customers, thus maintaining our global reputation for quality and reliability. Our R&D team also exhibited its competence by coming up with selective products like Favipiravir, Hand Sanitiser, Ivermectin, Dexamethasone and Paracetamol, enabling us to launch 13 products during the year.

OVERCOMING THE CRISIS

With the pandemic impacting our supply chain, API availability and overall operations, we implemented multiple strategies to bounce back. In the shortest span, COVID-19 Guide was developed in line with Government regulations which enabled us to ensure safety of our people and uninterrupted operations across all locations. Most meetings and audits were done virtually. Sales and marketing teams were encouraged to use digital tools to engage with general and consulting physicians, who are our key customers. We focused on advance ordering of APIs to ensure sustained availability of raw materials for uninterrupted manufacturing, so that customer's orders could be met.

VOTE OF THANKS

On behalf of the Board, I thank all stakeholders for their unflinching support to us. The Indian Pharmaceutical Industry is at a significant intersection and we see strong growth opportunities in the domestic as well as export markets. With our talented teams, manufacturing prowess and R&D excellence, we are well on track to attain our long-term goals and create value for all stakeholders sustainably.

Best Regards and Prayers,

Mohan A. Chandavarkar
Managing Director

More About FDC Limited

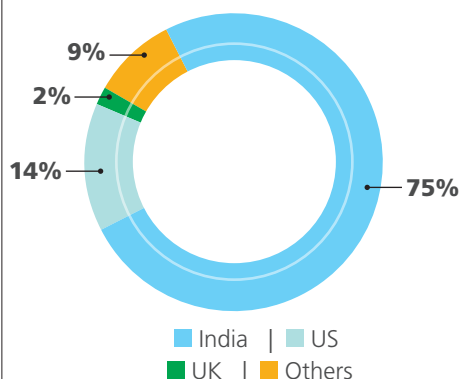
FDC Limited, with its 85+ years of deep knowledge in the pharmaceutical space and a robust portfolio of products, is a globally recognised brand and among India's leading, fully integrated pharmaceutical companies. Pioneers in the manufacturing of specialised formulations, we have a track record of developing market-leading solutions as well as creating the category of Oral Rehydration Salts (ORS), in which we continue to be the market leader. Also, our Ophthalmic range along with Actives i.e. Timolol, Latanoprost, Dorzolamide, etc. are increasingly finding global acceptance for their high quality, effectiveness and affordability.

We are building on our solid foundations with increased focus on R&D and new technologies to strengthen our global reputation and create sustainable value for all stakeholders.

OUR DIVERSIFIED OPERATIONS

We cater to the diverse pharmaceutical requirements of customers in India and over 50 countries across the world with our wide-ranging portfolio, which include formulations, functional foods and active pharmaceutical ingredients (APIs). In India, we market over 160 brands with approximately 279 SKUs across therapeutic segments. In the export market, we are a trusted provider of generics.

Region-wise revenues



Product segment-wise market share in terms of revenue

Therapeutic Areas	Market Share
Anti-infectives	3.0%
Gastro-intestinal	2.5%
Vitamins/ Minerals/ Nutrients	1.0%
Ophthalmology/ Otologicals	3.3%
Cardiac	0.5%
Dermatology	1.1%
Respiratory	0.4%
Gynaecology	0.6%
Others	0.3%

LEADING AHEAD WITH POWER BRANDS

24.26%

market share of Zifi, which is a consistent category leader in CEFIXIME

44.92%

market share of Electral, a category creator and consistent leader in ORS

FDC is amongst the largest supplier in the Ophthalmic and Anti-Infective segments

Strong Portfolio of functional foods, energy drinks and Infant Milk Substitute



Source: IQVIA March'21



MANUFACTURING EXCELLENCE

We have globally approved, multi-location manufacturing facilities for API and finished dosage forms. Our manufacturing facilities are located at Roha, Waluj and Sinnar in Maharashtra; Verna in Goa; and Baddi in Himachal Pradesh. All the facilities have modern equipment and follow global best practices.

The Company's API and formulation facilities hold the following certifications:

WHO-GMP, UK MHRA, US-FDA, ANVISA (Brazil), MCC (South Africa), FSSAI, HACCP, BIS and ISO 22000:2005 - Food Safety Management System

WORLD-CLASS QUALITY STANDARDS

Quality is a non-negotiable aspect at our Company and is embedded across our products, processes, systems, facilities and culture. We ensure the highest standards of quality across all facilities and product segments, resulting in an excellent track record of regulatory compliance.

RESEARCH & DEVELOPMENT CAPABILITIES

We have state-of-the-art R&D centres at Jogeshwari and Kandivali, in Mumbai, that are recognised by the DSIR. These labs have expert in-house teams of scientists engaged in developing high-quality, highly-functional and affordable solutions. We have dedicated teams for formulations, synthetics, nutraceuticals, and biotechnology to ensure focused R&D.

WIDENING HORIZONS WITH NEW TECHNOLOGIES

Given the critical nature of our business, we are continuously exploring, innovating and integrating solutions with modern technologies to expand healthcare horizons. We have introduced several innovative products by employing newer technologies at the commercial scale.

Zero

Product recalls and compliance issues

13

New products introduced in FY 2020-21

A Year of Record Launches

COVID-19 SPECIFIC LAUNCHES



Favenza & Piflu



Triguard Sanitiser

OTHER LAUNCHES



99F



ATA



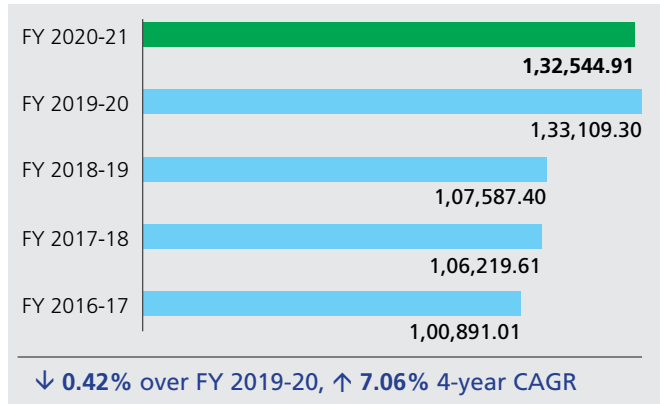
Salmodil-DX & Salmodil-LS



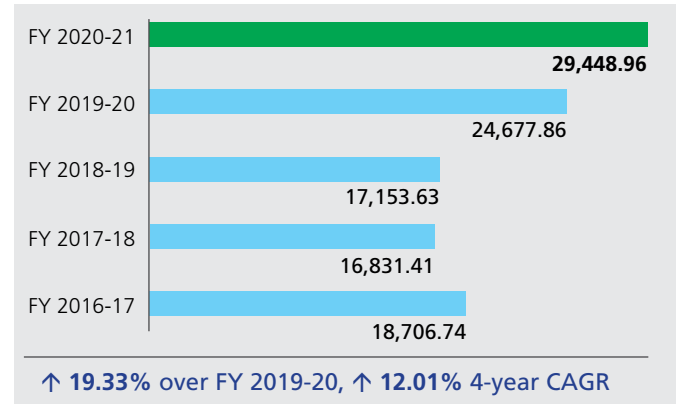
Zifi-SB, Cefponz & Dexis

Performing Sustainably

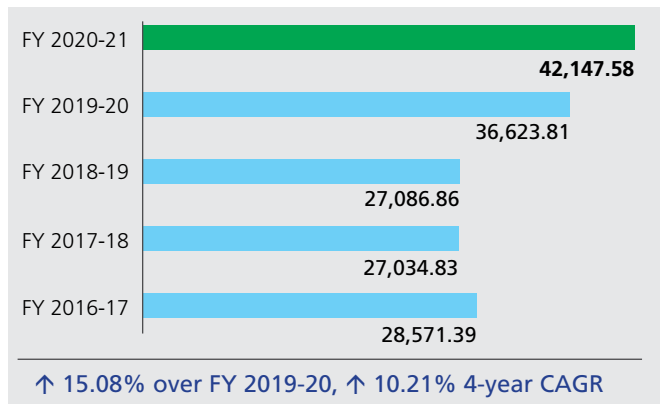
REVENUE FROM OPERATIONS (₹ in Lakhs)



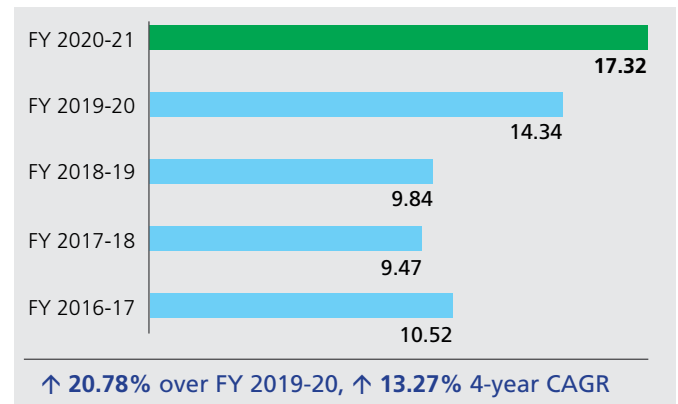
NET PROFIT AFTER TAX (₹ in Lakhs)



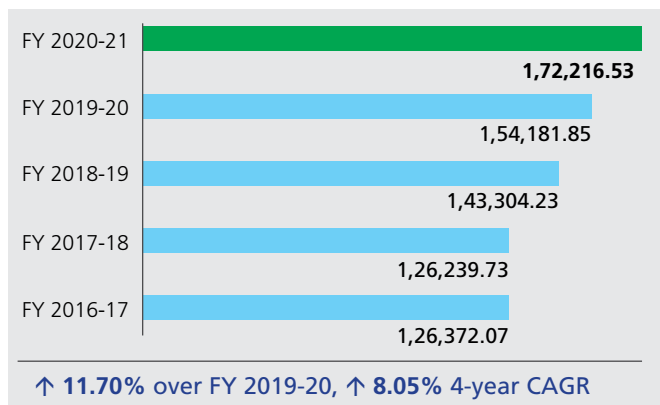
EBITDA (₹ in Lakhs)



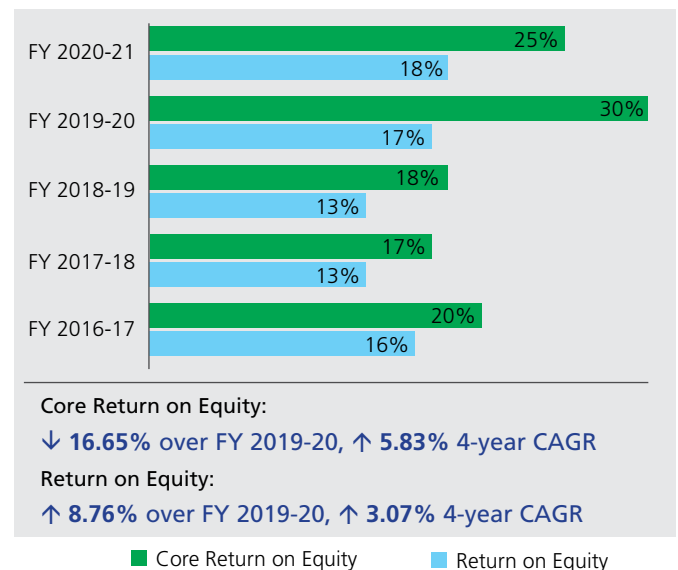
EARNINGS PER SHARE (₹)



NET WORTH (₹ in Lakhs)



CORE RETURN ON EQUITY AND RETURN ON EQUITY (%)



Building on Strong Foundation in Domestic Business



REVENUE

₹ 1,000 Crore
in FY 2020-21

NO. OF REGISTERED PRODUCTS

160+

SEGMENT OVERVIEW

We have an entrenched position in the domestic market, supported by robust distribution, market-leading brands across diverse therapeutic segments as well as quality and affordability of our products. We have 160+ products across the brands of Zifi, Electral, Enerzal, Vitcofol, Pyrimon, Zocon, Zoxan, Zathrin, Zipod, Zefu, Cotaryl and Mycoderm, which are marketed

through 3,500+ medical representatives. We have a reputation of being the first to manufacture and market ophthalmology products using the advanced BFS technology. Our flagship brands of Zifi, Electral and Enerzal have become synonymous with the product category.

Source: IQVIA

FINANCIAL YEAR 2020-21 HIGHLIGHTS

New product development

We are ready to commercialise the Multiparticulate Pharmaceutical Solid Dosage (MUPS) technology-based products and preservative-free UV Lube Ophthalmic solution. We have also successfully developed and transferred technology of Pepcia D and Zipant D capsules. In the nutraceuticals segment, we launched Enerzal Powder in Orange Flavour and initiated the launch of Turmyle Immunity Milk product. Development of several products are underway, including Enerzal and Enerzal Zero Flavour, Enerzal Plus Fortification, Enerzal Zero Powder, Enerzal Natural Colour Incorporation, Enerzal Carbonation, Protein Water, etc. We are also developing a new Principle-to-Principle (P2P) for Enteroplus Probiotic supply in powder as well as capsule format.

Collaboration

We are in the process of developing purification strategy for Reteplase molecule, for which fermentation trials (10L capacity) and downstream processing trial (lab scale) till refolding stage has been completed.

Advancing quality

Our Sinnar facility successfully completed ISO 22000:2018/HACCP and GMP certification by TUV laboratory.

COVID-19 response

Being in the essential category, we were allowed operations. To ensure highest safety standards and uninterrupted operations, we adopted all the necessary regulatory guidelines, which included maintaining social distancing, regular sanitisation of workplace and all vehicles, temperature monitoring and health tracking of employees. A standard operating procedure was prepared and it was monitored by the COVID Safety Committee at sites, who regularly reported to the COVID-19 task force. Operations like audits and meetings were virtualised.

All necessary infrastructure required for meeting the demand was made available in the shortest period. At the same time, capabilities were developed to meet the requirements of international inspection.

The Company's IT Department played a great role to facilitate inspection during the pandemic period.

Most Importantly, the IT Department ensured seamless functioning of Company's activities virtually during the pandemic period.

To compensate for business loss in certain segments due to the pandemic, we focused on developing new therapeutic baskets and increased focus on food, cardio and diabetic product categories. We also launched COVID-19 specific drugs like Favipiravir, Ivermectin and sanitisers. Effective inventory management was ensured by storing sufficient APIs, whose availability became erratic, to maintain sustained manufacturing.

Engaging with customers in the pandemic

We continue to maintain strong relationships with our customers to drive growth. During the year under review, due to lockdowns and travel restrictions, physical visits became a challenge. Therefore, we encouraged our sales force to use virtual meets and digital tools to maintain constant engagement along with providing necessary training. Such tools are also helping them improve productivity. Further, to keep our sales force motivated, we undertook measures such as higher compensation and sales incentives and maintained a positive work environment.

Building on Strong Foundation in Global Business

SEGMENT OVERVIEW

Our wide range of APIs and generic formulations are sold across 50+ countries, supported by a wholly-owned subsidiary and a branch office in the UK and a subsidiary in South Africa. Our world-class products, manufacturing capabilities and expertise in key compliance areas make us a preferred supplier to leading global customers, including non-profit organisations such as UNICEF, IDA, MSF and PSI.

We have reached a critical size in this market and enjoy leading positions in most of the commercialised portfolios. In terms of product excellence, we have established reputation in the Ophthalmic and ORS categories, which is driving our penetration in the export markets.

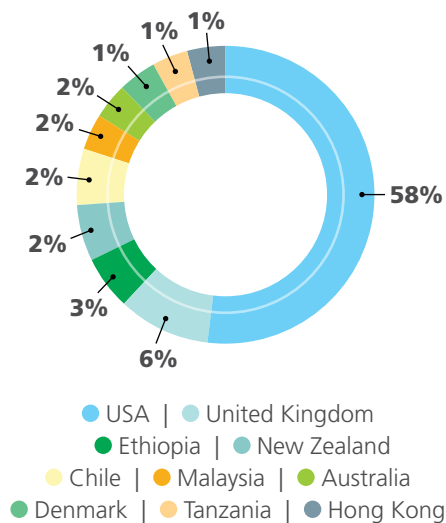
In the UK market, we have the distinction of several firsts – the first Indian company to introduce sterile ophthalmic products using BFS technology, which reduces human intervention, thus lowering the risk of microbial contamination and foreign particulates; and the first Indian company having owned cGMP warehouse for stocking and supplying finished dosage forms.



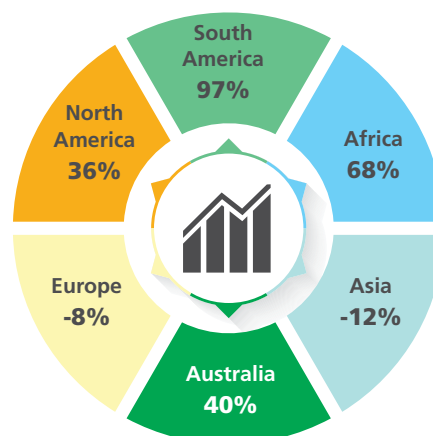
EXPORT REVENUE

₹ 331 Crore
in FY 2020-21

Top 10 countries for export sale of APIs and formulations



Export growth across regions in FY 2020-21





FINANCIAL YEAR 2020-21 HIGHLIGHTS

New product development

During the year, we focused on widening our presence to new areas and deepening presence in existing ones. In the US market, we continued with our strategy of filing additional ANDAs to support the existing basket of ophthalmic products. We developed ANDA batches of Azelastine Oph 0.05% Solution and Pilocarpine Oph Solution 1% and filed Ofloxacin Otic Solution 0.3% ANDA. In the UK market, exhibit batches of Preservative-Free Chloramphenicol Solution 0.5% was developed. We also entered several new markets in the emerging economies across Asia Pacific, CIS, Africa, Middle East and LATAM.

Further, we filed several new API registrations and accreditations and maintained the existing ones, including 10 Certificate of Suitability (CEP) applications for new and updating of the existing ones; 17 new API Drug Master File (DMF) applications for Ophthalmic range in Asia, South-East Asia, CIS, Europe, Africa and Latin America markets; and 4 DMFs

updated as a complete DMF in 'Base Line' format submission with the USFDA.

COVID-19 response

We undertook active engagement with customers, including Government and NGOs, to communicate any delays in shipment due to the pandemic. Measures like weekly meetings across all teams were undertaken to expedite matters and communicate any delays to customers. Sea cargo route was adopted in some cases in consultation with customers as air-freight costs surged. In the US, agreements of sharing 25% of additional freight charges helped minimise cost burden.

We took advance purchase orders from overseas customers for Azithromycin 250mg and 500mg tablets and other products where API availability was a challenge to maintain adequate stock. A sharp focus was maintained on cash flows by entering contracts involving advance payments and ensuring timely collections in case of credit sales.

With the closure of Government offices and restrictions on the movement of

the field force to meet with doctors and pharmacists, secondary sales of products and anticipated product registrations were impacted. In such times, we supported the teams by helping them monitor stock movement and providing them ideas for marketing, new launches and stock liquidation. They were given training material to enhance product knowledge. To maintain seamless connectivity, platforms like Google Meet, Microsoft Teams and Zoom meetings were used. All team members were also provided with laptops to work and respond to customers immediately.

FOCUS AREAS AND OUTLOOK

We are focused on growing the formulations and APIs business with a strategy of introducing new products, growing the share of existing products and entering strategic partnership agreements for product out-licensing to grow our export markets. We have successfully partnered with a few customers in Asia and are looking forward to more such partnerships to introduce an ophthalmic range of APIs as core products.

Corporate Social Responsibility

CONTRIBUTION TO PRIME MINISTER'S CITIZEN ASSISTANCE AND RELIEF IN EMERGENCY SITUATIONS FUND (PM CARES FUND)

The Company contributed a sum of ₹ 4.75 Crore to the PM CARES Fund, which supported the nation's response to the COVID-19 crisis and also undertook and supported relief or assistance of any kind relating to a public health emergency or any other kind of emergency, calamity or distress, either man-made or natural, including the creation or upgradation of healthcare or pharmaceutical facilities, other necessary infrastructure, funding relevant research or any other type of support.

MEDICAL CARE

The Company distributed Homoeopathic medicines for improving immunity to fight the COVID-19 virus to the Bombay Municipal Corporation (BMC) families, which include frontline workers such as Sanitation workers, staff at Health clinics and Hospitals, Doctors, Ambulance drivers, Cemetery workers, and all ward offices.

SUPPORT TO COVID CARE CENTRE

FDC contributed to setting up the COVID Care Centre at MIDC Roha through Roha Industrial Association, Maharashtra.

NUTRITION PROGRAMME

The Company associated with the Health Ministry of Goa to provide nutritious meals to underprivileged families.



COMPREHENSIVE RURAL DEVELOPMENT PROJECT AT SINNAR THROUGH BAIF INSTITUTE FOR SUSTAINABLE LIVELIHOODS AND DEVELOPMENT (BISLD).

The Company is carrying out Rural Development programmes in the villages surrounding Sinnar and Nashik, in partnership with welfare organisation "BISLD", earlier known as "MITTRA". The FDC Comprehensive Rural Development Project encompasses activities such as Forestry Plantation, Improved Agriculture and Livestock Development.



Care for Employees – COVID-19

- The Company formed a COVID Task Force to ensure a safe and conducive environment for employees to enable smooth operations in these difficult times. The task force also provided guidance across all the plants. A communication channel was built, whereby the COVID Task Force, as a crisis management team, ensured that each site had a safety team for COVID-19 prevention.
- The Company took immediate steps towards Work-from-Home facilities for its employees. Further, transportation facilities were provided for the employees commuting to work.
- The Company has covered all its employees with a Mediclaim policy and a Group Accident Policy to cover accidental deaths along with ESIC and EDLI. The Company took a step further and committed to pay ₹ 50 Lakhs each in the unfortunate event of an employee's death due to COVID-19.
- The Company also ensured Body Temperature Monitoring and Recording at its various business places. On-site Personnel Movement precautions were taken both at Plant and Depot Level. Social Distancing, Sickness Reporting, Training and Awareness on updates of COVID-19 were practised.
- The Company also focused on providing regular guidance to employees with respect to general measures and to enhance the body's natural defence system.



Directors' Report

To the Members,

Directors have pleasure in presenting the 81st Annual Report together with the Audited Accounts for the year ended 31st March 2021.

1. STANDALONE FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Revenue from Operations	1,32,544.91	1,33,109.30
Other income	9,714.59	8,265.75
Total Income	1,42,259.50	1,41,375.05
Profit (before finance costs and depreciation /amortisation)	42,147.58	36,623.81
Finance costs	340.22	341.49
Depreciation and amortisation	3,762.33	3,736.33
Profit before tax	38,045.03	32,545.99
Less: Taxation		
- Current Tax	8,450.00	8,280.00
- Deferred Tax	144.49	(411.87)
- Tax adjustments-earlier year	1.58	-
Profit After Tax	29,448.96	24,677.86
Other Comprehensive Income/(Loss) for the year	605.99	(355.63)
Total Comprehensive Income/(Loss) for the year	30,054.95	24,322.23
Earnings per equity share (Basic & Diluted) (Face value Re.1)	17.32	14.34

2. BUYBACK OF SHARES

The Board of Directors, at its meeting held on 07th August 2020 had approved a proposal of the Company to buy-back its 21,63,000 fully paid-up equity shares having face value of Re. 1 each from the eligible equity shareholders of the company who have

validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on 16th September, 2020 and was completed on 15th October 2020 and the Company bought back and extinguished a total of 21,63,000 equity shares at a price of ₹ 450/- per equity share, comprising of 1.27% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 9,733.50 Lakhs excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed for the buyback and other incidental costs.

3. DIVIDEND

The Board of Directors of the Company, after considering relevant circumstances in Pharmaceutical Industry has decided that it would be prudent, not to recommend any dividend for the year under review.

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

4. SHARE CAPITAL

During the year under review, the paid up Equity Share Capital of the Company as on 31st March 2021 is as follows:

Subscribed and Paid-up share capital :	31 st March 2021	31 st March 2020
16,88,10,084 (Previous year 17,09,73,084) Equity shares of Re. 1 each, fully paid-up	1,688.10	1,709.73
Add: Nil (Previous year – 31,45,000) Equity shares forfeited	--	7.86
Less: Nil (Previous year – 31,45,000) Equity shares forfeited Cancelled	--	(7.86)
Total	1,688.10	1,709.73

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company presents the analysis of its performance for the financial year ended 31st March 2021 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

GLOBAL PHARMACEUTICAL INDUSTRY

The global pharmaceutical industry is amongst the fastest growing industries globally and one of the biggest contributors to the world economy. As per a research report from the IQVIA Institute for Human Data Science, the global pharmaceutical industry is estimated to be at US\$1,228.45 billion in 2020.

In 2021, the global pharmaceuticals market is expected to grow by 1.8% to reach US\$1,250.24 billion. The growth is likely to be mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is further expected to reach US\$1,700.97 billion in 2025 at a compounded annual growth rate (CAGR) of 8%. North America dominated the global pharmaceuticals market with 46% share in 2020. Asia Pacific accounted for 26%, while Africa was the least contributing region.

INDIAN PHARMACEUTICAL INDUSTRY

Domestic Market

The Indian pharmaceuticals market (IPM) is dominated by generic drugs which constitute nearly 70% of the market, whereas over the counter (OTC) medicines and patented drugs make up to 21% and 9%, respectively.

Due to COVID-19 impact, as per IQVIA Report, the Indian Pharmaceutical Market (IPM) grew in single digit at 4% with total sales reported at ₹ 1,56,797 Crore in FY 2020-21. IPM de-grew by 4% in the 1st Quarter (Q1) FY 2020-21, but maintained positive growth from second quarter onwards growing by 4% in Q2 and 9% in both Q3 and Q4 of FY 2020-21. According to the Indian Economic Survey 2021, the domestic market is expected to grow three times in the next decade. It is estimated at US\$ 41 billion in 2021, having grown 10 times in the last 2 decades, and is likely to reach US\$ 65 billion by 2024 and further expand to reach ~US\$ 120-130 billion by 2030.

Source: IQVIA Mar' 21

COVID-19 Impact fightback from the Indian Pharmaceutical Industry:

Research & Development related to COVID-19: On 14th July 2020, Bharat Biotech started the first phase of human clinical trials for India's first COVID-19 vaccine candidate COVAXIN. The drug was being developed by Bharat Biotech in collaboration with Indian Council of Medical Research's Pune-based National Institute of Virology.

Indian Players Global Exposure: In February 2021, the Russian Ministry of Health allowed Glenmark Pharmaceuticals to market its novel fixed-dose combination nasal spray in Russia. In November 2020, Hetero Drugs, a Hyderabad-based pharmaceutical company, reached an agreement with the Russian Direct Investment Fund (RDIF) to produce >100 million doses per year of the RDIF's Sputnik V COVID-19 vaccine in India.

Technological Initiatives: On 15th October 2020, India and the Netherlands unveiled plans to collaborate with the aim of providing digital health facilities and security to all citizens. As a part of India's National Digital Health Mission (NDHM), through this cooperative initiative, the two countries will work closely to create capacities and put in place the requisite technology to enable this initiative.

Exports

The Indian pharmaceuticals market is the third largest in terms of volume and 13th largest in terms of value. Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years. The Indian pharmaceutical exports, including bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical, stood at US\$ 20.14 billion in FY 2020-21 as compared to US\$ 16.28 billion in FY 2019-20. India has exported US\$ 3.89 billion of bulk drugs & drug intermediates in FY 2019-20 and US\$ 3.66 billion in FY 2020-21. India has one of the lowest manufacturing costs in the world. It is lower than that of USA and almost half of Europe.

Source: Directorate General of Commercial Intelligence and Statistics. EXIM Analytics

Industry Developments

Cost Efficiency: Low cost of production and R&D boosts efficiency of Indian pharma companies, leading to competitive exports. Indian pharma export reached US\$ 16.28 billion in FY 2019-20. As of 2019, India's cost of production is ~33% lower than that of the US. India's ability to manufacture high quality,

low priced medicines presents a huge business opportunity for the domestic industry.

Economic Drivers: India is a fast-growing nation. The economic prosperity as a result of it is likely to improve drug affordability. This will also contribute to increase in penetration of health insurance which will drive expenditure on medicine. Further, with the increasing penetration of pharmacies, especially in rural India, OTC drugs will be readily available.

Policy Support: The Government's approval of Production-linked Incentive (PLI) scheme for the pharmaceuticals sector from FY 2020-21 to FY 2028-29 is expected to attract investments of ₹ 15,000 Crore (US\$ 2.07 billion) into the sector. It is also expected to lead to incremental sales of ₹ 2,94,000 Crore (US\$ 40.63 billion) and exports of ₹ 1,96,000 Crore (US\$ 40.63 billion) between FY 2022-23 and FY 2027-28.

Industry Growth Drivers

DEMAND SIDE DRIVERS

ACCESSIBILITY: New business models are expected to penetrate tier-2 and 3 cities. Over 1,60,000 hospital beds are expected to be added each year in the next decade.

ACCEPTABILITY: Pharmaceuticals is likely to see increased acceptability with rising literacy, increased propensity of patients to self-medicate which will boost the OTC market, rising acceptance of biologics and preventive medicine and surge in medical tourism.

PRADHAN MANTRI BHARTIYA JANAUSHADHI KENDRAS (PMBJK): Over 650 million people are expected to be covered by health insurance by 2020. The Government plans to provide free generic medicines to half the population at an estimated cost of US\$ 5.4 billion.

Affordable medicines under PMBJK achieved an impressive sale of ₹ 100.40 Crore (US\$ 14.24 million) in first two months of FY 2020-21.

EPIDEMIOLOGICAL FACTORS: Patient pool is expected to increase over 20% in the next 10 years (until 2030), mainly due to rise in population, new diseases and increasing prevalence of lifestyle diseases.

Increasing Investments: The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector stood at US\$ 17.75 billion between April 2000 and December 2020.

Biosimilar: The Government's plans to allocate US\$ 70 million for local players to develop Biosimilar will boost the domestic market and it is expected to reach US\$ 35 billion by 2030.

Formulations: India is the largest exporter of formulations in terms of volume, with 14% market share and 12th in terms of export value. Double-digit growth is expected over the next five years.

Source: RNCOS, BMI, Datamonitor, Kemwell Biopharma, Chemical Pharmaceutical Generic Association, ICRA Report estimates, pharmanewsprwire.com

SUPPLY SIDE DRIVERS

LAUNCH OF PATENTED DRUGS: Following the introduction of product patents, several multinational companies are expected to launch patented drugs in India. Growth in the number of lifestyle diseases in India could boost the sale of such drugs. High Court has also allowed to export patented drugs to foreign players in the Indian market.

MEDICAL INFRASTRUCTURE: Pharma companies have increased spending to tap rural markets and develop better medical infrastructure. Hospitals' market size is expected to increase by US\$ 200 billion by 2024.

Medical devices industry in India has been growing 15.2% annually and was valued at US\$ 5.2 billion in 2018 and is expected to reach US\$ 50 billion by 2025.

SCOPE IN GENERIC MARKET: India's generic drugs account for 20% of global exports in terms of volume, making it the largest provider of generic medicines globally. The generics drug market accounts for around 70% of the India pharmaceutical industry and it is expected to reach US\$ 27.9 billion by 2020.

OTC: India's OTC drugs market is estimated to have grown at a CAGR of 16.3% to US\$ 6.6 billion over 2008-16 and is further expected to grow on the account of increased penetration of chemists, especially in rural regions. The India OTC market was accounted at US\$ 4.61 billion in 2018 and is expected to reach US\$ 10.22 billion by 2024.

PATENT EXPIRY: About 120 drugs are expected to go off-patent over the next 10 years; with expected worldwide revenue between US\$ 80 to US\$ 250 billion.

Source: BMI, India Biz, Nicholas Hall & Company, IQVIA. ICRA Report on Indian Pharmaceutical Sector, Pharmaceutical Industry: Developments in India- Deloitte, Mckinsey Pharma Report 2020

Opportunities in Healthcare

Clinical Trial Market: India is among the leaders in the clinical trial market. Due to a genetically diverse population and availability of skilled doctors, India has the potential to attract huge investments to its clinical trial market.

High-end Drugs: Due to increasing population and income levels, demand for high-end drugs is expected to rise. Growing demand could open up the market for production of high-end drugs in India.

Penetration in Rural Market: With 70% of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth. Various companies are investing in the distribution network in rural areas.

CRAMS: The Contract Research and Manufacturing Services (CRAMS) industry - estimated at US\$ 17.27 billion in FY 2017-18, is expected to reach US\$ 20 billion by the end of 2020. The market has more than 1,000 players.

Source: BMI, Drug Controller General of India

Industry Risks and Outlook

The Indian pharmaceutical industry has been a world leader in generics, both globally and in domestic markets, contributing significantly to the global demand for generics in terms of volume. Made-in-India drugs supplied to the developed economies such as the US, EU and Japan are known for their safety and quality. While in recent years, the US market had remained subdued for Indian pharmaceutical companies due to competitive intensity in the generic space and consolidation of pharmaceutical distributors, the situation has seen an improvement. Further, Indian pharmaceutical players have steadily migrated up the value chain to focus on value-added formulations with higher margins. India's ability to manufacture high quality, low priced medicines will continue to present a huge business opportunity for the domestic industry.

In the domestic market, medicine spending is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for anti-diabetes, anti-depressants and anti-cancers segments which are on the rise.

The Government aims to increase healthcare spending to 3% of the Gross Domestic Product (GDP) by FY 2021-22. This will also drive the growth of the pharmaceutical market in India. Several steps are also being taken by the Government to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. Additionally, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

Finally, the Indian pharmaceutical industry has been relatively resilient to the COVID-19 disruption and is poised to gain from favourable currency tailwinds and stable outlook for India and US business.

FINANCIAL PERFORMANCE AND OPERATIONS REVIEW

In FY 2020-21, the Company registered a standalone total income of ₹ 1,42,259.50 Lakhs compared to ₹ 1,41,375.05 Lakhs in the previous year.

The Earnings before Interest and Depreciation amounted to ₹ 42,147.58 Lakhs in FY 2020-21 as compared to ₹ 36,623.81 Lakhs in the previous year. The Net Profit after Taxation stood at

₹ 29,448.96 Lakhs in FY 2020-21 as compared to ₹ 24,677.86 Lakhs in the previous year.

On a consolidated basis, the Company registered a total income of ₹ 1,43,022.90 Lakhs in FY 2020-21 as compared to ₹ 141,308.88 Lakhs in the previous year, thereby registering a growth of 1.21%.

Financials Performance and Operations ratios are as follows:

	2019-20	2020-21	Diff	% change
Debtors Turnover Ratio (days)	34	30	(4)	-14.59%
Inventory Turnover Ratio (days)	58	59	1	2.30%
Interest Coverage Ratio (times)	107	124	17	13.43%
Current Ratio	3.77	4.57	1	17.48%
Debt Equity Ratio*	0.01	0.00	(0)	-53.59%
EBIDTA Margin (%)	28%	32%	0	13.47%
Net profit Margin (%)	19%	22%	0	16.56%

*Due to repayment of loans and lease liabilities, Debt equity ratio has changed more than 25%.

SEGMENT WISE/ PRODUCT WISE PERFORMANCE

Marketing

1st Quarter FY 2020-21: Due to COVID-19 pandemic and subsequent lockdown beginning in the first quarter of FY 2020-21, the IPM has de-grown by 4% in FY 2020-21. The de-growth was sharper in April 2020 and May 2020 at 11.4% and 7.6% respectively. Except Cardio-Diabetic market, rest all therapies de-grew by double digit. However, from June 2020 onwards, the IPM slowly paced growing at 6.3%.

Anti-Viral Market: From June 2020 onwards, the Anti-Viral market started pacing. It grew by more than 25% in June 2020 thereafter registering a triple digit growth in the balance quarters. For FY 2020-21, the Anti-Viral market grew strongly at 161.2% largely led by the new initiatives (growth of Remdesivir and Favipiravir which contributed 60% to the total Anti-Viral Market. While the NI grew by 196.2%, the volume and price de-grew by 17.4% and 18.1% respectively.

As usual, the top 10 therapies contributed 85% to total IPM growth of 3.2%. Cardiac, led by volume and subsequently price growth, and Vitamins/ Minerals/ Nutrients (Vits/ Mins/ Nutri), led by price and NI growth, segments grew in double digits.

Gastro-Intestinal, Dermatology (Derma), Nuero/CNS and Gynaecology therapies grew by single digit due to price growth followed by NI growth. Except Neuro/CNS, rest therapies witnessed negative volume growth.

Source: IQVIA Secondary Sales Audit Mar' 21

Considering the pandemic scenario, the Company launched selective molecules like Favipiravir, Hand Sanitiser, Ivermectin, Dexamethasone and Paracetamol during the year. In total, the Company launched the following 13 brands in FY 2020-21:

99F, ATA, Favenza, Piflu, Ivsit, Salmodil-DX, Salmodil-LS, Zifi-SB, Trigaurd Sanitiser, Unox, Cefponz, Dexis and Zivas ASP.

During the year, the Company's Gastro-Intestinal, Derma, Vits/ Mins/ Nutri and Cardiac segments performed well registering growths of 5%, 7%, 3% and 10% respectively. In FY 2020-21, incremental value measuredly came from Gastro-Intestinal and Anti-viral, followed by Derma and Cardiac.

Source: IQVIA Secondary Sales Audit Mar' 21

Research and Development

The Research & Development (R&D) centres located at Kandivali (Mumbai) are duly recognised by the Indian Government's Department of Science and Technology (DST). The Company carries out its various R&D activities in the following areas:

♦ Formulations

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

Some achievements of FY 2020-21 are as follows:

- Ready for commercialisation of challenging MPSD (Multiparticulate Pharmaceutical Solid Dosage) technology-based products at plant
- Development and successful transfer of technology of Pepcia D capsules and Zipant D capsules for domestic market
- Commercialisation of Preservative Free UV Lube Ophthalmic solution to offer a better result for patients with dry eyes for domestic market
- Abbreviated New Drug Application (ANDA) batches of Azelastine Oph 0.05% Solution for the US market
- ANDA batches of Pilocarpine Oph Solution 1% for US market
- Exhibit batches of Preservative Free Chloramphenicol Solution 0.5% for UK market

- Filing of Ofloxacin Otic Solution 0.3% ANDA for the US market.

♦ Synthetics

The Research and Development centre located at Kandivali (Mumbai) engages in process development of niche products, particularly in area of Ophthalmic, Antihypertensive, Antifungal, Anti diabetic, Antihistaminic, Bronchodilator and Antibacterial New Chemical entity (NCE). Currently, it also focused on development of API for COVID-19; for example Favipiravir. The work on life cycle management of existing drug substances and synthesis of generic Peptide molecules for treatment of Leucoderma (skin Pigmentation), Obesity and Anti diabetic are also being carried out. These initiatives are aimed at cost effectiveness, backward integration and meeting regulatory requirement to attain accreditation from various World Drug Regulatory Authorities.

The other highlights of the process developments of generic drug molecules are:

- Non-infringing processes
- Usage of environment friendly chemicals
- Application of green chemistry principles for protection of environment and to reduce aqueous effluents
- Development of desired polymorphs
- Usage of classical chemistry for development of chiral drugs
- Advanced state-of-the-art new flash and preparative chromatography technique for enhancing purity and yield on commercial scale
- Implementation of electronic laboratory notebook software with 21 CFR compliance for recording daily experiments. Moving towards state-of-the-art 21 CFR compliant R&D center
- Scale up and technology transfer activities ensuring overall chemical safety and protection of inventions through intellectual property rights, i.e. patents.

♦ Nutraceuticals

Nutraceuticals are products which, other than nutrition, are also used as medicine. A nutraceuticals product may be defined as a substance which has physiological benefits or provides protection against chronic diseases. Nutraceuticals may be used to improve health, delay the aging process, prevent chronic diseases, increase life expectancy, or support the structure or function of the body.

The division works towards increasing its product categories of Infant Milk Substitute (IMS). It is working on

advanced formulations on all four categories of IMS with some added micro nutrients and beneficial ingredients, Enerzal Fortification with added nutritional benefits, development of new P2P and LL parties. With this, the Company will be ready to supply current market requirement by launching new range of products under Nutraceuticals & Health Supplement category.

The achievements and quality enhancement for the year are as follow:

- Sinner facility successfully got ISO 22000:2018/HACCP and GMP certified by TUV laboratory
- New third parties developed for Tetrapak 200 ml to meet the market requirement
- Enerzal Powder Orange Flavour alternate vendor developed and launched
- Turmyl Immunity Milk product development completed and launch initiated
- Developed new P2P for Enteroplus Probiotic supply in powder as well as capsule format
- Many products under development such as Enerzal and Enerzal Zero Flavour, Enerzal Plus Fortification, Enerzal Zero Powder, Enerzal Natural Colour Incorporation, Enerzal Carbonation, Protein Water, etc.

♦ **Biotechnology**

a. **G-CSF PROJECT:**

As mentioned earlier, the Company obtained Test license (Test License No: 201515686 dated 31st March 2020 under Form 29 for manufacturing of clinical trial batches of Filgrastim 300 µg/ml drug substance after the Joint inspection conducted by CDSCO (West Zone) and local FDA at its R&D bioprocess Jogeshwari facility.

Validation activity for Bioanalytical methods such as SDS PAGE to test in-process samples of the clinical trial batches has been completed. Process validation documentation preparation and Bioassay validation studies are in-process.

b. **THIRD GENERATION THROMBOLYTE PROJECT:**

The Company has tied up with third party for developing purification strategy for Reteplase molecule.

The Company has successfully completed fermentation trials (10L capacity) and downstream processing trial (lab scale) till refolding stage for Reteplase molecule.

c. **MICROBIAL TESTING LAB:**

R&D MTL lab has performed screening of the promising NCE's synthesised in large quantities (TNF-18 and

HY-27) to ensure that the efficacy observed in primary screening is consistent and reproducible.

These molecules have been handed over to R&D Formulation department in large quantities for further development. Based on the feedback from R&D Formulation & Medical department, CROs shall be explored to test efficacy of developed formulation.

Exports

During FY 2020-21, the Company's annual export turnover of Finished Formulations has grown by 21% to ₹ 270 Crore from ₹ 223 Crore in FY 2019-20.

Major contribution was from revenue of the US and the UK markets which increased 37% from ₹ 155 Crore in FY 2019-20 to ₹ 213 Crore in FY 2020-21, helping the Company to deliver even amidst challenges posed by COVID-19 outbreak.

The US pharmaceutical market is the second largest market for the Company. The Company's US business is riding high on the back of opportunities created in the market place on account of competitive environment. The Company has reached a critical size in the US market and operate ₹ 184 Crore business with the commercialised portfolio. The Company holds leading position in several of them.

The Company continues to work on filing additional ANDAs in the US market to support existing basket of ophthalmic products.

With a strong presence in some of the major and most regulated pharma markets across the world, the Company has also widened its global presence by entering the emerging economies. The Company has marked its presence in a number of other countries of Asia Pacific, CIS, Africa, Middle East and LATAM.

FY 2020-21 saw most regions delivering solid performance. The CIS region supported with a significant growth of 134%, and Uzbekistan market was started successfully with receipt of 2 ophthalmic product registrations and their first Launch Purchase Order in the financial year.

LATAM region has grown by 63%, Africa region by 68% and Australasia by 40%.

Products of the Company are now exported to more than 35 countries across the globe.

To augment the growth in these markets, the Company is focusing on introducing new products and growing the share in existing products through strategic partnership agreements for product out-licensing.

Active Pharmaceutical Ingredients

In FY 2020-21, the Company's annual export business of Active Pharmaceutical Ingredients



has grown by 24% to ₹ 61 Crore as compared to ₹ 49 Crore in FY 2019-20.

Top 10 countries that contributed an appreciation of 75% to the API revenue for the FY 2020-21 are USA, Germany, Taiwan, Pakistan, Turkey, South Korea, Bangladesh, Japan, UAE and France whose revenues grew to ₹ 46 Crore as compared to ₹ 27 Crore in FY 2019-20.

The Company's Top 10 markets of API export are:

- USA
- Taiwan
- Germany
- Pakistan
- Switzerland
- Bangladesh
- South Korea
- Japan
- Turkey
- Saudi Arabia

The Company is exporting its API range of products to more than 50 countries across the globe and its major revenue of the API business comes from Asia at ₹ 30 Crore, followed by Europe at ₹ 17 Crore and America (USA, Canada and Latin America) at ₹ 10 Crore. The Company is progressively committed to introducing new range of product mix to its API portfolio and also continues to focus on the existing business as it gears up for FY 2021-22 for new opportunities.

As regulatory initiative, the Company continues to file several new, as well as maintain the existing registrations and accreditations. Its team has successfully completed 10 CEP applications which include new as well as the updated existing applications. 17 New API DMF applications for Ophthalmic range were filed in Asia, South-East Asia, CIS, Europe, Africa and Latin America markets. Whereas, 4 DMFs were updated as a complete DMF in 'Base Line' format submission with the USFDA.

With determined companionship, the Company is also pivoting to introduce its ophthalmic range of APIs as its core products to new and emerging markets. The Company has successfully partnered with a few customers in the Asia region for its Ophthalmic APIs and has also exported some of its ophthalmic products to these countries.

The Company continues to work in line with its strategic plan and road map to obtain a substantial share in the international market for its API business.

A. Internal Financial Controls and their Adequacy

The Company has in place a robust Internal Financial Control commensurate with the size, scale and

complexity of its operations. These controls ensure that the transactions are recorded and reported diligently, adhere to the Company's policies & systems, safeguard the assets, prevent and detect the frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

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

B. Human Resources

The Company believes that the employees are the most valuable assets and key drivers of business success and sustained growth. The Human Resource (HR) policies and practices are well aligned to meet business objectives.

As the Company operates in a highly competitive environment, the HR function attracts and retains the best talent for its operations across all locations. The Company encourages and provides the platform for individuals to excel in their professional and personal goals, along with the focus on a healthy work life balance. Several initiatives were carried out through the year to serve employees, including fitness programmes.

Being future-ready is one of the key processes for sustainable growth; the Company is therefore building synergy and cultural integration through coherent leadership programmes for top leaders as a part of its core initiative. The Company has an in-house Training and Development team to help the sales team on products, scientific knowledge, and selling techniques. The Company also conducts various programmes on managerial effectiveness to improve individual competencies and leadership abilities for sales leadership. Understanding the importance of newer training techniques, the Company would be migrating from classroom training to an e-learning platform for its sales team in the next financial year. The web-based training will provide self-paced learning using interactive methods.

In line with the requirement of SEBI listing regulations, Company has adopted a "Code of Conduct and Work Ethics Policy and Whistle Blower Policy". The policy on Whistle Blower are uploaded on the Company's website i.e. www.fdcindia.com.

C. Cautionary Statement

Certain statements in respect to Management Discussion and Analysis Report may be forward-looking and are stated as required by the applicable laws and regulations. The future results of the Company may be affected by many factors, which could be different from what the Directors' envisage in the terms of future performance and outlook.

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

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

7. COVID 19 PANDEMIC IMPACT

The Company acted promptly to mitigate the impact of COVID -19 Pandemic and the Country wide Lockdown. There has been short term disruption in the Operations of the Company due to the reason of COVID 19 and Countrywide Lockdown. However, the overall financial impact is not material for the Company.

The Company being in Pharmaceutical business was allowed to operate during the Countrywide Lockdown subject to compliance to the Orders and Guidelines issued by the Government and various Authorities from time to time. At initial stages itself FDC responded to the rapid challenges arisen from disruption in operations, supply chains, restrictions on imports/ exports, difficulties in Procurement of Raw materials and Packing Materials.

Further there has been no material impact on the capital and financial resources, profitability, liquidity position, assets, internal financial reporting and control, supply chain, demand for its products/services or fulfilling of any obligation.

As protective steps for all its employees, the Company has implemented various Standard Operating Procedures in line with Government's guidelines/ directives issued from time to time for the smooth functioning of business activity. Further with respect to the Plants, Corporate office, Depots and R & D Centers, The Company have taken proactive measures to avoid spread of COVID 19. The Company has provided work from home facility to its employees in significant ways.

The Company has also implemented various safety measures along with social distancing, transport and food facility etc for its employees in line with the guidelines of the Government. The Company also has in place the mediclaim insurance for all its employees to take care of any health issues. The senior management team is constantly in touch

with all the employees and gives regular instructions to the employees to face this Pandemic through advisory emails.

8. AUDITOR'S REPORT

The report given by BSR & Co. LLP, Statutory Auditors on the Financial Statement of the Company for the year ended 31st March 2021 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in the said audit Report.

9. CONSOLIDATED FINANCIAL STATEMENT

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

10. SUBSIDIARIES AND THEIR OPERATIONS

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

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

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

- (a) Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statement; and
- (b) Audited Financial Statement pertaining to the Subsidiary Companies.

During the year under review, the Company acquired an additional stake of 44% in Fair Deal Corporation Pharmaceutical SA (Pty) Ltd pursuant to which it became a Subsidiary Company as the stake holding raised to 93% after acquisition.

11. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is annexed as **"Annexure C"**.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of Annual Accounts for the year ended 31st March 2021, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2021 and of the profit of the Company for the year ended on that date;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down proper Internal Financial Controls to be followed by the Company and they were adequate and operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

14. PUBLIC DEPOSITS

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

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

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

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Re-appointment of Directors:

The Shareholders in the Annual General Meeting held on 30th September 2020, had approved re-appointment of Mr. Ashok A. Chandavarkar as the Executive Director of the Company for a period of 5 (Five) years with effect from 01st March 2021.

The Board of Directors on recommendation of the Nomination and Remuneration Committee, have approved re-appointment of CA. Uday Kumar Gurkar as an Independent Director of the Company for a period of five years with effect from 01st April 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. Further, he shall continue to act as a Chairman of the Board.

Appointment and Resignation of Directors:

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

Retirement by Rotation:

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ameya A. Chandavarkar, CEO- International Business & Executive Director, retires by rotation at the 81st Annual General Meeting and being eligible, has offered himself for re-appointment. The Profile of Director seeking reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Notice of the 81st Annual General Meeting and the statement annexed thereto.

Key Managerial Personnel:

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on 31st March 2021:

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

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

17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

18. CORPORATE GOVERNANCE

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

19. RISK MANAGEMENT

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

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

20. NOMINATION AND REMUNERATION POLICY

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

The details of this Policy are provided in the Corporate Governance Report and the same is also available on the website of the Company on web link http://www.fdcindia.com/admin/images/Nomination_&_Remuneration_Policy.pdf

21. MEETINGS OF THE BOARD AND COMMITTEES THEREOF

The information has been furnished in the Corporate Governance Report.

22. AUDIT COMMITTEE

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

The Audit Committee of the Board as on 31st March 2021 comprises of 2 (Two) Non- Executive Independent Directors and 1 (One) Executive Director. CA. Swati S. Mayekar is the Chairperson of the Committee. CA. Uday Kumar Gurkar and Mr. Mohan A. Chandavarkar are the other members of the committee. The Company Secretary acts as the Secretary to the Committee. The CFO is the permanent invitee to the Committee meeting. The Internal Auditor and the concerned partners/ authorised representatives of Statutory Auditors are regular invitees of the Committee meetings.

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

23. BOARD & DIRECTORS EVALUATION

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

24. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Independent Directors are familiarised with their roles, rights, responsibilities of the Company, the business model of the Company, etc., through various programmes on a continuous basis. Details of the familiarisation program of Independent Directors are disclosed on the website of the Company i.e <https://www.fdcindia.com/familiarisation-programme.php>

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

26. CODE OF CONDUCT

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

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended 31st March 2021. A Certificate duly signed by the Managing Director and Mr. Ashok A. Chandavarkar, Executive Director, on the compliance with the Code of Conduct is given in the Corporate Governance

Report. The said Code is available on the website of the company i.e.

http://www.fdcindia.com/admin/images/Code_of_Conduct_of_FDC_Limited.pdf

27. PREVENTION OF INSIDER TRADING

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

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

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

28. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

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

30. AUDITORS AND AUDIT REPORTS

a. STATUTORY AUDITORS

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

b. COST AUDITORS

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

As required under the Companies Act, 2013 and Rules made thereunder, the requisite resolution for ratification of remuneration of Cost Auditors by the Members has been set out in the Notice of the 81st Annual General Meeting of the Company.

The Cost Audit Report for the year ended 31st March 2020 was filed with the Ministry of Corporate Affairs within the prescribed time.

c. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company had appointed M/s. Sanjay Dholakia and Associates (PCS No.1798), Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March 2021. The Secretarial Audit Report is annexed as **"Annexure G"** to this Report. There is no qualification, reservation, adverse remark or disclaimer in the said Report.

31. COMPLIANCE WITH SECRETARIAL STANDARD ON BOARD AND GENERAL MEETINGS

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

32. DETAILS OF FRAUD REPORTED BY THE AUDITORS

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

33. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

34. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and the amendment made thereunder, Form MGT-7 is available on the web-link i.e. <http://www.fdcindia.com/news-content.php?year=2021>

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

The Company has been sending reminders to those Members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/

unclaimed dividend are also uploaded on the Company's website i.e. www.fdcindia.com.

The Members, who have not encashed their dividend pertaining to Final Dividend 2013-2014 and onwards, are advised to write to the Company immediately for claiming dividends declared by the Company.

- a. 1,232 shares on which dividend for the FY 2012-13 remained unclaimed for 7 (Seven) consecutive years, were transferred to IEPF account in the FY 2020-21. Your Company has uploaded the details of such Shareholders whose shares are transferred to IEPF account on the website of the Company i.e. www.fdcindia.com. The procedure to claim the shares transferred to IEPF account has also been uploaded on the website.

36. ENVIRONMENT, HEALTH AND SAFETY

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

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

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

38. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

ANNEXURE A TO DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY OF FDC LIMITED

INTRODUCTION:

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

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

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

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

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

CATEGORY OF DIVIDENDS:

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

DECLARATION OF DIVIDEND:

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

(i) Current financial year's profit

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

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

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

iii) out of i) & ii) both.

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

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

Factors to be considered while declaring Dividend:

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

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

External Factors:-

- State of the Economy- in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of the profits to build up reserves to absorb future shocks.
- Capital Markets- when the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.
- Statutory Restrictions- The Board will keep in mind the restrictions imposed by the Companies Act with regard to the declaration of dividend.

Internal Factors:-

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

- (i) Profits earned during the year;
- (ii) Present & future Capital requirements of the existing businesses;
- (iii) Brand/ Business Acquisitions;
- (iv) Expansion/ Modernisation of existing businesses;
- (v) Additional investments in subsidiaries/associates of the Company;
- (vi) Fresh investments into external businesses; and
- (vii) Any other factor as deemed fit by the Board.

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

Manner of Utilisation of Retained Earnings:

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

- To meet the working capital / business needs of the Company

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

Commitment towards distribution of Dividend to Shareholders:

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

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

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

ANNEXURE B TO DIRECTORS' REPORT

FORM AOC-1

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

Statement containing salient features of the financial statements of Subsidiary Companies as per Companies Act, 2013

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

FDC International

Reporting Period for the Subsidiary	31 st March, 2021	31 st March, 2020
% of Shareholding	100%	100%
Reporting Currency	UK Pounds	UK Pounds
Exchange Rate as on 31 st March, 2021	99.10	91.39
Share capital	3.71	3.42
Reserves and surplus	850.86	571.38
Total Assets	1091.94	1002.64
Total Liabilities	237.37	427.84
Investments (other than in subsidiaries)	-	-
Turnover	2081.11	1987.98
Profit/ (Loss) before taxation	290.26	730.37
Provision for taxation	57.08	140.67
Profit/ (Loss) after taxation	233.18	589.71
Proposed / Interim Dividend	-	1370.85

FDC INC

Reporting Period for the Subsidiary	31 st March, 2021	31 st March, 2020
% of Shareholding	100%	100%
Reporting Currency	US Dollars	US Dollars
Exchange Rate as on 31 st March, 2021	72.00	74.06
Share capital	36.00	37.03
Reserves and surplus	19.40	20.90
Total Assets	55.76	59.07
Total Liabilities	0.36	1.14
Investments (other than in subsidiaries)	-	-
Turnover	-	-
Profit/ (Loss) before taxation	-0.95	-0.92
Provision for taxation	0.36	0.37
Profit/ (Loss) after taxation	-1.31	-1.29
Proposed / Interim Dividend	-	-

FDC SA

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

Pursuant to obtaining Subsidiary Status in the FY 2020-21 the accounts as on 31st March 2021 is reflected in consolidated manner.

Notes:

- (i) Names of Subsidiaries/ Joint Ventures which are yet to commence operations: **None**
- (ii) Names of Subsidiaries/ Joint Ventures which have been liquidated or sold during the year: **None**

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

ANNEXURE C TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

(Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L24239MH1940PLC003176
2. Name of the Company	FDC Limited
3. Registered address	B-8, MIDC Industrial Area, Waluj- 431 136, District Aurangabad, Maharashtra
4. Website	www.fdcindia.com
5. E-mail id	investors@fdcindia.com
6. Financial Year reported	01 st April 2020 to 31 st March 2021
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code 21002- Manufacture and Sale of Pharmaceutical Products
8. List 3 (Three) key products/services that the Company manufactures/provides (as in balance sheet)	Cefixime Range, Oral Rehydration Salts (ORS), Energy Drink, Fluconazole & Vitcofol Range.
9. Total number of locations where business activity is undertaken by the Company:	
Number of International Locations (Provide details of major 5)	The Company has 2 (Two) foreign wholly owned subsidiaries located in USA & UK and (1) One Subsidiary located in South Africa.
10. Markets served by the Company Local/State/National/ International	The Company has 7 (Seven) manufacturing plants located at 5 (Five) locations such as Waluj, Baddi, Roha, Sinnar and Goa. It has R & D Centre located at Kandivali & Jogeshwari, Mumbai. The Company has 16 (Sixteen) Carrying and Forwarding Agents and 3 (Three) Central Warehouses across the Country. The Company exports its products to 77 Countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹)	1,688.10 Lakhs
2. Total Turnover (₹)	1,42,259.50 Lakhs
3. Total profit after taxes (₹)	29,448.96 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is 2.01% of the average net profit in the previous 3 (Three) financial years.
5. List of activities in which expenditure in 4 above has been incurred	The details of the CSR activities are given under Annexure H of the Directors Report.

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

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

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

Principle –wise Index

- P1- Business Ethics
- P2-Product Responsibility
- P3-Wellbeing of Employees
- P4-Stakeholders Engagement P5-Human Rights
- P6-Environment
- P7-Public Advocacy
- P8-Corporate Social Responsibility Policy
- P9-Customer Relations

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

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

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

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

2. Governance related to BR:

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

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

The business responsibility report is a part of Annual Report 2020-2021 and can be accessed on the website of the Company i.e. www.fdcindia.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (Business Ethics)

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

Yes, the Policy relating to ethics, bribery and corruption covers not only the Company but extends to its Subsidiaries and various Stakeholders dealing with the

Company. The Company has various policies such as Code of Conduct, Whistle Blower and Sexual Harassment. These policies are available on the website of the Company i.e. www.fdcindia.com.

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

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

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

Principle 2 (Product Responsibility)

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

- Antibiotic / Antibacterial System – Zifi, Zathrin, Zefu & Zipod etc
- Antidiarrhoeal, Intest, Disinfectants – Electral & Enerzal etc
- Cardiac Range – Amodep Range, Zivast Range.
- Anti-fungal Dermatologicals – Zocon Rang, Mycoderm Range.
- Ophthalmologicals – Lotim, Mosi, Pyrimon-DF, Zoxan-D, Pilocar (Top 5 Ophthalmic)
- Otologicals – Otek AC Neo

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

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

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

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

There is no broad based impact on energy and water conservation by consumers due to the Company's products. However, the Company takes ongoing measures to reduce consumption of energy and

water. It is equally important for the well-being of our community and the environment. So, we not only work to make our products affordable and accessible, but also take care to support the local economy and the global environment.

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

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

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

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

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

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

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

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

Principle 3 (Well being of Employees)

1. Please indicate the Total number of employees:

5519 employees as on 31st March 2021

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

916 as on 31st March 2021

3. Please indicate the number of permanent women employees:

211 as on 31st March 2021

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

4 as on 31st March 2021

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

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

6. What percentage of your permanent employees are members of this recognised employee association?

Around 4.08% of the permanent employees are members of recognised employee associations.

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

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

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

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

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

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

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

Principle 4 (Stakeholders Engagement)

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

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

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

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

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

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

Principle 5 (Human Rights)

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

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

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

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

Principle 6 (Environment)

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

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

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

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

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

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

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

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

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

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

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

Yes

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

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

Principle 7 (Public Policy)

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

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

- (a) Indian Drug Manufacturers' Association (IDMA)
- (b) Bombay Chamber of Commerce and Industry (BCCI)
- (c) Federation of Pharma Entrepreneurs (FOPE)
- (d) Pharmaceutical Export Promotion Council of India (PHARMEXCIL)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy

Security, Water, Food Security, Sustainable Business Principles, Others):

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

Principle 8 (CSR)

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

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

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

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

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

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

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

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

During the year the Company has spent ₹ 550.99 Lakhs on community development programmes namely towards education, nutritional programme, sanitation & hygiene and rehabilitation programme. Please refer to "Annexure H" to Directors' report for details of the projects / activities undertaken during the year 2020-2021.

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

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

Principle 9 (Customer Relations)

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

None

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

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

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

No

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

The Company regularly carries out consumer surveys at doctor level.

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

ANNEXURE D TO DIRECTORS REPORT

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended 31st March 2021

A) CONSERVATION OF ENERGY

- 1) CFL /FTL/street light fittings replaced with energy efficient LED fittings thereby reduction in power consumption upto 45% at all the plants
- 2) Roof top solar systems made operational on PPA basis as mention below,
 - i) Goa Plant 1/2 - 262 kWp .
 - ii) Goa Plant 3 – 467 kWp.
- 3) Signed off power purchase agreements for roof top solar systems as mentioned below,
 - iii) Sinnar Plant – 990 kWp.
 - iv) Baddi – 332 kWp.
 - v) Nagpur Depot – Installed capacity 12 kWp.
- 4) Installed modulating valves in CHW manifolds of AHU's which are suitable for harsh environment to avoid loss and enhance chiller efficiency at Roha Plant.
- 5) Old conventional pumps replaced with energy efficient pumps in Roha plant.
- 6) RO plant reject water is recycled for toilet flushing at Baddi plant.

B) TECHNOLOGY ABSORPTION

- 1) Up gradation of effluent treatment at Roha Plant by installation of zero liquid discharge system comprising of RO & MEE plants.
- 2) Up-gradation of effluent treatment at Sinnar Plant by installation of DAF system. The treated effluent is recycled for toilet flushing.
- 3) Existing screw chillers replaced with Trane make energy efficient chillers thereby reduction in power consumption upto 20% at Sinnar plant.

Expenditure incurred on Research & Development

Particulars	2020-2021	2019-2020
a. *Capital	112.06	351.21
b. Recurring	2,599.18	2,578.71
c. Total	2,711.24	2,929.92
d. Turnover	1,32,544.91	1,33,109.30
f. Total R&D expenditure as a percentage of total turnover *Including C.W.I.P.	2.05	2.20

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned in terms of actual inflow and foreign exchange outgo in terms of actual outflows during the year.

Particulars	FY 2021	FY 2020
Foreign Exchange earned in terms of actual inflows	32,539.39	27,301.44
Foreign Exchange outgo in terms of actual outflow	5,510.08	4,716.45

(₹ in Lakhs)

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

ANNEXURE E TO DIRECTORS' REPORT

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2020-21:

Name	Designation	Ratio
Mr. Mohan A. Chandavarkar	Managing Director	117:1
Mr. Nandan M. Chandavarkar	Joint Managing Director	90:1
Mr. Ashok A. Chandavarkar	Wholetime Director	64:1
Mr. Ameya A. Chandavarkar	Wholetime Director	60:1
Ms. Nomita R. Chandavarkar	Wholetime Director	26:1
CA. Uday Kumar Gurkar	Chairman of the Board & Independent Director	
CA. Swati S. Mayekar	Independent Director	
Mr. Melarkode Ganesan Parameswaran	Independent Director	
Ms. Usha Athreya Chandrasekhar	Independent Director	
Dr. Mahesh Bijlani	Independent Director	

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

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

Name	Designation	% increase/(decrease)
Mr. Mohan A. Chandavarkar	Managing Director	(4.18)*
Mr. Nandan M. Chandavarkar	Joint Managing Director	(3.08)*
Mr. Ashok A. Chandavarkar	Wholetime Director	(5.13)*
Mr. Ameya A. Chandavarkar	Wholetime Director	(1.93)*
Ms. Nomita R. Chandavarkar	Wholetime Director	(4.99)*
Mr. Sanjay B. Jain	Chief Financial Officer	10.03
Ms. Varsharani Katre	Company Secretary	6.66
CA. Uday Kumar Gurkar	Chairman of the Board & Independent Director	
CA. Swati S. Mayekar	Independent Director	
Mr. Melarkode Ganesan Parameswaran	Independent Director	
Ms. Usha Athreya Chandrasekhar	Independent Director	
Dr. Mahesh Bijlani	Independent Director	

* The percentage decrease in the remuneration of Wholetime Directors is mainly due to Voluntary forgoing a part of their Remuneration.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year: 8.55%
- (iv) The number of permanent employees on the rolls of the Company :
There were 5519 employees on the rolls of the Company as on 31st March 2021.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof:
Average increase in managerial remuneration is 18.23 % & for other than Managerial Personnel is 7.94 %.
- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: Yes

Statement under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5 (3) of The Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March 2021

Employed throughout the year and in receipt of remuneration at the rate of not less than ₹ 1,02,00,000/-per annum

Sr. No.	Name	Designation	Remuneration received* (₹ in Lakhs)	Qualification	Experience (Years)	Date of commencement of Appointment	Age (Years)	Last Employment held	% of equity shares held by the employee in the Company
1	Mr. Dilip V. Karnik	President (Technical & Operations)	142.97	Msc (Tech)	39	21.04.2007	67	Indoco Remedies Ltd.	0.0024

*Remuneration includes salary, commission, medical expenses, leave travel allowance, other allowance, the Company's contribution to Provident and other Funds, and perquisites computed in accordance with the Income Tax Act, 1961 and the Rules made thereunder.

None of the employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month as per clause (ii) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Employees mentioned above are neither relatives of any directors or managers of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

ANNEXURE F TO DIRECTORS' REPORT

FORM NO. AOC-2

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

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

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

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

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

The Company has not entered into any material contracts or transactions with related parties during the FY 2020-21.

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

Annexure G to Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; there were no ESOPS issued during the year under review.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; there were no debts raised during the year under review.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 regarding Reconciliation of Share Capital.
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There were no proposals for delisting of its Equity shares during the year under review.); and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; the company had complied with all the respective provisions.
- vi. Other laws applicable specifically to the Company as per management representation letter namely:

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

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2).
- ii. SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 entered into by the Company with BSE Limited and The National Stock Exchange of India Limited.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines Standards mentioned above:

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees thereof that took place

during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance in compliance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

Further we have to state that due to COVID-19 and lockdown situation prevailing, we have not checked the documents and relevant papers for the purpose of Audit physically and relied on the all digital sends scanned copies of documents and papers.

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-

(SANJAY R DHOLAKIA)

Practising Company Secretary

Proprietor

Membership No. 2655 /CP No. 1798

UDIN: F002655C000377381

Place: Mumbai

Date: 27th May, 2021

ANNEXURE 1

**To,
The Members,
FDC LIMITED**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-

(SANJAY R DHOLAKIA)

Practising Company Secretary

Proprietor

Membership No. 2655 /CP No. 1798

UDIN: F002655C000377381

Place: Mumbai

Date: 27th May, 2021

SECRETARIAL COMPLIANCE REPORT OF FDC LIMITED (CIN: L24239MH1940PLC003176) FOR THE YEAR ENDED 31ST MARCH, 2021

I Sanjay Dholakia, Practising Company Secretary have examined:

- (a) All the documents and records made available to us and explanation provided by FDC LIMITED ("the listed entity");
- (b) The filings / submission made by the listed entity to the stock exchanges;
- (c) Website of the listed entity;

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

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contract (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI Act");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (g) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2018; and
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars / guidelines issued thereunder.
- (i) Securities and Exchange of Board of India (Buyback. Regulation), 2018

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

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

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

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

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

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

Further we have to state that due to COVID-19 and lockdown situation prevailing, we have not checked the documents and relevant papers for the purpose of Audit physically and relied on the all digital sends scanned copies of documents and papers.

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-

(SANJAY DHOLAKIA)

Practicing Company secretary

Proprietor

Membership No. FCS 2655 CP 1798

UDIN F002655C000377403

Place: Mumbai

Date: 27th May, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
**The Members of
FDC LIMITED**

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Further we have to state that due to COVID-19 and lockdown situation prevailing, we have not checked the documents and relevant papers for the purpose of Audit physically and relied on the all digital sends scanned copies of documents and papers.

For **SANJAY DHOLAKIA & ASSOCIATES**

Sd/-

(SANJAY R DHOLAKIA)

Practising Company Secretary

Proprietor

Membership No. FCS 2655 CP 1798

UDIN F002655C000377370

Place: Mumbai

Date: 27th May, 2021

ANNEXURE H TO DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-2021

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

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

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

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

2. The Composition of the CSR Committee

- a) Mr. Mohan A. Chandavarkar - Chairman
- b) Mr. Ashok A. Chandavarkar - Member
- c) Ms. Nomita R. Chandavarkar - Member
- d) CA. Uday Kumar Gurkar - Member

3. Average net profit of the Company for last 3 (Three) financial years: ₹ 27,438.76 Lakhs

4. Prescribed CSR Expenditure 2 (Two) percent of the amount as in item 3 above: ₹ 548.78 Lakhs

5. Details of CSR spent during the financial year 2020-2021:

- a. Total amount to be spent in the financial year: ₹ 548.78 Lakhs
- b. Total amount spent for the financial year: ₹ 550.99 Lakhs
- c. Amount unspent, if any: NIL
- d. Manner in which the amount spent during the financial year is detailed below:

6. In case the Company has failed to spend the 2 (Two) percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

Your Company has spent 2.01% of the net profits as stipulated in the Companies Act, 2013.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

The CSR Committee of the Board confirms that it has implemented and monitored the CSR activities, CSR Policy in accordance in compliance with the provisions of Section 135 of the Companies Act, 2013."

For and on behalf of the Board

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

**CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURES OF THE COMPANY
FOR THE PERIOD ENDED 31ST MARCH, 2021**

Sr. No.	CSR project or activity identified	Area where projects or programs was undertaken	Amount approved (budget) Project or programs wise (₹) in the year 2020-2021	Total Amount spent from 01 st April, 2020 to 31 st March, 2021
1	Monetary Support by way of issuing grocery to the needy and underprivileged in the state of Goa in this COVID Pandemic Situation through State Government Health Ministry Dept of Goa.	Goa	5,00,000	5,00,000
2	Distribution of Homeopathic Medicines for improving the immunity in a person amid COVID Pandemic situation	Mumbai	1,00,000	1,00,000
3	Payment to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund)	Across India	4,75,00,000	4,75,00,000
4	FDC Comprehensive Rural Development Project through BISLD i.e. BAIF INSTITUTE FOR SUSTAINABLE LIVELIHOODS AND DEVELOPMENT. (Previously known as MITTRA).	Sinnar, Nashik	15,00,000	15,00,000
5	Distribution of foot operated Sanitiser Dispense	Across the India	53,80,800	53,80,800
6	Financial Assistance to set up COVID Care Centre in Roha, Raigadh, Maharashtra through Roha Industrial Association.	Roha, Raigadh	1,18,350	1,18,350
Total			5,50,99,150	5,50,99,150

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

2. BOARD OF DIRECTORS

(A). Composition and category of Directors

The Board of Directors of the Company is headed by a Non - Executive Chairman and consists of the following Directors as on 31st March 2021, as indicated below:

Name of the Directors	Category
Mr. Mohan A. Chandavarkar (DIN - 00043344)	Promoters and Executive Directors
Mr. Nandan M. Chandavarkar (DIN - 00043511)	
Mr. Ashok A. Chandavarkar [#] (DIN - 00042719)	
Mr. Ameya A. Chandavarkar (DIN - 00043238)	
Ms. Nomita R. Chandavarkar (DIN - . 00042332)	
CA. Swati S. Mayekar (DIN - . 00245261)	Non-Executive and Independent Directors
CA. Uday Kumar Gurkar (DIN - . 01749610)*	
Mr. Melarkode Ganesan Parameswaran (DIN - 00792123)	
Ms. Usha Athreya Chandrasekhar (DIN - 06517876)	
Dr. Mahesh Bijlani (DIN - 08447258)	

[#]Mr. Ashok A. Chandavarkar was appointed as the Executive Director of the Company for a period of 5 (Five) years with effect from 29th February 2016. His term of appointment comes to an end on 28th February 2021. His appointment is renewed for a further period of 5 (Five) years with effect from 01st March, 2021 by the Board of Directors.

*CA. Uday Kumar Gurkar was appointed as the Non-Executive Independent Director of the Company for a period of 5 (Five) years with effect from 01st April 2016. His term of appointment comes to an end on 31st March 2021. His appointment is renewed for a further period of 5 (Five) years with effect from 01st April 2021 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

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

None of the Directors on the Board holds directorships in more than seven public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2021 have been made by the Directors.

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

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than seven committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

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

(B). Board Meetings held during the financial year ended 31st March 2021

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
17 th June 2020	10	10
07 th August 2020	10	10
07 th November 2020	10	10
04 th February 2021	10	10

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

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

Name of the Director	Attendance at the Board Meetings held on				Attendance at the last AGM held on 30 th September 2020
	17 th June 2020	07 th August 2020	07 th November 2020	04 th February 2021	
CA. Uday Kumar Gurkar	Present	Present	Present	Present	Present
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present	Present
Mr. Nandan M. Chandavarkar	Present	Present	Present	Present	Present
Mr. Ashok A. Chandavarkar	Present	Present	Present	Present	Present
Mr. Ameya A. Chandavarkar	Present	Present	Present	Present	Present
Ms. Nomita R. Chandavarkar	Present	Present	Present	Present	Present
CA. Swati S. Mayekar	Present	Present	Present	Present	Present
Mr. Melarkode Ganesan Parameswaran	Present	Present	Present	Present	Present
Ms. Usha Athreya Chandrasekhar	Present	Present	Present	Present	Present
Dr. Mahesh Bijlani	Present	Present	Present	Present	Present

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

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

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

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

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

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

(E). Separate meeting of Independent Directors

During the year, a separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the management, was held on 04th February 2021.

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

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

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

(G). Directors appointed/ resigned during the year ended 31st March 2021

During the FY 2020-21, there were no appointments/ resignations of any Board Members.

(H). Code of Conduct

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

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

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended 31st March 2021. A Certificate duly signed by Mr. Mohan A. Chandavarkar, Managing Director and Mr. Ashok A. Chandavarkar, Executive Director, on the compliance with the Code of Conduct is provided as Annexure A to this report.

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

(I). Prevention of Insider Trading

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

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

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

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

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

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

The Managing Director gives a brief insight on the operations of the Company, its various divisions, governance and internal control processes and other relevant information pertaining to the Company's business. Further, the Company Secretary also explains in detail the various compliances required by the Director under the Code of Conduct of the Company, Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant Act, Rules and Regulations.

The Company has a familiarisation program for Independent Directors with regard to their roles, responsibilities, the business model of the Company etc. The familiarisation program details are available on the website of the Company.

i.e. http://www.fdcindia.com/admin/images/Familiarisation_Programme.pdf

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

Inter-se relationship amongst the Directors

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

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

(K). Board Agenda

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

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

Regulations, 2015, are also placed before the Board for its consideration and approval.

(L). Performance Evaluation of the Board

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

(M). Matrix Specifying Board Competence

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

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

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

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

3. COMMITTEES OF THE BOARD

(A). AUDIT COMMITTEE

(i). Brief description of terms of reference

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

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

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

Financial reporting and other related processes

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

accounting policies with reference to the Generally Accepted Accounting Principles in India (IND AS).

Internal Financial Controls and Governance Processes

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

Audit & Other duties

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

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

(ii). Composition of the Committee

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

CA. Swati S. Mayekar is the Chairperson of the Committee. CA. Uday Kumar Gurkar and Mr. Mohan A. Chandavarkar are the other members of the committee.

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

(iii). Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
17 th June 2020	3	3
07 th August 2020	3	3
07 th November 2020	3	3
04 th February 2021	3	3

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on			
	17 th June 2020	07 th August 2020	07 th November 2020	04 th February 2021
CA. Swati S. Mayekar	Present	Present	Present	Present
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present
CA. Uday Kumar Gurkar	Present	Present	Present	Present

(B). NOMINATION AND REMUNERATION COMMITTEE

(i). Brief description of terms of reference

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

Some of the functions of the Committee are as follows:

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

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

(ii). Composition of the Committee

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

(iii). Committee meeting held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
07 th August 2020	5	5
04 th February 2021	5	4

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year
CA. Swati S. Mayekar	2
CA. Uday Kumar Gurkar*	1
Mr. Melarkode Ganesan Parameswaran	2
Dr. Mahesh Bijlani	2
Ms. Usha Athreya Chandrasekhar	2

*As the meeting dated 04th February 2021 had the only Agenda item for re-appointment of CA Uday Kumar Gurkar and he being interested in this matter, did not attend the said meeting.

(v). Performance evaluation criteria for Independent directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation; the Directors who are subject to evaluation had not participated. Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of the Listing Regulations and based on the detailed statements / questionnaire circulated with the agenda, the Independent Directors in their separate meeting held on 04th February 2021 had reviewed the performance of Non-Independent Directors, except the director being evaluated.

(C). REMUNERATION OF DIRECTORS

- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company, which has a potential conflict with the interests of the Company at large.
- The Remuneration Policy for the Board of Directors and Senior Management Personnel, as recommended by the Nomination and Remuneration Committee and is approved by the Board. The remuneration paid to the Non-Executive Directors comprises of sitting fees and commission. The sitting fees paid to the Non-Executive Directors in respect of the meetings of the Board and the Audit Committee attended by them is within the maximum limit set out under the Companies Act, 2013. The Commission paid to the Directors is in accordance with the overall ceiling imposed by the Companies Act, 2013 and applicable statutes, if any. The remuneration paid to the Senior Management Personnel is in accordance with the industry norms and practices. The Nomination and Remuneration Policy is also uploaded on the Website of the Company i.e. http://www.fdcindia.com/admin/images/Nomination_&_Remuneration_Policy.pdf

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

Name of the Director	Salaries (Rs.)	Perquisites (Rs.)	Benefits (Rs.)	Superannuation@ 15%	Commission (Rs.)	Total
Mr. Mohan A. Chandavarkar	1,30,91,360	87,834	8,11,896	10,47,510	1,90,58,955	3,40,97,555
Mr. Ashok A. Chandavarkar	51,73,854	77,710	3,09,006	3,98,703	1,27,05,970	1,86,65,243
Mr. Nandan M. Chandavarkar	1,01,53,024	5,19,144	6,24,140	8,05,275	1,42,94,217	2,63,95,800
Mr. Ameya A. Chandavarkar	56,39,935	98,984	3,43,324	4,42,815	1,11,17,724	1,76,42,782
Ms. Nomita R. Chandavarkar	25,29,868	18,000	1,55,944	-	47,64,739	74,68,551

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

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

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

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

Name of the Director	Date of contract	Term of Contract
Mr. Mohan A. Chandavarkar	01 st April 2019	For a period of 5 years commencing from 01 st April, 2019
Mr. Ashok A. Chandavarkar	01 st March 2021	For a period of 5 years commencing from 01 st March 2021
Mr. Nandan M. Chandavarkar	01 st March 2019	For a period of 5 years commencing from 01 st March 2019
Mr. Ameya A. Chandavarkar	01 st November 2019	For a period of 5 years commencing from 01 st November 2019
Ms. Nomita R. Chandavarkar	02 nd June 2019	For a period of 5 years commencing from 02 nd June 2019

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

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

Name of the director	Commission (Rs.)	Board Meeting Sitting fees (Rs.)	Audit Committee Meeting Fees (Rs.)	Total(Rs.)
CA. Swati S. Mayekar	2,00,000	60,000	80,000	3,40,000
CA. Uday Kumar Gurkar	2,00,000	60,000	80,000	3,40,000
Mr. Melarkode Ganesan Parameswaran	2,00,000	60,000	-	2,60,000
Ms. Usha Athreya Chandrasekhar	2,00,000	60,000	-	2,60,000
Dr. Mahesh Bijlani	2,00,000	60,000	-	2,60,000
Total	10,00,000	3,00,000	1,60,000	14,60,000

(v). Stock Option Scheme

The Company does not have any stock option scheme.

(D). STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The broad terms of reference are as under:

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

i. Composition of the Committee

The Committee comprises of 1 (One) Independent and Non-Executive Director and 2 (Two) Executive Directors. The Committee functions under the Chairmanship of Ms. Usha Athreya Chandrasekhar, a Non-Executive and Independent Director, Mr. Mohan A. Chandavarkar and Mr. Ashok A. Chandavarkar, Executive Directors are the other members of the committee. The Company Secretary acts as the Secretary to the Committee.

ii. Name and designation of the Compliance Officer

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

iii. Committee meetings held during the year

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
13 th April 2020	3	3
10 th July 2020	3	3
08 th October, 2020	3	3
14 th January 2021	3	3

(vi). Attendance of Directors at the Committee meetings

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

iv. Number of complaints received and resolved

During the year under review, the Company had received 9 (Nine) complaints from the shareholders. There were no shareholder grievances that remained unattended/ pending for more than 30 (Thirty) days. The complaints were resolved to the satisfaction of the shareholders.

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

There were no applications for share transfers pending as on 31st March, 2021. In order to expedite the process of transfers of shares, the Board has delegated the power to approve share transfers to the Share Transfer Committee set up by the Board of Directors.

(E). CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

(i). **Brief description of terms of reference**

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

(ii). **Composition of the Committee**

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

(iii). **Committee meetings held during the year**

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
04 th February 2021	4	4

(iv). **Attendance of Directors at the Committee meetings**

Name of the Director	Attendance at the Committee Meetings held on 04 th February 2021
Mr. Mohan A. Chandavarkar	Present
CA. Uday Kumar Gurkar	Present
Mr. Ashok A. Chandavarkar	Present
Ms. Nomita R. Chandavarkar	Present

6. GENERAL BODY MEETINGS

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

Financial year	Location	Date	Time	No. of special resolutions passed
2017-18	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	07 th September 2018	10.00 a.m.	Yes, 1 (One) resolution was passed.
2018-19	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	27 th September 2019	10.00 a.m.	Yes, 1 (One) resolution was passed.
2019-20	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	30 th September 2020	10.00 a.m.	Yes, 2 (Two) resolution was passed.

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

(F). RISK MANAGEMENT COMMITTEE

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

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

(i). **Composition of the Committee**

The Committee comprises of CA. Swati S. Mayekar, Independent and Non-Executive Director and Chairperson, Mr. Ameya A. Chandavarkar and Mr. Dilip V. Karnik are members to this committee. The Company Secretary acts as a Secretary to the Committee.

(ii). **Committee meetings held during the year**

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
30 th March, 2021	3	3

4. CEO/ CFO CERTIFICATION

Mr. Mohan A. Chandavarkar, Managing Director & Mr. Sanjay B. Jain, Chief Financial Officer, has issued necessary certification to the Board in terms of Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was taken on record by the Board at its meeting held on 26th May 2021. A copy of this certificate is provided as **Annexure B** to this report.

5. STATUTORY AUDITORS' FEES

During the FY 2020-21, the Company and its subsidiaries on a consolidated basis paid the audit fees to its statutory auditor's i.e BSR & Co. LLP, chartered accountants as under:

Type of Service	FY 2021	FY 2020
Audit Fees	40	40
All Other Fees	4.13	13.48

(₹ In Lakhs)

7. MEANS OF COMMUNICATION

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

- Business Standard (English) (All Editions)(National)
- Loksatta (Marathi) (Aurangabad)

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

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

8. GENERAL SHAREHOLDER INFORMATION

(A). Annual General Meeting

Date : Wednesday, September 29, 2021
Time : 10.00 a.m.
Venue : (Amid pandemic situation, can be held through VC or OAVM)

(B). Financial Year

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

(C). Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending 30 th June 2021	07 th August 2021
Unaudited results of the second quarter and half year ending 30 th September 2021	06 th November 2021
Unaudited results of the third quarter and nine months ending 31 st December 2021	04 th February 2022
Audited results for the year ending 31 st March 2022	26 th May 2022

(D). Dividend Payments

During the year, the Company has not declared any Dividend.

(E). Dates of book closure

September 22, 2021 to September 29, 2021
(both days inclusive)

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

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

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

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the FY 2021-22.

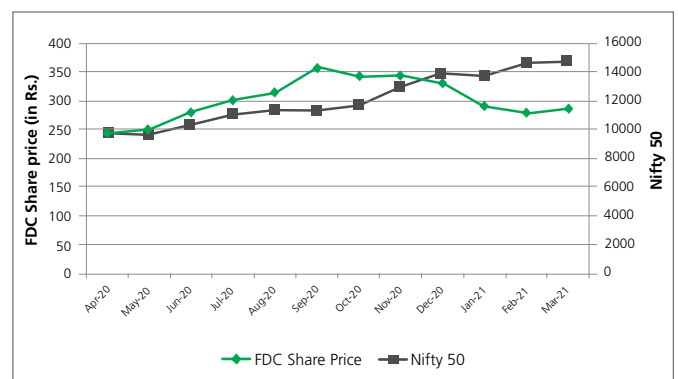
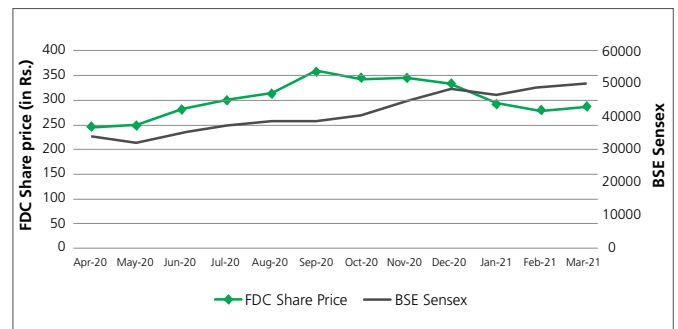
(G). Market Price Data in respect of the Company's shares on BSE Limited and National Stock Exchange of India Limited, monthly high and low during the FY 2020-21

Month & Year	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2020	270.20	191.00	272.00	189.55
May, 2020	257.40	230.00	258.00	230.00
June, 2020	297.70	241.10	297.80	241.00
July, 2020	301.80	236.05	236.60	302.00
August, 2020	354.00	298.95	354.00	300.50
September, 2020	378.00	293.00	379.00	292.80
October, 2020	372.60	337.10	373.00	337.00
November, 2020	348.00	318.10	348.60	317.90
December, 2020	369.50	319.50	369.70	319.00
January, 2021	335.90	285.00	336.00	284.85
February, 2021	310.00	273.00	309.00	272.85
March, 2021	307.50	260.00	303.00	255.20

(Source: BSE website/NSE trade statistics)

(H). Share Performance of the Company in comparison to broad based indices of BSE – Sensex and NSE – Nifty.

Note: Based on monthly closing price of FDC and monthly closing index point of BSE – Sensex and NSE – Nifty.



(I). Registrars and Share Transfer Agent

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

(J). Share Transfer System

The Share Transfer Committee inter-alia oversees the transfer of shares, transmission of shares, issue of duplicate share certificates, etc. The formalities for transfer of shares

in the physical form are completed and the share certificates are dispatched to the Transferee within 15 (Fifteen days) of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

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

(K). Shareholding Pattern as on 31st March 2021

Sr. No.	Category	Total Securities	Total Value	Percentage of Shareholding (%)
1	Promoters	9,13,80,452	9,13,80,452	54.13
2	Corporate Bodies (Promoter Co)	2,56,97,206	2,56,97,206	15.22
3	Public	2,72,63,573	2,72,63,573	16.15
4	Foreign Portfolio Investors (Corporate)	96,45,168	96,45,168	5.71
5	Mutual Funds	63,15,348	63,15,348	3.74
6	Other Bodies Corporate	50,94,653	50,94,653	3.02
7	Non Resident Indians (NRIs)	17,46,098	17,46,098	1.03
8	Hindu Undivided Family	7,62,489	7,62,489	0.45
9	Government Companies	2,57,490	2,57,490	0.15
10	Alternate Investment Funds - III	66,484	66,484	0.04
11	Insurance Companies	3,96,525	3,96,525	0.23
12	Clearing Members	1,83,748	1,83,748	0.11
13	NBFCs registered with RBI	650	650	0.00
14	Trusts	200	200	0.00
TOTAL :		16,88,10,084	16,88,10,084	100

(L). Dematerialisation of shares and liquidity

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

As on 31st March 2021, 16,70,14,560 equity shares aggregating to 98.94% of the total number of fully paid equity shares having face value of Re.1 each are held by the shareholders in the dematerialised form.

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

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

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

During the FY 2020-21, the Company has not entered into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign exchange exposures are disclosed in notes to the Annual Accounts.

(O). Plant locations

As mentioned on the cover page of the Annual Report.

(P). Address for correspondence

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

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

10. OTHER DISCLOSURES

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

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

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

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

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

(D). During the year ended 31st March 2021, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for determining 'material' subsidiaries has been disclosed on the website of the Company.
i.e. http://www.fdcindia.com/admin/images/Policy_on_Material_Subsidiaries.pdf

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

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

12. RECONCILIATION OF SHARE CAPITAL

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

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

14. The status on the compliances with the non-mandatory provisions as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

(A). The Board

As on 31st March 2021, CA. Uday Kumar Gurkar (Non – Executive, Independent Director) was the Chairperson of the Board.

(B). Shareholder Rights

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

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

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

(D). Reporting of Internal Auditors

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

For and on behalf of the Board

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

Place: Mumbai
Date: 26th May 2021

ANNEXURE A**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Company has laid down a Code of Conduct for all its Board Members and Senior Management personnel of the Company. The code of conduct has also been posted on the website of the Company i.e. www.fdcindia.com. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2021, as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

Place: Mumbai
Date: 15th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Ashok A. Chandavarkar
Executive Director

ANNEXURE B**CEO/CFO CERTIFICATION**

To,
The Board of Directors
FDC Limited

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

1. We have reviewed the financial statements and cash flow statement for the year ended 31st March 2021 and that to the best of our knowledge and belief, we state that:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. Significant changes, if any, in internal control over financial reporting during the year;
 - b. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: 26th May 2021

Sd/-
Mohan A. Chandavarkar
Managing Director

Sd/-
Sanjay B. Jain
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance Requirements Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the Members of FDC Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 06th May 2020 and addendum to the engagement letter dated 12th May 2021.
2. We have examined the compliance of conditions of Corporate Governance by FDC Limited ('the Company'), for the year ended on 31st March 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance of conditions of Corporate Governance as stipulated under Listing Regulation is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2021.
6. We conducted our examination of the above corporate governance compliance by the company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("the ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
Vikas R Kasat
Partner

Place: Mumbai
Date: 26th May 2021

Membership No: 105317
ICAI UDIN: 21105317AAAADX1052

Independent Auditors' Report

To the Members of
FDC Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of FDC Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Revenue recognition	How the matter was addressed in our audit
<p>The Company recognises revenue from the sales of pharmaceutical products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers.</p> <p>We have identified recognition of revenue as a key audit matter as –</p> <ul style="list-style-type: none"> revenue is a key performance indicator; and there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations. 	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; Testing of design, implementation and operating effectiveness of the Company's general Information Technology ('IT') controls and key IT application controls by involving our IT specialists; Performing substantive procedures including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. Examining the underlying documents such as sales invoices/contracts and dispatch/shipping documents for the selected transactions. Assessing manual journals posted in revenue ledger to identify any unusual items.

Basis for Opinion

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

Key Audit Matters

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

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31st March 2021 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 08th November 2016 to 30th December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31st March 2021.

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

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

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

Sd/-

Vikas R Kasat
Partner

Place: Mumbai
Date: May 26, 2021

Membership No: 105317
UDIN: 21105317AAAADU3881

Annexure A to the Independent Auditors' Report – 31st March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / share certificate / other documents evidencing title, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in Note 2 to the standalone financial statements, are held in the name of the Company. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in Note 2 to the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) The inventory, except for stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made. The Company has not provided any guarantees and security to the parties covered under Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per 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 rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted/accrued in the books of account in respect of undisputed statutory dues relating to Provident Fund, Profession tax, Labour Welfare fund, Goods and Services Tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Labour Welfare fund, Profession tax, Income-tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax which have not been deposited with the appropriate authorities on account of dispute, except for the following:

Name of the statute	Nature of the dues	Amount of demand under dispute (₹ in lakhs)	Amount paid under protest (₹ in lakhs)	Amount under dispute not deposited (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Sales Tax Act / Uttar Pradesh Sales Tax Act / West Bengal Sales Tax Act / Maharashtra Sales Tax Act	Tax / Penalty / Interest	71.70	11.71	59.99	A.Y. 2002-03, 2003-04	Sales Tax Appellate Tribunal
		27.10	14.11	12.98	A.Y. 2010-11	Joint Commissioner (Appeals)
		19.10	-	19.10	A.Y. 2002-03, 2003, 2006-07	Revisional Board - Commercial Tax
GST	Duty / Penalty/ Interest	4.65	2.75	1.90	March 2018 – May 2019	Assist. Commissioner of Customs – West Bengal
Income-tax Act, 1961	Tax / Interest/ Penalty	4,478.13	2,493.56	1,984.57	A.Y. 2009-10, 2010-11, 2012-13, 2013-14, 2015-16, 2016-17, 2017-18, 2018-19.	Commissioner of Income tax (Appeals)
		6.12	-	6.12	A.Y. 2012-13	Income Tax Appellate Tribunal

(viii) In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of dues to the government. The Company does not have any loans or borrowings from any banks, financial institutions or debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi

Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Sd/-
Vikas R Kasat
Partner

Place: Mumbai
Date: May 26, 2021

Membership No: 105317
UDIN: 21105317AAAADU3881

Annexure – B to the Independent Auditors' report on the standalone financial statements of FDC Limited for the year ended 31st March 2021

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of FDC Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to

standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Sd/-

Vikas R Kasat

Partner

Membership No: 105317

UDIN: 21105317AAAADU3881

Place: Mumbai

Date: May 26, 2021

Standalone Balance Sheet

as at 31st March 2021

PARTICULARS		Note No.	As at 31 st March 2021	As at 31 st March 2020
₹ in lakhs				
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	2		66,597.89	65,105.25
(b) Capital work-in-progress	2		1,921.12	2,385.00
(c) Right-of-use assets	2		1,467.99	1,249.76
(d) Other intangible assets	2		435.64	621.95
(e) Financial assets				
(i) Investments	3		26,558.07	16,253.47
(ii) Loans	4		657.84	612.71
(iii) Other financial assets	5		209.04	2.25
(f) Income tax assets (net)	6		2,403.12	1,582.93
(g) Other non-current assets	7		1,604.79	415.17
Total non-current assets			101,855.50	88,228.49
2 Current assets				
(a) Inventories	8		21,327.38	20,949.30
(b) Financial assets				
(i) Investments	9		52,484.06	50,224.12
(ii) Trade receivables	10		10,780.38	12,419.46
(iii) Cash and cash equivalents	11		2,571.72	2,651.90
(iv) Bank balances other than (iii) above	12		114.75	243.98
(v) Loans	13		140.96	116.90
(vi) Other financial assets	14		789.40	1,924.94
(c) Other current assets	15		3,817.18	3,799.85
(d) Assets held for sale	16		415.79	-
Total current assets			92,441.62	92,330.45
TOTAL ASSETS			194,297.12	180,558.94
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	17		1,688.10	1,709.73
(b) Other equity	18		170,528.43	152,472.12
Total Equity			172,216.53	154,181.85
LIABILITIES				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19		20.80	34.36
(ii) Lease liabilities	20		679.56	928.69
(b) Provisions	26		39.22	32.40
(c) Deferred tax liabilities (net)	21		1,132.08	920.63
Total non-current liabilities			1,871.66	1,916.08
2 Current liabilities				
(a) Financial liabilities				
(i) Trade payables	22			
(A) Total outstanding dues of micro and small enterprises			1,332.78	1,810.68
(B) Total outstanding dues of creditors other than micro and small enterprises			6,332.72	9,943.72
(ii) Lease liabilities	23		690.07	529.97
(iii) Other financial liabilities	24		6,145.26	6,805.38
(b) Other current liabilities	25		847.32	617.94
(c) Provisions	26		3,579.14	3,391.45
(d) Current tax liabilities (net)	27		1,281.64	1,361.87
Total current liabilities			20,208.93	24,461.01
TOTAL EQUITY AND LIABILITIES			194,297.12	180,558.94
Significant accounting policies	1.3			
The accompanying notes are an integral part of the standalone financial statements.	1 to 52			

As per our report of even date attached.

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

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 26, 2021

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Standalone Statement of Profit and Loss

for the year ended 31st March 2021

₹ in lakhs

PARTICULARS	Note No.	For the year ended 31 st March 2021	For the year ended 31 st March 2020
I Revenue from operations	28	132,544.91	133,109.30
II Other income	29	9,714.59	8,265.75
III Total Income (I+II)		142,259.50	141,375.05
IV Expenses			
Cost of materials consumed	30	34,664.70	33,837.92
Purchase of stock-in-trade		9,090.29	8,154.37
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(2,549.95)	461.00
Employee benefits expense	32	29,431.29	27,618.36
Finance costs	33	340.22	341.49
Depreciation and amortisation expense	34	3,762.33	3,736.33
Other expenses	35	29,475.59	34,679.59
Total Expenses		104,214.47	108,829.06
V Profit before tax (III-IV)		38,045.03	32,545.99
VI Tax expense:	27		
(1) Current tax		8,450.00	8,280.00
(2) Deferred tax		144.49	(411.87)
(3) Tax adjustments-earlier year		1.58	-
Total Tax expense		8,596.07	7,868.13
VII Profit for the year (V-VI)		29,448.96	24,677.86
VIII Other comprehensive income/ (loss)	36		
(i) Items that will not be reclassified subsequently to profit or loss		702.42	(447.64)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(96.43)	92.01
Other comprehensive income for the year (net of tax)		605.99	(355.63)
IX Total Comprehensive income for the year (net of tax) (VII+VIII)		30,054.95	24,322.23
X Earnings per equity share	37		
Par Value ₹ 1 per share (Previous year ₹ 1 per share)			
(1) Basic (₹)		17.32	14.34
(2) Diluted (₹)		17.32	14.34
Significant accounting policies	1.3		
The accompanying notes are an integral part of the standalone financial statements.	1 to 52		

As per our report of even date attached.

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

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 26, 2021

Standalone Statement of Cash Flows

for the year ended 31st March 2021

₹ in lakhs

PARTICULARS	For the year ended 31 st March 2021	For the year ended 31 st March 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	38,045.03	32,545.99
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	3,762.33	3,736.33
Finance cost	340.22	301.70
Interest income	(1,247.35)	(767.71)
Net gain on disposal of property, plant and equipment	(67.68)	(1,767.13)
Dividend income	(13.61)	(4,628.07)
Net (gain)/loss on sale of investments	(2,435.83)	1,178.04
Net gain on derecognition of financial assets	(1.96)	-
Fair value (gain)/ loss on financial instruments	(5,216.80)	1,315.95
Provision for financial instruments	-	1,500.00
Unrealised foreign exchange loss/ (gain) on restatement	17.89	(94.16)
Impairment provision of subsidiary	757.69	71.26
Lease rent waiver	(29.83)	-
Allowances for credit loss	60.12	5.43
Provision for doubtful debts no longer required, written back	(0.08)	(15.99)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	33,970.14	33,381.64
Working capital adjustments:		
Increase in inventories	(378.08)	(3,675.90)
Decrease/ (Increase) in trade receivables	1,557.61	(3,941.65)
Increase in financial assets	(421.74)	(76.15)
Increase/ (Decrease) in other assets	(31.04)	718.59
Increase in provision	311.60	636.00
(Decrease)/ Increase in trade and other payables	(4,643.02)	5,239.32
CASH GENERATED FROM OPERATIONS	30,365.47	32,281.85
Income tax paid (net)	(9,381.47)	(8,377.67)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	20,984.00	23,904.18
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets	(6,253.21)	(3,123.27)
Proceeds from disposal of property, plant and equipment	380.16	2,751.17
Investments in Equity shares of subsidiary	(6.21)	-
Purchase of financial instruments	(97,254.51)	(98,368.49)
Proceeds from sale of financial instruments	94,475.67	84,794.56
Increase in fixed and margin deposits	(211.26)	(1.96)
Loan given to joint venture	(691.93)	(48.32)
Dividend income	13.61	4,628.07
Interest received	1,130.11	887.81
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(8,417.57)	(8,480.43)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buyback of equity shares	(9,733.50)	(12,005.00)
Expenses incurred for buyback of equity shares	(69.64)	(107.31)
Buy back tax paid	(2,217.13)	-
Dividends (including dividend distribution tax) paid	-	(1,370.45)
Finance cost	(66.09)	-
Repayment of lease liabilities	(681.72)	(598.33)
Repayment of sales tax deferral loan	(14.64)	(11.44)
Amount deposited/ (paid) in bank accounts towards unpaid dividend	133.70	(107.18)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(12,649.02)	(14,199.71)

Standalone Statement of Cash Flows

for the year ended 31st March 2021

₹ in lakhs

PARTICULARS	For the year ended 31 st March 2021	For the year ended 31 st March 2020
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(82.59)	1,224.04
Net foreign exchange differences on cash and cash equivalents	2.41	(8.40)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 11)	2,651.90	1,436.26
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11)	2,571.72	2,651.90

Notes to the Standalone Statements of Cash Flows

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

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Cash on hand	7.29	11.85
Balances with banks:		
In current accounts	2,564.43	2,562.63
In deposit accounts (with original maturity of 3 months or less)	-	77.42
	2,571.72	2,651.90

- The Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

₹ in lakhs

Particulars	Note No.	As at 31 st March 2020	Cash flows	Non-cash changes			As at 31 st March 2021
				Acquisition	Foreign exchange movement	Fair value change	
Borrowings	19						
Deferred sales tax loans		49.01	(14.64)	-	-	-	34.37

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

As per our report of even date attached.

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

VIKAS R.KASAT
Partner
Membership No : 105317
Place : Mumbai
Date : May 26, 2021

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Standalone Statement of changes in equity

for the year ended 31st March 2021

(A) Equity share capital

Particulars	No. in lakhs	₹ in lakhs
		Amount
Balances as at 01 st April 2019	1,775.48	1,751.89
Less: 34,30,000 Equity shares of ₹ 1 each bought back	(34.30)	(34.30)
Less : Cancellation of forfeited Equity shares	(31.45)	(7.86)
Balances as at 31st March 2020	1,709.73	1,709.73
Less: 21,63,000 Equity shares of ₹ 1 each bought back	(21.63)	(21.63)
Balances as at 31st March 2021	1,688.10	1,688.10

(B) Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	
Balances as at 01 st April 2020	132,522.04	19,950.84	7.86	68.60	(77.22)	152,472.12
Profit for the year	29,448.96	-	-	-	-	29,448.96
Other comprehensive income for the year (net of taxes) (Refer note 37)	87.62	-	-	-	518.37	605.99
Total Comprehensive income for the year	29,536.58	-	-	-	518.37	30,054.95
Expenses for buyback of Equity Shares	(69.64)	-	-	-	-	(69.64)
Buy back tax paid	(2,217.13)	-	-	-	-	(2,217.13)
Premium paid on buyback of Equity Shares	-	(9,711.87)	-	-	-	(9,711.87)
Transfer from General Reserve on Equity Shares bought back	-	(21.63)	-	21.63	-	-
Balances as at 31st March 2021	159,771.85	10,217.34	7.86	90.23	441.15	170,528.43

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	
Balances as at 01 st April 2019	109,557.38	31,955.84	-	34.30	4.82	141,552.34
Profit for the year	24,677.86	-	-	-	-	24,677.86
Other comprehensive loss for the year (net of taxes) (Refer note 37)	(273.59)	-	-	-	(82.04)	(355.63)
Total Comprehensive income for the year	24,404.27	-	-	-	(82.04)	24,322.23
Dividends (including dividend distribution tax) (Refer note 38)	(1,370.45)	-	-	-	-	(1,370.45)
Cancellation of forfeited Equity Shares	-	-	7.86	-	-	7.86
Expenses for buyback of Equity Shares	(107.31)	-	-	-	-	(107.31)

Standalone Statement of changes in equity

for the year ended 31st March 2021

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	
Premium paid on buyback of Equity Shares	-	(11,970.70)	-	-	-	(11,970.70)
Transfer from General Reserve on Equity Shares bought back	-	(34.30)	-	34.30	-	-
Excess DDT Paid adjusted against outstanding demand	38.15	-	-	-	-	38.15
Balances as at 31st March 2020	132,522.04	19,950.84	7.86	68.60	(77.22)	152,472.12

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

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

As per our report of even date attached.

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

VIKAS R.KASAT
Partner
Membership No : 105317
Place : Mumbai
Date : May 26, 2021

For and on behalf of the **Board of Directors of FDC Limited**
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MOHAN A. CHANDAVARKAR
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Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Notes to the standalone financial statements

for the year ended 31st March 2021

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

1.1 CORPORATE INFORMATION

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

The Company is principally engaged in the business of Pharmaceuticals.

The standalone financial statements for the year ended 31st March, 2021 were authorised for issue by the Company's board of directors on 26th May, 2021.

1.2 BASIS OF PERPARATION AND MEASUREMENT

Statement of Compliance

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

Basis of Preparation and Measurement

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

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.

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

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

1.3 SIGNIFICANT ACCOUNTING POLICIES

a Current and Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

Notes to the standalone financial statements

for the year ended 31st March 2021

b Revenue Recognition

Revenue recognition under Ind AS 115 (applicable from 01st April, 2018)

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

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

Step 2 : Identify the performance obligation in contract

Step 3 : Determine the transaction price

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

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

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 01st April, 2018).

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

Sale of products

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

Profit share revenues

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

Sales returns

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

Interest income

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

Dividends

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

Rental income

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

Export Incentive

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

Other income

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

Notes to the standalone financial statements

for the year ended 31st March 2021

c Property, Plant and Equipment

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

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

Subsequent expenditures related to an item of Property, plant and equipments is added to its book value, only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

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

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

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

The residual values, useful life and depreciation method are reviewed at each financial year-end

to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Depreciation method and estimated useful lives

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

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

Gain or loss on Disposal

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

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

Nature of Tangible Assets	Useful Life (No. of Years) As per Companies Act, 2013	Useful Life (No. of Years) As estimated by the Company
Plant and Machinery	7.5 to 15	7.5 to 15
Building	30 to 60	30 to 60
Laboratory testing machines	10	10
Office equipments	5	5
Furniture, fixtures and fittings	10	10
Computers and peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical installations	10	10
Leasehold land	Over the period of lease	Amortised over the period of lease ranging from 30 to 99

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

Notes to the standalone financial statements

for the year ended 31st March 2021

Impairment of assets

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

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

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

d Other Intangible Assets

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

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of

the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

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

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

e Financial Instruments

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

FINANCIAL ASSETS

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

Initial recognition and measurement

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

Subsequent measurement

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

(a) Debt instruments at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the standalone financial statements

for the year ended 31st March 2021

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the

Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

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

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

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

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

Impairment of financial assets

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

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

Notes to the standalone financial statements

for the year ended 31st March 2021

- (b) Financial assets that are equity instruments and are measured as at FVTOCI ;
- (c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of trade receivables or contract assets.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables and Other Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as

income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

FINANCIAL LIABILITIES

The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans and borrowings, payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Notes to the standalone financial statements

for the year ended 31st March 2021

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

f Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets/ declared buyback NAV for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Notes to the standalone financial statements

for the year ended 31st March 2021

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and applicable taxes, where applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h Foreign Currency Translation/ Transactions

The financial statements are presented in Indian Rupees (INR) which is company's functional and presentation currency.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

i Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants related to revenue is recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets is recognised as income in equal amounts over the expected useful life of the related asset.

j Employee Benefits

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

Defined contribution plans

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the statement of profit and loss on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

The Company fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in other comprehensive income. Remeasurement are not reclassified to the statement of profit and loss in subsequent periods. Net interest and other expenses related to defined benefits plan are recognised in the statement of profit and loss.

Notes to the standalone financial statements

for the year ended 31st March 2021

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k Research and Development Expenses

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

m Lease Accounting

Company as a lessee

The Company lease asset classes primarily consist of leases for land and buildings. The Company assess whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- (1) the contract involves the use of an identified asset
- (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the generally accepted interest rate. Lease liabilities are

Notes to the standalone financial statements

for the year ended 31st March 2021

remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

n Earning Per Share

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any.

o Taxation

Current tax

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used

to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Company reassesses unrecognised deferred tax assets and are recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and deferred tax for the year

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible a temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and adjusted when

Notes to the standalone financial statements

for the year ended 31st March 2021

the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the authority is included as part of receivables or payables in the balance sheet.

p Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

q Contingent Liabilities, Contingent Assets and Commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

r Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocate the resources based on an analysis of various performance indicators by business segments. The Company's chief operating decision maker is the Managing Director of the Company.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

s Cash and Cash Equivalents

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

For the purpose of the cash flows statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t Assets Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

Notes to the standalone financial statements

for the year ended 31st March 2021

u Cash Dividend to Equity Holders

The Company recognises a liability to make cash distribution to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v Policy for Statement of Cash Flows

The Company's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities as at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Sales Returns

Revenue from sale of products is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to

customers. However, the Company needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Company has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of Financial Assets

The Company recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full time expected credit losses.

The Company follows 'Simplified approach' for recognition of loss allowance on trade receivables under which company does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in

Notes to the standalone financial statements

for the year ended 31st March 2021

assumptions about these factors could affect the reported fair value of financial instruments.

Useful Life of Property, Plant and Equipment and Other Intangible Assets

As described in Note 1.3 (c and d), the Company reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision Against Obsolete and Slow-Moving Inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

The provision against obsolete and slow-moving inventories requires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 01st April, 2021.

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

PARTICULARS	Gross Carrying value				Depreciation/ Amortisation				Net Carrying Value			
	As at 31 st March 2020	Additions	Deletions	Reclassification to Assets held for sale	As at 31 st March 2021	As at 31 st March 2020	For the year	Deletions	Reclassification to Assets held for sale	As at 31 st March 2021	As at 31 st March 2021	As at 31 st March 2020
PROPERTY, PLANT AND EQUIPMENT												
Leasehold improvements	383.95	-	-	-	383.95	182.52	76.06	-	-	258.58	125.37	201.43
Freehold land*	41,159.25	-	58.97	88.45	41,011.83	-	-	-	-	-	41,011.83	41,159.25
Buildings**	13,994.10	3,507.82	314.95	403.36	16,783.61	2,155.79	455.75	86.97	76.02	2,448.55	14,335.06	11,838.31
Plant and machinery	11,812.93	965.05	32.07	-	12,745.91	5,931.25	1,163.22	16.14	-	7,078.33	5,667.58	5,881.68
Laboratory testing machines	6,020.83	437.29	-	-	6,458.12	3,065.29	565.35	-	-	3,630.64	2,827.48	2,955.54
Electrical installations	1,260.55	187.33	97.61	-	1,350.27	752.00	103.95	88.01	-	767.94	582.33	508.55
Furniture, fixtures and fittings	2,743.22	197.92	-	-	2,941.14	1,533.45	195.25	-	-	1,728.70	1,212.44	1,209.77
Office equipments	2,653.75	172.82	2.36	-	2,824.21	1,901.08	369.85	2.36	-	2,268.57	555.64	752.67
Vehicles	585.30	61.45	32.60	-	614.15	281.92	84.67	32.60	-	333.99	280.16	303.38
Total of Property, plant and equipment (A)	80,613.88	5,529.68	538.56	491.81	85,113.19	15,803.30	3,014.10	226.08	76.02	18,515.30	66,597.89	64,810.58
RIGHT-OF-USE ASSETS												
Right-of-use (leasehold properties) (B)	2,064.16	473.98	-	-	2,538.14	519.73	550.42	-	-	1,070.15	1,467.99	1,544.43
OTHER INTANGIBLE ASSETS												
Marketing rights/ Trademarks	133.08	2.50	-	-	135.58	74.83	15.70	-	-	90.53	45.05	58.25
Software	1,261.41	9.00	-	-	1,270.41	697.71	182.11	-	-	879.82	390.59	563.70
Total of Other intangible assets (C)	1,394.49	11.50	-	-	1,405.99	772.54	197.81	-	-	970.35	435.64	621.95
Total (A+B+C)	84,072.53	6,015.16	538.56	491.81	89,057.32	17,095.57	3,762.33	226.08	76.02	20,555.80	68,501.52	66,976.96
Capital work- in- progress											1,921.12	2,385.00

* Freehold land of ₹ 640.66 lakhs (Previous year - ₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

*** Building of ₹ 3,178.14 lakhs (Previous year - ₹ 3,178.14 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No Property, plant and equipment is pledged as security by the Company.

Notes to the standalone financial statements

for the year ended 31st March 2021

2 PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	Gross Carrying value			Depreciation / Amortisation		Net Carrying Value	
	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019	Deletions / Adjustments	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020
PROPERTY, PLANT AND EQUIPMENT							
Leasehold land	333.26	333.26	30.99	-	38.59	294.67	302.27
Leasehold improvements	383.95	383.95	106.46	-	182.52	201.43	277.49
Freehold land*	41,544.78	40,710.16	-	-	-	40,710.16	41,544.78
Buildings**	13,008.69	12,873.86	1,647.83	11.78	2,036.63	10,837.23	11,360.86
Plant and machinery	11,033.66	11,812.93	4,872.03	43.07	5,931.25	5,881.68	6,161.63
Laboratory testing machines	3,226.59	3,497.31	1,356.70	24.32	1,688.70	1,808.61	1,869.89
Electrical installations	1,213.09	1,260.55	635.93	3.41	752.00	508.55	577.16
Furniture, fixtures and fittings	2,355.60	2,461.96	1,096.06	-	1,295.72	1,166.24	1,259.54
Office equipments	2,414.19	2,653.75	1,507.19	6.84	1,901.08	752.67	907.00
Vehicles	452.82	585.30	255.05	35.37	281.92	303.38	197.77
R & D Assets							
Freehold land	449.09	449.09	-	-	-	449.09	449.09
Buildings	1,120.24	1,120.24	93.43	25.73	119.16	1,001.08	1,026.81
Equipments	2,356.79	2,523.52	1,173.44	36.24	1,376.59	1,146.93	1,183.35
Furniture and fixtures	258.18	281.26	172.57	0.74	237.73	43.53	85.61
Total of Property, plant and equipment (A)	80,150.93	80,947.14	12,947.68	161.77	15,841.89	65,105.25	67,203.25
RIGHT-OF-USE ASSETS							
Right-of-use (leasehold properties) (B)	-	1,730.90	-	481.14	481.14	1,249.76	-
OTHER INTANGIBLE ASSETS							
Marketing rights/ Trademarks	66.38	133.08	52.51	22.32	74.83	58.25	13.87
Software	1,150.78	1,261.41	520.82	176.89	697.71	563.70	629.96
Total of Other intangible assets (C)	1,217.16	1,394.49	573.33	199.21	772.54	621.95	643.83
Total (A+B+C)	81,368.09	84,072.53	13,521.01	161.77	17,095.57	66,976.96	67,847.08
Capital work- in- progress						2,385.00	1,238.14

* Freehold land of ₹ 640.66 lakhs (Previous year - ₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 lakhs (Previous year - ₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Company.

Notes to the standalone financial statements

for the year ended 31st March 2021

3 INVESTMENTS

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
UNQUOTED		
Investments stated at cost		
Investments in fully paid-up equity instruments in subsidiaries		
374,085 (Previous year - 374,085) Equity shares of FDC International, UK of GBP 0.01 each (₹ 75.24)	0.00	0.00
500 (Previous year - 500) Equity shares of FDC Inc., of USD 100 each	22.00	22.00
302,250 (Previous year - 159,250) Equity shares of Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., of ZAR 1 each	17.51	11.30
Less: Provision for impairment in the value of investments	(17.51)	(11.30)
(A)	22.00	22.00
Investments measured at amortised cost		
Investment in government securities (Refer note below)		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of ₹ 2,000	0.02	0.02
(B)	0.09	0.09
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
1,000 (Previous year -1,000) Equity shares of The Saraswat Co-Op. Bank Ltd of ₹ 10 each	0.10	0.10
5,000 (Previous year-5,000) Equity shares of The North Kanara G.S.B Co-Op Bank Ltd. of ₹ 10 each	0.50	0.50
100 (Previous year-100) Equity shares of Roha industries Association Sahakari Grahak Bhandar Ltd. of ₹ 25 each	0.03	0.03
(C)	0.63	0.63
Investments mandatorily measured at fair value through profit or loss		
Investments in units of mutual funds	3,985.18	6,921.38
Investments in fully paid up non convertible debentures	2,013.20	403.40
(D)	5,998.38	7,324.78
Sub Total (E) = (A+B+C+D)	6,021.10	7,347.50
QUOTED		
Investments measured at amortised cost		
Investments in fully paid up bonds	19,976.37	10,333.33
Less: Provision for impairment in the value of investments	(1,500.00)	(1,500.00)
(F)	18,476.37	8,833.33

Notes to the standalone financial statements

for the year ended 31st March 2021

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
84,375 (Previous year - 84,375) Equity shares of Motherson Sumi Systems Ltd of ₹ 1 each	170.05	51.51
6,000 (Previous year - 6,000) Equity shares of Sun Pharmaceutical Industries Ltd ₹ 1 each	35.86	21.13
23,250 (Previous year - Nil) Equity shares of HDFC Bank Ltd ₹ 1 each	347.25	-
13,070 (Previous year - Nil) Equity shares of Housing Development Finance Corporation Ltd ₹ 2 each	326.61	-
65,300 (Previous year - Nil) Equity shares of ICICI Bank Ltd ₹ 2 each	379.56	-
210,400 (Previous year - Nil) Equity units of Mindspace business Parks REIT	620.03	-
81,200 (Previous year - Nil) Equity units of Brookfield India Real estate trust	181.24	-
(G)	2,060.60	72.64
Sub Total (H) = (F+G)	20,536.97	8,905.97
Total = (E+H)	26,558.07	16,253.47
Aggregate book value of quoted investment	20,536.97	8,905.97
Aggregate market value of quoted investments	20,536.97	8,905.97
Aggregate value of unquoted investments	6,021.10	7,347.50
Aggregate amount of impairment in value of investments	1,517.51	1,511.30

Note: National Savings Certificates of the value of ₹ 0.04 lakhs (Previous year - ₹ 0.04 lakhs) and Government of India G.P. notes of the value of ₹ 0.02 lakhs (Previous year - ₹ 0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of ₹ 0.03 lakhs (Previous year - ₹ 0.03 lakhs) have been lodged with Sales Tax authorities.

List of significant investments in subsidiaries and joint venture

	% of equity interest	
	As at 31 st March 2021	As at 31 st March 2020
Name and Country of Incorporation		
a. Subsidiaries		
FDC International Ltd., UK	100%	100%
FDC Inc., USA	100%	100%
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., South Africa	93%	49%

4 LOANS*

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Loans to employees	31.25	17.99
Security deposits	626.59	594.72
	657.84	612.71

*There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

Notes to the standalone financial statements

for the year ended 31st March 2021

5 OTHER FINANCIAL ASSETS

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Margin money deposits	209.04	2.25
	209.04	2.25

6 INCOME TAX ASSETS (NET)

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Income tax paid [Net of provision - ₹ 28,084.64 lakhs (Previous year - ₹ 29,545.46 lakhs)]	2,403.12	1,582.93
	2,403.12	1,582.93

7 OTHER NON-CURRENT ASSETS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Capital advances	1,517.88	341.97
Prepaid expenses	86.91	73.20
	1,604.79	415.17

8 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Raw materials [Including stock in transit ₹ 261.71 lakhs (Previous year - ₹ 110.60 lakhs)]	6,258.23	8,133.92
Packing materials [Including stock in transit ₹ Nil (Previous year - ₹ 32.54 lakhs)]	1,514.73	1,810.91
Work-in-progress	2,428.11	1,652.44
Finished goods [Including stock in transit ₹ 560.87 lakhs (Previous year - ₹ 421.71 lakhs)]	8,126.33	7,778.76
Stock in trade	2,999.98	1,573.27
	21,327.38	20,949.30

During the year ended 31st March 2021, ₹ 1,001.93 lakhs (Previous year - ₹ 600.12 lakhs) was charged to the statement of profit and loss on account of damaged and slow moving inventories.

Notes to the standalone financial statements

for the year ended 31st March 2021

9 INVESTMENTS

₹ in lakhs

	Current	
	As at 31 st March 2021	As at 31 st March 2020
UNQUOTED		
Investments mandatorily measured at fair value through profit or loss		
Investments in mutual funds	50,991.38	50,224.12
Investments in fully paid up non-convertible debentures	1,492.68	-
	52,484.06	50,224.12
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	52,484.06	50,224.12
Aggregate amount of impairment in value of investments	-	-

10 TRADE RECEIVABLES

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good	10,780.38	12,419.46
Credit impaired	171.90	111.86
(A)	10,952.28	12,531.32
Less : Allowance for credit loss	(B) 171.90	111.86
(A-B)	10,780.38	12,419.46

Movement in expected credit loss allowance

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Balance at the beginning of the year	111.86	122.41
Less: Amount collected and hence reversal of provision	0.08	15.98
Add: Provision made during the year	60.12	5.43
Balance at the end of the year	171.90	111.86

Note: There are no trade or other receivables which are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 46

Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11 CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Cash on hand	7.29	11.85
Balances with banks:		
In current accounts	2,564.43	2,562.63
In deposit accounts (with original maturity of 3 months or less)	-	77.42
	2,571.72	2,651.90

Notes to the standalone financial statements

for the year ended 31st March 2021

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Margin money deposits*	33.04	28.57
In unpaid dividend account	81.71	215.41
	114.75	243.98

*Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.

13 LOANS

₹ in lakhs

	Current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Loans/ advances to employees	32.39	23.86
Security deposits	108.57	93.04
Credit impaired		
Loans to related parties (Refer note 46)	1,057.25	365.32
(A)	1,198.21	482.22
Less: Impairment of loan to related parties (B)	1,057.25	365.32
(A-B)	140.96	116.90

Note: There are no trade or other receivables which are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

14 OTHER FINANCIAL ASSETS

₹ in lakhs

	Current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Receivable towards mutual funds units redemptions	-	1,545.77
Export benefit receivable	546.08	357.71
Interest accrued on investments and others	79.14	21.46
Net defined Gratuity benefits plan assets	164.18	-
Credit impaired		
Interest accrued on loan to related parties (Refer note 46)	132.89	73.33
(A)	922.29	1,998.27
Less: Impairment of interest accrued on loan to related parties (B)	132.89	73.33
(A-B)	789.40	1,924.94

Note: There are no trade or other receivables which are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to the standalone financial statements

for the year ended 31st March 2021

15 OTHER CURRENT ASSETS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Advances to suppliers	1,134.23	963.13
Prepaid expenses	748.79	711.03
Balances with statutory/government authorities	1,934.16	2,125.69
Credit impaired		
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 46)	18.42	18.42
Balances with statutory/government authorities	25.69	25.69
	3,861.29	3,843.96
Less: Impairment of expenses receivable from FDC SA(Pty) Ltd.	18.42	18.42
Less: Allowance for doubtful advances	25.69	25.69
	3,817.18	3,799.85

16 ASSETS HELD FOR SALE

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Freehold land	88.45	-
Building	327.34	-
	415.79	-

Note:- During the year, the Company has identified freehold land cost value of ₹ 88.45 lakhs (NBV- ₹ 88.45 lakhs) and Building of ₹ 403.36 lakhs (NBV- ₹ 327.34 Lakhs) of Bhiwandi depot which has been moved from Property, Plant and Equipments to Assets held for sale. The Company expects to dispose of these assets over the course of next 12 months.

Break up of financial assets carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Investments (Refer note 3)	18,476.46	8,833.42	-	-
(Excluding investments in subsidiaries and joint venture)				
Loans (Refer note 4 and note 13)	657.84	612.71	140.96	116.90
Trade receivable (Refer note 10)	-	-	10,780.38	12,419.46
Cash and cash equivalent (Refer Note 11)	-	-	2,571.72	2,651.90
Bank balance other than cash and cash equivalents (Refer Note 12)	-	-	114.75	243.98
Other financial assets (Refer note 5 and 14)	209.04	2.25	789.40	1,924.94
Total financial assets carried at amortised cost	19,343.34	9,448.38	14,397.21	17,357.18

Notes to the standalone financial statements

for the year ended 31st March 2021

17 SHARE CAPITAL

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Authorised share capital :		
294,200,000 (Previous year - 294,200,000) Equity shares of ₹ 1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of ₹ 100 each	3.00	3.00
	2,945.00	2,945.00
Issued share capital :		
168,810,084 (Previous year - 170,973,084) Equity shares of ₹ 1 each, fully paid-up	1,688.10	1,709.73
	1,688.10	1,709.73
Subscribed and Paid-up share capital :		
168,810,084 (Previous year - 170,973,084) Equity shares of ₹ 1 each, fully paid-up	1,688.10	1,709.73
Add: Nil (Previous year - 3,145,000) Equity shares forfeited	-	7.86
Less: Nil (Previous year - 3,145,000) Equity shares forfeited Cancelled	-	(7.86)
Total	1,688.10	1,709.73

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31 st March 2021		As at 31 st March 2020	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
At the beginning of the period	1,709.73	1,709.73	1,744.03	1,744.03
Less: Share capital bought back	21.63	21.63	34.30	34.30
Outstanding at the end of the period	1,688.10	1,688.10	1,709.73	1,709.73

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2021, the amount of per share interim dividend paid as distribution to equity shareholders is ₹ Nil (Previous year - ₹ 0.80 per share).

The Company had cancelled 31,45,000 forfeited equity shares of ₹0.25/- each containing total amount of ₹ 7.86 lakhs of forfeited equity shares and the same was by approved by shareholders in the annual general meeting held on September 27, 2019 by way of ordinary resolution. The forfeited capital amount has been transferred to Capital reserve as per the applicable provisions of Companies Act, 2013.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31 st March 2021	As at 31 st March 2020
	No. in lakhs	No. in lakhs
Equity shares bought back by the Company	90.23	68.60

Notes to the standalone financial statements

for the year ended 31st March 2021

The Board of Directors, at its meeting held on August 07, 2020 had approved a proposal of the Company to buy-back its 21,63,000 fully paid-up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on September 16, 2020 and was completed on September 29, 2020 and the Company bought back and extinguished a total of 21,63,000 equity shares at a price of ₹ 450 per equity share, comprising of 1.27% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 9,733.50 lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve. In accordance with Section 69 of the Companies Act, 2013, as at results approved for the period ended December 31, 2020, the Company has credited 'Capital Redemption Reserve' with an amount of ₹ 21.63 lakhs, being amount equivalent to the nominal value of the Equity Shares bought back as an appropriation from General Reserve.

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

	As at 31 st March 2021		As at 31 st March 2020	
	No.of Shares	%	No.of Shares	%
Equity shares of ₹ 1 each fully paid				
Meera Ramdas Chandavarkar	32,680,175	19.36	33,043,676	19.33
Sandhya Mohan Chandavarkar Trust	18,497,057	10.96	18,702,799	10.94
Mohan Anand Chandavarkar Trust	18,176,466	10.77	18,378,643	10.75
Leo Advisors Private Limited	15,418,266	9.13	15,589,673	9.12
Virgo Advisors Private Limited	10,278,940	6.09	10,393,272	6.08
Ameya Ashok Chandavarkar	10,244,985	6.07	10,358,940	6.06

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

18 OTHER EQUITY

₹ in lakhs

		As at 31 st March 2021	As at 31 st March 2020
Capital redemption reserve			
Opening balance		68.60	34.30
Add: Transfer from General Reserve on buyback of Equity Shares		21.63	34.30
Closing balance	(A)	90.23	68.60
Capital reserve			
Opening balance		7.86	-
Add: Cancellation of forfeited Equity Shares		-	7.86
Closing balance	(B)	7.86	7.86
General reserve			
Opening balance		19,950.84	31,955.84
Less: Premium paid on buyback of Equity Shares		(9,711.87)	(11,970.70)
Less: Transfer to Capital Redemption Reserve on buyback of Equity Shares		(21.63)	(34.30)
Closing balance	(C)	10,217.34	19,950.84

Notes to the standalone financial statements

for the year ended 31st March 2021

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Retained earnings		
Opening balance	132,522.04	109,557.38
Add: Profit for the year	29,448.96	24,677.86
Less: Remeasurement losses of defined benefit plans	87.62	(273.59)
Less: Expenses relating to buyback of Equity shares	(69.64)	(107.31)
Less: Tax on buyback paid	(2,217.13)	-
Less: Dividend on Equity Shares (including Dividend distribution tax)	-	(1,370.45)
Add: Excess DDT paid adjusted against outstanding demand	-	38.15
Closing balance (D)	159,771.85	132,522.04
Other comprehensive income		
Opening balance	(77.22)	4.82
Less: Net profit/ (loss) on Equity Shares carried at fair value through OCI	518.37	(82.04)
Closing balance (E)	441.15	(77.22)
Total (A+B+C+D+E)	170,528.43	152,472.12

Nature and purpose of Reserves

(a) Capital redemption reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(b) Capital reserve

As per Companies Act, 2013, Capital reserve is created when Company cancelled its own shares.

(c) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by the transfer from one component of equity to another and is not item of other comprehensive income.

(d) Retained earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders.

(e) Other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in other comprehensive income is transferred to retained earnings on disposal of the investment.

19 BORROWINGS

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Deferred sales tax loans (unsecured) (Refer note below)	34.37	49.01
Less: Amount disclosed under "other financial liabilities" (Refer note 24)	13.57	14.65
	20.80	34.36

Note: Under various schemes of Government of Maharashtra, the Company was entitled to interest free Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-13 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

Notes to the standalone financial statements

for the year ended 31st March 2021

20 LEASE LIABILITIES

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Lease liabilities	1,369.63	1,458.66
Less: Current maturities of finance lease obligation (Refer note 23)	690.07	529.97
	679.56	928.69

21 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Deferred tax liability		
Depreciation	1,450.86	1,601.92
Unrealised gain on investments	785.01	-
(A)	2,235.87	1,601.92
Less: Deferred tax asset		
Provision for doubtful debts/advances	49.73	34.62
Impairment provision	308.57	117.88
Liabilities disallowed under section 43B of IT Act, 1961	698.00	528.79
Difference in Right-of-use assets and Lease liabilities	47.49	-
(B)	1,103.79	681.29
Net deferred tax liability (A-B)	1,132.08	920.63

22 TRADE PAYABLES

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Total outstanding dues of micro and small enterprises	1,332.78	1,810.68
Total outstanding dues of creditors other than micro and small enterprises	6,332.72	9,943.72
	7,665.50	11,754.40

Notes to the standalone financial statements

for the year ended 31st March 2021

Note:

(A) Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 is provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act :

Particulars	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
(a) The principal amount remaining unpaid to any supplier due at end of each accounting year	24.37	111.04
(b) The interest due on the amount remaining unpaid to any supplier at end of each accounting year	5.07	4.74
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	5.07	4.74
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of its suppliers.

(B) Terms and conditions of the creditors other than Micro and small enterprises:

Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

23 LEASE LIABILITIES

	₹ in lakhs	
	Current	
	As at 31 st March 2021	As at 31 st March 2020
Finance lease obligation (Refer note 20)	690.07	529.97
	690.07	529.97

24 OTHER FINANCIAL LIABILITIES

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Other financial liabilities carried at amortised cost		
Current maturities of long-term borrowings (Refer note 19)	13.57	14.65
Unpaid dividend (Refer note below)	81.71	215.41
Sundry deposits	1,326.46	1,238.42
Employee benefits payable	3,530.24	3,962.51
Due to directors	645.08	716.41
Others payables (includes disputed liabilities, trade advances, etc.)	548.20	657.98
	6,145.26	6,805.38

Note:- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection fund.

Notes to the standalone financial statements

for the year ended 31st March 2021

25 OTHER CURRENT LIABILITIES

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Advance from customers	394.14	269.79
Statutory dues payable*	453.18	348.15
	847.32	617.94

*Include Goods and Service Tax, Provident fund, Employees' State Insurance, Labour Welfare fund, Profession tax, Tax deducted at source and Tax collected at source.

26 PROVISIONS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
For employee benefits (Refer note 44)	1,907.78	1,713.27
For others	1,710.58	1,710.58
	3,618.36	3,423.85

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total Excluding Gratuity benefits
Balance as on 01st April 2020	472.66	1,240.61	1,710.58	2,951.19
Provision made during the year	316.65	821.28	2,167.20	2,988.48
Remeasurement gain on defined benefit plans	(117.09)	-	-	-
Provision utilised during the year	(836.40)	(154.11)	(2,167.20)	(2,321.31)
Balance as on 31st March 2021	(164.18)	1,907.78	1,710.58	3,618.36
Current	-	1,907.78	1,671.36	3,579.14
Non-current	-	-	39.22	39.22
Net defined Gratuity benefits plan assets- show under - Other financial assets (Refer note no 14)	164.18			

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 01st April 2019	(91.27)	1,101.28	1,504.25	2,514.26
Provision made during the year	202.01	370.01	2,266.38	2,838.40
Remeasurement losses of defined benefit plans	365.60	-	-	365.60
Provision utilised during the year	(3.68)	(230.68)	(2,060.05)	(2,294.41)
Balance as on 31st March 2020	472.66	1,240.61	1,710.58	3,423.85
Current	472.66	1,240.61	1,678.18	3,391.45
Non-current	-	-	32.40	32.40

27 CURRENT TAX LIABILITIES (NET)

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Tax payable [Net of Income tax paid - ₹ 41,797.81 lakhs and (Previous year ₹ 31,775.70 lakhs)]	1,281.64	1,361.87
	1,281.64	1,361.87

Notes to the standalone financial statements

for the year ended 31st March 2021

Income/ (loss) tax expense recognised in Statement of Profit and Loss

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Current tax		
Current tax on profits for the year	8,450.00	8,280.00
Current tax on adjustments for earlier years	1.58	-
Deferred tax	144.49	(411.87)
	8,596.07	7,868.13

Income tax expense recognised in other comprehensive income

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Tax on remeasurement gain/ losses of defined benefit plans	29.47	92.01
Tax on gain on FVTOCI financial assets (net)	66.96	-
	96.43	92.01

Income tax expense reconciliation

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Profit before tax	38,045.03	32,545.99
Applicable tax rate	25.168%	25.168%
Tax as per applicable tax rate	9,575.17	8,191.17
Current tax on adjustments for earlier years	1.58	-
Tax on (income)/ expense not considered for tax purpose	(451.14)	708.72
Tax effect on exempt income	(32.89)	(850.94)
Tax incentives	(37.44)	(108.49)
Tax on additional allowances for capital loss/ (gain)	(452.44)	296.49
Tax impact of change in rates on opening deferred tax liabilities	-	(372.78)
Others (net)	(6.77)	3.96
Income tax expense charged to the Statement of Profit and Loss	8,596.07	7,868.13

Notes to the standalone financial statements

for the year ended 31st March 2021

Deferred tax expenses/ (income) recognised in Statement of Profit and Loss and Other Comprehensive income

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Increase/ (decrease) in Deferred tax liability		
Depreciation	(151.06)	(730.68)
Unrealised gain on investments	785.01	-
	633.95	(730.68)
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	15.11	(17.13)
Impairment provision	190.69	(20.88)
Liabilities disallowed under Section 43B of the IT Act, 1961	169.21	(251.81)
Difference in Right-of-use assets and Lease liabilities	47.49	-
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	-	(28.99)
	422.50	(318.81)
Net deferred tax expenses/ (income) recognised during the year	211.45	(411.87)
Net deferred tax expense/ (income) recognised in Statement of Profit and Loss	144.49	(411.87)
Net deferred tax expense/ (income) recognised in Other Comprehensive income	66.96	-

Break up of financial liabilities carried at amortised cost

₹ in lakhs

	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Borrowings (Refer note 19 and note 24)	20.80	34.36	13.57	14.65
Lease liabilities (Refer note 20 and note 23)	679.56	928.69	690.07	529.97
Trade payables (Refer note 22)	-	-	7,665.50	11,754.40
Other financial liabilities (Refer note 24)	-	-	6,131.69	6,790.73
Total financial liabilities carried at amortised cost	700.36	963.05	14,500.83	19,089.75

28 REVENUE FROM OPERATIONS

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Sale of products (Refer note 47)	131,558.31	132,264.48
Other operating revenue (Refer note 47)	986.60	844.82
	132,544.91	133,109.30
<u>Other operating revenue</u>		
Export incentive	637.58	677.20
Other miscellaneous receipts	349.02	167.62
	986.60	844.82

Notes to the standalone financial statements

for the year ended 31st March 2021

29 OTHER INCOME

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
(a) Interest income on financial asset carried at amortised cost		
Current investments	34.30	41.44
Non-current investments	1,106.03	632.36
Others (Refer note below)	107.02	93.91
(b) Dividend Income on		
Current investments	-	3,271.52
Non-current investments	13.61	1,356.55
(c) Others		
Net gain on sale of investments	2,435.83	-
Net gain on derecognition of financial assets	1.96	-
Fair value gain on financial instruments at fair value through profit or loss	5,216.80	-
Net exchange gain on foreign currency transactions	279.57	659.63
Net gain on disposal of property, plant and equipment	67.68	1,767.13
Other non operating income (Includes rental income, miscellaneous provisions written back)	451.79	443.21
	9,714.59	8,265.75

Note: Interest on others includes interest on margin money deposits, fixed deposits, Security deposits, interest on loans, interest on delayed payments from debtors etc.

30 COST OF MATERIALS CONSUMED

(Raw materials and Packing materials)

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Inventory at the beginning of the year	9,944.83	5,807.93
Add: Purchases	32,492.83	37,974.82
	42,437.66	43,782.75
Less: Inventory at the end of the year	7,772.96	9,944.83
	34,664.70	33,837.92

31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Inventory at the end of the year		
Finished goods	8,126.33	7,778.76
Stock in trade	2,999.98	1,573.27
Work-in-progress	2,428.11	1,652.44
	13,554.42	11,004.47
Inventory at the beginning of the year		
Finished goods	7,778.76	7,966.28
Stock in trade	1,573.27	1,329.89
Work-in-progress	1,652.44	2,169.30
	11,004.47	11,465.47
	(2,549.95)	461.00
Changes in Inventories		
Finished goods	(347.57)	187.52
Stock in trade	(1,426.71)	(243.38)
Work-in-progress	(775.67)	516.86
	(2,549.95)	461.00

Notes to the standalone financial statements

for the year ended 31st March 2021

32 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Salaries, wages and bonus (Refer note 43)	24,541.77	25,066.08
Contribution to provident and other funds (Refer note 43 and 44)	1,861.76	1,723.77
Staff welfare expenses	3,027.76	828.51
	29,431.29	27,618.36

33 FINANCE COSTS

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Interest on finance lease obligations (Refer Note 48)	148.54	173.99
Interest on others	125.59	127.71
Other borrowing costs	66.09	39.79
	340.22	341.49

34 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Depreciation on property, plant and equipment	3,014.10	3,055.98
Amortisation of right-of-use asset and other intangible assets	748.23	680.35
	3,762.33	3,736.33

35 OTHER EXPENSES

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Processing charges	1,387.34	1,378.75
Power, fuel and water charges	2,705.72	2,737.88
Repairs and maintenance		
Building	461.51	384.96
Plant and Machinery	693.74	688.38
Others	1,132.79	1,039.67
Labour contract expenses	1,502.93	1,512.57
Stores and spares	1,289.62	1,104.82
Pharma miscellaneous expenses	2,013.95	2,212.22
Research and Development expenses	1,325.78	766.76
Rent (including lease rent) (Refer note 48)	24.28	1.51
Rates and taxes	83.00	96.47
Insurance	285.88	252.23
Travelling and conveyance	3,388.37	4,158.25
Communication expenses	311.39	255.47
Carriage, freight and forwarding	3,003.73	2,740.66
Advertisement and sales promotion	1,216.20	1,535.24

Notes to the standalone financial statements

for the year ended 31st March 2021

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Publicity expenses	2,650.78	4,144.74
Sales tax/ Value added tax/ GST paid	235.79	275.18
Commission	692.18	774.48
Auditors' remuneration		
As audit fee	40.00	40.00
For other services*	2.50	9.17
Out of pocket expenses	1.63	4.31
Legal and Professional Charges	552.46	894.97
Directors sitting fees	4.60	5.20
Allowances for credit loss	60.12	5.43
Provision for financial instruments	-	1,500.00
Impairment provision of subsidiary (Refer note 46)	757.69	71.26
Donation	40.52	25.51
CSR expenditure (Refer note 49)	550.99	537.49
Loss on sale of investments (net)	-	1,178.04
Fair value loss on financial instruments	-	1,315.95
Miscellaneous expenses	3,060.10	3,032.02
	29,475.59	34,679.59

*Buy-back related certification expenses of ₹1.80 lakhs (Previous year- ₹1.83 lakhs) have been recognised in General reserve and not included as part of Other expenses.

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

During the year ended 31st March 2021

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Total
Remeasurement gain on defined benefit plans	117.09	-	117.09
Tax on remeasurement gain on defined benefit plans	(29.47)	-	(29.47)
Gain on FVTOCI financial assets (net)	-	585.33	585.33
Tax on gain on FVTOCI financial assets (net)	-	(66.96)	(66.96)
	87.62	518.37	605.99

During the year ended 31st March 2020

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Total
Remeasurement losses of defined benefit plans	(365.60)	-	(365.60)
Tax on remeasurement losses of defined benefit plans	92.01	-	92.01
Loss on FVTOCI financial assets (net)	-	(82.04)	(82.04)
	(273.59)	(82.04)	(355.63)

Notes to the standalone financial statements

for the year ended 31st March 2021

37 EARNING PER SHARE (EPS)

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Profit for the year (₹ in lakhs)	29,448.96	24,677.86
Weighted average number of shares	169,983,437	172,044,372
Nominal value per share (₹)	1.00	1.00
Earning per share - Basic (₹)	17.32	14.34
- Diluted (₹)	17.32	14.34

38 DIVIDEND DISTRIBUTION PAID

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
The following dividends on Equity shares were declared and paid by the Company during the year:		
Interim dividend for the year ended 31 st March 2021 - Nil per equity share (Previous year- ₹ 0.80 per equity share)	-	1,367.78
Tax on interim dividend	-	2.67
	-	1,370.45

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

Risk Management is an integral part of the Company's plans and operations. While the Company has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organized framework. The Company recognises risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

The Company, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and FVTPL investments.

The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the company's interest income. The Company does not have any exposure to floating rate financial instruments.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Foreign Currency Risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Notes to the standalone financial statements

for the year ended 31st March 2021

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax (₹ in lakhs)	Effect on Equity (₹ in lakhs)
31st March 2021	+1%	59.42	44.47
	-1%	(59.42)	(44.47)
31 st March 2020	+1%	57.78	43.24
	-1%	(57.78)	(43.24)

Credit Risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Company manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis. Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in equity instruments, money market liquid mutual funds, Bonds and Non-Convertible debentures with financial institutions. The Company has set counterparty limits based on multiple factors including financial position, credit rating, etc.

The Company has outstanding inter-corporate loans to its subsidiaries amounting to ₹ 1,057.25 lakhs as at 31st March, 2021 (Previous year : ₹ 365.32 lakhs).

The Company's maximum exposure to credit risk as at 31st March, 2021 and 31st March, 2020 is the carrying value of each class of financial asset.

Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

Financial assets :

Particulars	As at 31 st March 2021			As at 31 st March 2020		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Investments	52,484.06	26,558.07	79,042.13	50,224.12	16,253.47	66,477.59
Loans	140.96	657.84	798.80	116.90	612.71	729.61
Trade receivables	10,780.38	-	10,780.38	12,419.46	-	12,419.46
Cash and cash equivalents	2,571.72	-	2,571.72	2,651.90	-	2,651.90
Bank Balances other than above	114.75	-	114.75	243.98	-	243.98
Other Financial assets	789.40	209.04	998.44	1,924.94	2.25	1,927.19

₹ in lakhs

Notes to the standalone financial statements

for the year ended 31st March 2021

Financial liabilities :

₹ in lakhs

Particulars	As at 31 st March 2021			As at 31 st March 2020		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	7,665.50	-	7,665.50	11,754.40	-	11,754.40
Borrowings	13.57	20.80	34.37	14.65	34.36	49.01
Lease Liabilities	690.07	679.56	1,369.63	529.97	928.69	1,458.66
Other Financial Liabilities	6,131.69	-	6,131.69	6,790.73	-	6,790.73

40 FINANCIAL INSTRUMENTS

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

The carrying value and fair value of financial instruments by categories as at Balance sheet date were as follows:

₹ in lakhs

Particulars	Carrying Value		Fair Value	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Financial assets:				
FVTOCI financial investments	2,061.23	73.27	2,061.23	73.27
FVTPL financial investments	58,482.44	57,548.90	58,482.44	57,548.90
Total	60,543.67	57,622.17	60,543.67	57,622.17

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

₹ in lakhs

	Total
As at 01 st April 2019	4.82
Re-Measurement recognised in OCI	(82.04)
As at 31 st March 2020	(77.22)
Re-Measurement recognised in OCI	518.37
As at 31st March 2021	441.15

Fair Value hierarchy

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

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

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

Notes to the standalone financial statements

for the year ended 31st March 2021

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2021 :

₹ in lakhs

Financial assets	As at 31 st March 2021	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	54,976.56	54,976.56	-	-
Non-Convertible debentures	3,505.88	-	3,505.88	-
Quoted equity Instruments	2,060.60	2,060.60	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	60,543.67	57,037.16	3,505.88	0.63

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2020 :

₹ in lakhs

Financial assets	As at 31 st March 2020	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	57,145.50	57,145.50	-	-
Non-Convertible debentures	403.40	-	403.40	-
Quoted equity Instruments	72.64	72.64	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	57,622.17	57,218.14	403.40	0.63

There have been no transfers between Level 1 and Level 2 during the period.

41 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2021 and 31st March 2020.

The Company maintains a strong capital base and the primary objective of Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, Company is a debt free Company and would like to remain debt free.

The Company does not have any interest bearing loans and borrowings in the current year as well as previous year.

Notes to the standalone financial statements

for the year ended 31st March 2021

42 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

	₹ in lakhs	
	As at 31 st March 2021	As at 31 st March 2020
Contingent Liabilities		
a. Disputed tax matters		
Income tax (Appealed by the Company)	2,074.57	1,573.19
GST (Appealed by the Company)	1.90	4.49
Sales tax (Appealed by the Company)	117.90	117.90
b. In respect of guarantees given by banks	726.85	534.93
c. Letter of credit issued by bankers	-	254.02
d. Estimated amount of duty payable on export obligation against outstanding advance licences	237.46	62.26
e. During the year 2013-14, the Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India, on account of alleged overcharging in respect of certain formulations under the Drugs (Prices Control) Order, 1995. The Company had filed writ petition before the Hon'ble Supreme Court of India for stay of demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Company. The said Writ petition was disposed of in July 2016, with a liberty to the Writ Petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA. The Company has also simultaneously filed a revision petition with NPPA, hence no provision is considered necessary in respect of the amount majorly being the interest component.	636.52	575.02
Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	5,451.37	1,156.36

Note:

The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities, GST authorities and National Pharmaceutical Pricing Authority of India. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statement. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of ₹ 2,250.00 lakhs as at 31st March 2021 (Previous year - ₹ 2,250.00 lakhs).

43 THE CODE ON SOCIAL SECURITY, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company is in the process of carrying out the evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

44 DISCLOSURE OF EMPLOYEE BENEFITS:

As per Ind AS 19 - "Employee Benefits", the disclosures as required by the Accounting Standard are given below :

Defined Contribution Plan

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note 32) as under:-

	₹ in lakhs	
	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Employer's Contribution to Provident Fund	542.11	531.91
Employer's Contribution to Pension Scheme	665.92	620.03
Employer's Contribution to Superannuation Fund	72.21	74.03

Notes to the standalone financial statements

for the year ended 31st March 2021

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

₹ in lakhs

	Gratuity Funded Plan	
	As at 31 st March 2021	As at 31 st March 2020
I. Change in Benefit Obligation		
Liability at the beginning of the year	2,676.27	2,173.29
Interest Cost	154.15	151.26
Current Service Cost	289.43	208.36
Benefit Paid	(127.23)	(238.09)
Actuarial (gain)/ loss arising from changes in financial assumptions	28.33	155.87
Actuarial (gain)/ loss arising from changes in experience adjustments	78.34	225.58
Liability at the end of the year	3,099.29	2,676.27
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2,203.61	2,264.56
Interest income	126.93	157.61
Contributions	836.40	3.68
Benefit Paid	(127.23)	(238.09)
Return on plan assets, Excluding interest income	223.76	15.85
Fair Value of Plan Assets at the end of the year	3,263.47	2,203.61
III. Amount recognised in the Balance Sheet		
Liability at the end of the year	(3,099.29)	(2,676.27)
Fair Value of Plan Assets at the end of the year	3,263.47	2,203.61
Amount recognised in the Balance Sheet	164.18	(472.66)
IV. Net Interest Cost for Current Period		
Interest Cost	154.15	151.26
Interest Income	(126.93)	(157.61)
Net Interest Cost for Current Period	27.22	(6.35)
V. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	289.43	208.36
Net Interest Cost for Current Period	27.22	(6.35)
Expense recognised in the Statement of Profit and Loss	316.65	202.01
VI. Expenses recognised in the Other Comprehensive Income (OCI)		
Actuarial (gain)/ loss on Obligation for the period	106.67	381.45
Return on Plan Assets, Excluding Interest Income	(223.76)	(15.85)
Net (Income)/ Expense recognised in the OCI	(117.09)	365.60
VII. Investment Details		
Government of India Assets	102.27	112.27
Corporate Bonds	-	-
Debt Instruments	1,104.36	579.74
State Government	1,791.34	1,257.22
Equity	191.87	166.87
Others	73.63	87.51
Total	3,263.47	2,203.61

Notes to the standalone financial statements

for the year ended 31st March 2021

₹ in lakhs

	Gratuity	
	Funded Plan	
	As at 31 st March 2021	As at 31 st March 2020
VIII. Actuarial Assumptions		
Discount Rate Current	5.58%	5.76%
Rate of Return on Plan Assets Current	5.58%	5.76%
Employee Attrition rate-Field	20 to 40%	20 to 40%
Employee Attrition rate-others	10 to 30%	10 to 30%
Salary Escalation Current	8.00%	8.00%
IX. Maturity Analysis of Projected Benefit Obligation from the Fund		
Projected Benefits payable in future years from the date of reporting		
Within the next 12 months	423.86	379.05
Between 2 and 5 years	1,464.23	1,229.86
Sum of Years 6 To 10 years	1,215.48	1099.37
Sum of Years 11 and above	1,266.57	1122.72
X. Sensitivity Analysis for significant assumptions		
Benefit obligation as at the end of the year	3,099.29	2,676.27
Increase/(decrease) in Present Value of Benefit Obligations as at the end of the year :		
Effect of +1% change in Rate of Discounting	(150.59)	(131.25)
Effect of -1% change in Rate of Discounting	168.28	146.55
Effect of +1% change in Rate of Salary Increase	153.98	134.42
Effect of -1% change in Rate of Salary Increase	(141.23)	(123.68)
Effect of +1% change in Rate of Employee Turnover	(27.00)	(22.36)
Effect of -1% change in Rate of Employee Turnover	29.35	24.26

XI. Salary Escalation Rate

The estimates of future supply increase considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

XII. Basis used to determine Rate of Return on Plan Assets

The rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

XIII. The Company expects to contribute ₹ 168.21 lakhs to gratuity in next year (Previous year - ₹ 762.08 lakhs).

The liability for Leave Encashment as at the year end is ₹ 1,782.03 lakhs (Previous year - ₹ 1,109.41 lakhs) and provision for sick leave as at the year end is ₹ 125.75 lakhs (Previous year – ₹131.20 lakhs).

45 SEGMENT INFORMATION:

Primary segment information

The Company is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only business segment.

Secondary segment information

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are India and others. Based on the country-wise segmentation, the exports to USA country is more than 10% of enterprise revenue.

Notes to the standalone financial statements

for the year ended 31st March 2021

The information related to secondary segment is as under:

Particulars	₹ in lakhs			
		India	USA	Others
Segment Revenue	2020-2021	100,065.08	17,694.70	14,785.13
	2019-2020	107,185.60	14,061.40	11,862.30
Carrying amount of Non-Current Assets by location of assets	31 st March 2021	72,027.43	-	-
	31 st March 2020	69,777.13	-	-

Non-current assets for this purpose consists of Property, plant and equipment, Right -of -use assets, Capital work-in-progress, Intangible assets and Other non-current assets.

The Company does not have any customer with whom revenue from transactions is more than 10% of Company's total revenue.

46 RELATED PARTY DISCLOSURES, AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

Names of Related parties where control exists irrespective of whether transactions have occurred or not :

Subsidiary Companies

- FDC International Limited
- FDC Inc.
- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. (w.e.f 27th July, 2020)

Joint venture

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. (until 26th July, 2020)

Names of other related parties with whom transactions have taken place during the year :

Managerial Personnel

- | | |
|------------------------------|--------------------------------------------------|
| - Mr. Mohan A. Chandavarkar | Managing Director |
| - Mr. Ashok A. Chandavarkar | Executive Director |
| - Mr. Nandan M. Chandavarkar | Joint Managing Director |
| - Mr. Ameya A. Chandavarkar | Executive Director & CEO- International Business |
| - Ms. Nomita R. Chandavarkar | Executive Director |
| - Ms. Swati S. Mayekar | Independent Director |
| - Mr. Uday K. Gurkar | Chairman and Independent Director |
| - Mr. Mahesh Bijlani | Independent Director |
| - Mr. M G Parmeswaran | Independent Director |
| - Ms. Usha A. Chandrashekhar | Independent Director |
| - Mr. Sanjay Jain | Chief Financial Officer |
| - Ms. Varsharani Katre | Company Secretary |

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- Shree Trust
- Sandhya Mohan Chandavarkar Trust
- Mohan Anand Chandavarkar Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Notes to the standalone financial statements

for the year ended 31st March 2021

Nature of transactions:

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
1 Sale of goods		
FDC International Limited	1,281.15	655.97
2 Interest Income		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	59.56	22.94
3 Dividend Income		
FDC International Ltd., UK	-	1,354.80
4 Donation Paid		
Anand Chandavarkar Foundation	20.00	25.00
5 Corporate Social Responsibility		
Shree Trust	-	425.00
6 Managerial Remuneration*		
Mr. Mohan A. Chandavarkar	340.98	355.86
Mr. Ashok A. Chandavarkar	186.65	196.75
Mr. Nandan M. Chandavarkar	263.96	272.34
Mr. Ameya A. Chandavarkar	176.43	179.91
Ms. Nomita R. Chandavarkar	74.69	78.61
Ms. Swati S. Mayekar	3.40	3.55
CA. Uday Kumar Gurkar	3.40	3.55
Mr. Mahesh Bijlani	2.60	2.60
Mr. M G Parmeswaran	2.60	2.75
Ms. Usha Athreya Chandrasekhar	2.60	2.75
Mr. Sanjay Jain	93.00	84.53
Ms. Varsharani Katre	27.62	25.90
	1,177.92	1,209.10
7 Loan granted		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	691.93	48.32
8 Dividend on Equity shares paid		
Mr. Nandan M. Chandavarkar	-	42.10
Mr. Ameya A. Chandavarkar	-	82.87
Ms. Nomita R. Chandavarkar	-	43.93
Ms. Meera R. Chandavarkar	-	264.35
Ms. Aditi C. Bhanot	-	9.28
Sandhya Mohan Chandavarkar Trust	-	149.62
Mohan Anand Chandavarkar Trust	-	147.03
Leo Advisors Pvt Ltd	-	124.72
Virgo Advisors Pvt Ltd	-	83.15
Mr. Sanjay Jain	-	0.01
	-	947.06

Notes to the standalone financial statements

for the year ended 31st March 2021

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
9 Buyback of Shares		
Mr. Nandan M. Chandavarkar	260.49	323.66
Mr. Ameya A. Chandavarkar	512.80	637.15
Ms. Nomita R. Chandavarkar	271.83	337.75
Ms. Meera R. Chandavarkar	1,635.75	2032.43
Ms. Aditi C. Bhanot	57.40	71.32
Sandhya Mohan Chandavarkar Trust	925.84	1,150.46
Mohan Anand Chandavarkar Trust	909.80	1,130.42
Leo Advisors Pvt Ltd	771.74	958.88
Virgo Advisors Pvt Ltd	514.49	639.26
Mr. Sanjay Jain	0.17	-
	5,860.30	7,281.33
10 Investment in shares		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	6.21	-

Note:

*Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

Outstanding Amount of related parties

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
1 Outstanding balances receivable against sales included in Trade Receivables		
FDC International Limited	121.32	286.15
2 Outstanding balances against loans granted included in Current portion of Financial Assets -Loans		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	1,057.25	365.62
3 Outstanding balances against interest on loans granted included in Current portion of Other Financial assets		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	132.89	73.33
4 Outstanding Reimbursement of expense receivable included in Other Current Assets		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	18.42	18.42
5 Outstanding balances payable included in Other Financial Liabilities		
Mr. Mohan A. Chandavarkar	195.40	217.29
Mr. Ashok A. Chandavarkar	130.70	144.34
Mr. Nandan M. Chandavarkar	146.09	163.34
Mr. Ameya A. Chandavarkar	113.63	126.82
Ms. Nomita R. Chandavarkar	49.25	54.62
Ms. Swati S. Mayekar	2.00	2.00
CA. Uday Kumar Gurkar	2.00	2.00
Mr. Mahesh Bijlani	2.00	2.00
Mr. M G Parmeswaran	2.00	2.00
Ms. Usha Athreya Chandrasekhar	2.00	2.00
Mr. Sanjay Jain	4.66	3.67
Ms. Varsharani katre	1.65	1.53
	651.39	721.61

Notes to the standalone financial statements

for the year ended 31st March 2021

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

*For the year ended 31st March 2021, the Company has recorded for impairment of ₹ 757.69 lakhs receivables from Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. relating to amounts owed by related parties (Previous year - ₹ 71.26 lakhs).

47 DISCLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is engaged into manufacturing of Pharmaceutical products. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
₹ in lakhs		
A) Disaggregation of revenue from contracts with customers		
1) Revenue from contracts with customers		
<u>Sale of products (transferred at point in time)</u>		
Domestic sales		
Formulation	98,722.31	106,088.69
Bulk Drugs	536.67	283.22
Sub total (a)	99,258.98	106,371.91
Export Sales		
Formulation	13,807.29	13,377.09
Bulk Drugs	6,074.69	4,856.43
	19,881.98	18,233.52
Profit share - Formulation	12,417.35	7,659.05
Sub total (b)	32,299.33	25,892.57
Total (a+b)	131,558.31	132,264.48
2) Other operating revenue		
Export incentive	637.58	677.20
Other miscellaneous receipts	349.02	167.62
	986.60	844.82
Total Revenue	132,544.91	133,109.30
B) Sales by performance obligations		
Upon shipment	9,018.20	7,808.31
Upon delivery	110,122.76	116,797.12
Profit share - Formulation	12,417.35	7,659.05
	131,558.31	132,264.48
C) Reconciliation of revenue from contract with customer		
Revenue from contract with customer as per the contract price	134,785.18	135,720.77
Adjustments made to contract price on account of :		
a) Discounts/Rebates/ Incentives/ late delivery charges	730.77	920.80
b) Sales Returns /Credits /Reversals	2,496.10	2,535.49
Revenue from contract with customer	131,558.31	132,264.48
Other operating revenue	986.60	844.82
Revenue from operations	132,544.91	133,109.30

Notes to the standalone financial statements

for the year ended 31st March 2021

48 DISCLOSURE UNDER IND AS 116 - LEASES

The Company's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases. There are no contingent rents.

A) Movement in the lease liabilities

	As at 31 st March 2021	As at 31 st March 2020
Opening Balance	1,458.66	-
Additions	473.98	1,883.00
Interest expenses on lease liabilities (Refer note 33)	148.54	173.99
Payment of lease liabilities	(681.72)	(598.33)
Lease rent waiver	(29.83)	-
Closing Balance	1,369.63	1,458.66

₹ in lakhs

B) Maturity analysis of lease liabilities

	As at 31 st March 2021	As at 31 st March 2020
Maturity analysis- Contractual undiscounted cash flows		
Within one year	795.05	661.92
After one year but not for more than five years	762.09	1,020.12
More than five year	-	-
Total undiscounted lease liabilities	1,557.14	1,682.04
Lease liabilities included in the statement of financial position		
Non- Current	679.56	928.69
Current	690.07	529.97
Total	1,369.63	1,458.66

₹ in lakhs

C) Amount recognised in the statement of profit and loss

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Interest on Lease liabilities (Refer note 33)	148.54	173.99
Depreciation on Right-of-use assets	550.42	481.14

₹ in lakhs

49 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ARE AS UNDER :

- A. Gross amount required to be spent by the company during the year is ₹ 548.78 lakhs (Previous year - ₹455.79 lakhs).
- B. Amount spent during the year is given hereunder:

Sr. No.	Particulars of Activity	For the year ended 31 st March 2021	For the year ended 31 st March 2020
(i)	Construction/acquisition of any asset	-	-
(ii)	On purpose other than (i) above	550.99	537.49
	Total	550.99	537.49

₹ in lakhs

Notes to the standalone financial statements

for the year ended 31st March 2021

- C. Related party transactions in relation to Corporate Social Responsibility during this year is Nil (Previous year - ₹ 425.00 lakhs)
- D. Details of ongoing projects for CSR under section 135(6) of the Act :

₹ in lakhs

Opening balance as at 01 st April 2020		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 st March 2021	
With company	In separate CSR unspent A/c		From company's bank a/c	From separate CSR unspent A/c	With company	In separate CSR unspent A/c
-	-	548.78	550.99	-	-	-

50 DETAILS OF LOANS, INTER CORPORATE DEPOSIT AND INVESTMENTS AS REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT 2013

₹ in lakhs

	31 st March 2021		31 st March 2020	
	Loan given	Outstanding	Loan given	Outstanding
Loan given to Subsidiary/ joint venture for working capital/ business operations				
- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd* (repayable on demand) (Refer note 1 below)	691.93	1,057.25	48.32	365.32

Investments

Details required under section 186(4) have been disclosed in note 3 and 9 of financial statements.

Note 1 :

Purpose of utilization of loan given to entities	Working Capital
Loan repayment terms	Repayable on demand
Rate of interest	5% - 10.50%

* For the year ended 31st March 2021, the Company has recorded for impairment of loan given to Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd (Refer the note 46).

- 51 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

- 52 The disclosures regarding details of specified bank notes held and transacted during 08th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31st March 2021.

As per our report of even date attached.

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

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 26, 2021

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Independent Auditors' Report

To the Members of
FDC Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of FDC Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31st March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31st March 2021, of its consolidated profit and

other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Description of Key Audit Matters

Revenue recognition

The Group recognises revenue from the sales of pharmaceutical products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers.

We have identified recognition of revenue as a key audit matter as –

- revenue is a key performance indicator; and
- there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.

How the matter was addressed in our audit

Our procedures included the following:

- Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;
- Testing of design, implementation and operating effectiveness of the Group's general Information Technology ('IT') controls and key IT application controls by involving our IT specialists;
- Performing substantive procedures including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year;
- Examining the underlying documents such as sales invoices/ contracts and dispatch/shipping documents for the selected transactions;
- Assessing manual journals posted in revenue ledger to identify any unusual items.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paras (a), (b) and (c) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial information of two subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of INR 1,151.58 lakhs

as at 31st March 2021, total revenues (before consolidation adjustments) of INR 2,050.46 lakhs and net cash inflows of INR 1.28 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

- b) The aforementioned subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.
- c) The financial information of one subsidiary (for the period 27th July 2020 to 31st March 2021), whose financial information reflect total assets (before consolidation adjustments) of INR 314.70 lakhs as at 31st March 2021, total revenues (before consolidation adjustments) of INR 6.12 lakhs and net cash flows amounting to INR 109.38 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of INR 1.92 lakhs for the year ended 31st March 2021, as considered in the consolidated financial statements, in respect of a joint venture (for the period 01st April 2020 to 26th July 2020), whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act. This requirement is not applicable to FDC International Limited, FDC Inc. and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign subsidiaries of the Holding Company.
- f) The internal financial controls with reference to financial statements is not applicable to FDC International Limited, FDC Inc. and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign subsidiaries of the Holding Company. With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31st March 2021 on the consolidated financial position of the Group and its joint venture. Refer Note 43 to the consolidated financial statements;
- ii. The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended 31st March 2021;
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2021; and
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 08th November 2016 to 30th December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31st March 2021.

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

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. This requirement is not applicable to FDC International Limited, FDC Inc. and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign subsidiaries of the Holding Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Vikas R Kasat
Partner

Place: Mumbai
Date: May 26, 2021

Membership No: 105317
UDIN: 21105317AAAADT4608

Annexure A to the Independent Auditor's Report on the Consolidated Financial statements of FDC Limited for the year ended 31st March 2021

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2021, we have audited the internal financial controls with reference to consolidated financial statements of FDC Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

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

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

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

Vikas R Kasat
Partner

Place: Mumbai
Date: May 26, 2021

Membership No: 105317
UDIN: 21105317AAAADT4608

Consolidated Balance Sheet

as at 31st March 2021

PARTICULARS		Note No.	As at 31 st March 2021	As at 31 st March 2020
₹ in lakhs				
I. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	2		66,998.33	65,478.59
(b) Capital work-in-progress	2		1,921.12	2,385.00
(c) Right-of-use assets	2		1,477.38	1,249.76
(d) Other intangible assets	2		439.48	621.95
(e) Financial assets				
(i) Investments	3		26,536.07	16,231.47
(ii) Loans	4		659.02	612.71
(iii) Other financial assets	5		209.04	2.25
(f) Income tax assets (net)	6		2,403.12	1,582.93
(g) Other non-current assets	7		1,604.79	415.17
Total non-current assets			102,248.35	88,579.83
2. Current assets				
(a) Inventories	8		21,492.35	20,996.34
(b) Financial assets				
(i) Investments	9		52,484.06	50,224.12
(ii) Trade receivables	10		11,053.70	12,373.96
(iii) Cash and cash equivalents	11		3,043.15	2,987.69
(iv) Bank balances other than (iii) above	12		114.75	243.98
(v) Loans	13		140.96	116.90
(vi) Other financial assets	14		789.40	1,940.80
(c) Other current assets	15		3,840.81	3,829.29
(d) Assets held for sale	16		415.79	-
Total current assets			93,374.97	92,713.08
TOTAL ASSETS			195,623.32	181,292.91
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	17		1,688.10	1,709.73
(b) Other equity	18		171,725.39	153,033.23
Equity attributable to owners of the Company			173,413.49	154,742.96
Non-Controlling Interest			(17.32)	-
Total Equity			173,396.17	154,742.96
LIABILITIES				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19		20.80	34.36
(ii) Lease liabilities	20		679.56	928.69
(b) Provisions	26		39.22	32.40
(c) Deferred tax liabilities (net)	21		1,087.66	920.63
Total non-current liabilities			1,827.24	1,916.08
2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19		39.34	-
(ii) Trade payables	22			
(A) Total outstanding dues of Micro and small enterprises			1,332.78	1,810.68
(B) Total outstanding dues of creditors other than Micro and small enterprises			6,394.77	9,975.05
(iii) Lease liabilities	23		700.25	529.97
(iv) Other financial liabilities	24		6,159.19	6,806.76
(b) Other current liabilities	25		889.09	669.76
(c) Provisions	26		3,579.14	3,391.45
(d) Current tax liabilities (net)	27		1,305.35	1,450.20
Total current liabilities			20,399.91	24,633.87
TOTAL EQUITY AND LIABILITIES			195,623.32	181,292.91
Significant accounting policies				
The accompanying notes are an integral part of the consolidated financial statements.				

As per our report of even date attached.

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

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 26, 2021

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

₹ in lakhs

PARTICULARS	Note No.	For the year ended 31 st March 2021	For the year ended 31 st March 2020
I Revenue from operations	28	133,320.34	134,419.12
II Other income	29	9,702.56	6,889.76
III Total Income (I + II)		143,022.90	141,308.88
IV Expenses			
Cost of materials consumed	30	34,664.70	33,837.92
Purchases of stock-in-trade		9,352.26	8,215.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(2,610.39)	519.45
Employee benefits expense	32	29,628.54	27,747.84
Finance costs	33	343.42	341.62
Depreciation and amortisation expense	34	3,781.34	3,745.89
Other expenses	35	28,879.54	34,803.90
Total Expenses		104,039.41	109,212.18
V Profit before Share of profit/ (loss) of joint venture, exceptional item and tax (III- IV)		38,983.49	32,096.70
VI Share of profit/ (loss) of joint venture (net of tax)		1.92	(101.28)
VII Profit before exceptional item and tax (V+VI)		38,985.41	31,995.42
VIII Exceptional item	52	212.80	-
IX Profit before tax (VII-VIII)		38,772.61	31,995.42
X Tax expense:	27		
(1) Current tax		8,506.61	8,419.45
(2) Deferred tax		144.49	(411.87)
(3) Tax adjustments - eariler year		1.58	-
Total Tax expense		8,652.68	8,007.58
XI Profit for the year (IX-X)		30,119.93	23,987.84
XII Other comprehensive income/ (loss)	36		
A (i) Items that will not be reclassified subsequently to profit or loss		702.42	(447.64)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(96.43)	92.01
B (i) Items that will be reclassified to profit or loss		(176.48)	31.76
(ii) Income tax relating to items that will be reclassified to profit or loss		44.42	-
Other comprehensive income for the year (net of tax)		473.93	(323.87)
XIII Total Comprehensive income for the year (net of tax) (XI +XII)		30,593.86	23,663.97
Profit attributable to :			
Owners of the Company		30,134.56	23,987.84
Non-controlling interest		(14.63)	-
Other comprehensive income attributable to:			
Owners of the Company		477.60	(323.87)
Non-controlling interest		(3.67)	-
Total comprehensive income attributable to:			
Owners of the Company		30,612.16	23,663.97
Non-controlling interest		(18.30)	-
XIV Earnings per equity share	37		
Par value ₹ 1 per share (Previous year ₹ 1 per share)			
(1) Basic (₹)		17.72	13.94
(2) Diluted (₹)		17.72	13.94
Significant accounting policies	1.4		
The accompanying notes are an integral part of the consolidated financial statements.		1 to 57	

As per our report of even date attached.

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

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : May 26, 2021

Consolidated Statement of Cash Flows

for the year ended 31st March 2021

₹ in lakhs

PARTICULARS	For the year ended 31 st March 2021	For the year ended 31 st March 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before exceptional item and tax	38,985.41	31,995.42
Adjustments to reconcile profit before exceptional item and tax to net cash flows:		
Depreciation and amortisation expenses	3,781.34	3,745.89
Finance cost	343.42	301.70
Interest income	(1,198.80)	(767.71)
Net gain on disposal of property, plant and equipment	(67.68)	(1,767.13)
Dividend income	(13.61)	(3,273.27)
Net (gain)/ loss on sale of investments	(2,435.83)	1,178.04
Net gain on derecognition of financial assets	(1.96)	-
Fair value (gain)/ loss on financial instruments	(5,253.73)	1,315.95
Provision for financial Instruments	-	1,500.00
Share of (gain)/ loss of joint venture	(1.92)	101.28
Translation adjustment on consolidation	(36.89)	20.31
Unrealised foreign exchange loss/ (gain) on restatement	21.15	(86.63)
Lease rent waiver	(29.83)	-
Allowances for credit loss	60.12	5.43
Provision for doubtful debts no longer required, written back	(0.08)	(15.99)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	34,151.11	34,253.29
Working capital adjustments:		
Increase in inventories	(496.01)	(3,617.45)
Decrease/ (Increase) in trade receivables	1,240.39	(3,504.11)
Increase in financial assets	(407.06)	(92.01)
(Increase)/ Decrease in other assets	(25.23)	719.41
Decrease/ (Increase) in trade and other payables	(4,565.53)	5,173.45
Increase in provision	311.60	543.99
CASH GENERATED FROM OPERATIONS	30,209.27	33,476.57
Income tax paid (net)	(9,501.12)	(8,438.51)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)	20,708.15	25,038.06
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and other intangible assets	(6,253.94)	(3,123.27)
Proceeds from disposal of property, plant and equipment	380.16	2,751.17
Purchase of financial instruments	(97,254.51)	(98,368.49)
Proceeds from sale of financial instruments	94,475.67	84,794.56
Increase in fixed and margin deposits	(211.26)	(1.96)
Investments in Equity shares of subsidiary	(6.21)	-
Loan given to joint venture	-	(48.32)
Dividend income	13.61	3,273.27
Interest received	1,141.12	887.81
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(7,715.36)	(9,835.23)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buyback of equity shares	(9,733.50)	(12,005.00)
Expenses incurred for buyback of equity shares	(69.64)	(107.31)
Buy back tax paid	(2,217.13)	-
Finance cost	(66.61)	-
Repayment of loan to erstwhile joint venture partner	(277.56)	-
Repayment of lease liabilities	(689.52)	(598.33)
Repayment of sales tax deferral loan	(14.64)	(11.44)
Dividend (including dividend distribution tax) paid	-	(1,370.45)
Amount deposited/ (paid) in bank accounts towards unpaid dividend	133.70	(107.18)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(12,934.90)	(14,199.71)

Consolidated Statement of Cash Flows

for the year ended 31st March 2021

₹ in lakhs

PARTICULARS	For the year ended 31 st March 2021	For the year ended 31 st March 2020
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	57.89	1,003.12
Net foreign exchange differences on cash and cash equivalents	(2.43)	(7.06)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 11)	2,987.69	1,991.63
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11)	3,043.15	2,987.69

Notes to the Consolidated Statement of Cash Flows:

- Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise of the following Balance Sheet items.

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Cash on hand	7.47	12.02
Balances with banks:		
In current accounts	3,035.68	2,898.25
In deposit accounts (with original maturity of 3 months or less)	-	77.42
	3,043.15	2,987.69

- The Consolidated Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
- Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

₹ in lakhs

Particulars	Note No.	As at 31 st March 2020	Cash flows	Non-cash changes			As at 31 st March 2021
				Acquisition	Foreign exchange movement	Fair value change	
Borrowings	19						
Deferred sales tax loans		49.01	(14.64)	-	-	-	34.37
Loan from Non-controlling interest		-	(277.56)	316.90	-	-	39.34

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

As per our report of even date attached.

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

VIKAS R. KASAT
Partner
Membership No : 105317
Place : Mumbai
Date : May 26, 2021

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009
Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Consolidated Statement of Changes in Equity

for the year ended 31st March 2021

(A) EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	No. in lakhs	Amount
Balances as at 01 st April 2019	1,775.48	1,751.89
Less: 34,30,000 Equity shares of ₹ 1 each bought back	(34.30)	(34.30)
Less : Cancellation of forfeited Equity shares	(31.45)	(7.86)
Balances as at 31st March 2020	1,709.73	1,709.73
Less: 21,63,000 Equity shares of ₹ 1 each bought back	(21.63)	(21.63)
Balances as at 31st March 2021	1,688.10	1,688.10

(B) OTHER EQUITY

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Non-controlling interest	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve		
Balances as at 01 st April 2020	133,173.53	19,577.96	7.86	68.60	(77.22)	282.50	-	153,033.23
Profit for the year	30,134.56	-	-	-	-	-	(14.63)	30,119.93
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 37)								
- Remeasurement gain on defined benefit plans	87.62	-	-	-	-	-	-	87.62
- Net gain on FVTOCI financial assets	-	-	-	-	518.37	-	-	518.37
- Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	(128.39)	(3.67)	(132.06)
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 37)	87.62	-	-	-	518.37	(128.39)	(3.67)	473.93
Total Comprehensive income for the year	30,222.18	-	-	-	518.37	(128.39)	(18.30)	30,593.86
Expenses for buyback of Equity Shares	(69.64)	-	-	-	-	-	-	(69.64)
Buy back tax paid	(2,217.13)	-	-	-	-	-	-	(2,217.13)
Premium paid on buyback of Equity Shares	-	(9,711.87)	-	-	-	-	-	(9,711.87)
Networth acquired on acquisition (Refer note 51)	-	-	-	-	-	-	0.98	0.98
Transfer from General Reserve on Equity Shares bought back	-	(21.63)	-	21.63	-	-	-	-
Adjustment on derecognition of joint venture	(47.96)	241.20	-	-	-	(114.60)	-	78.64
Balances as at 31st March 2021	161,060.98	10,085.66	7.86	90.23	441.15	39.51	(17.32)	171,708.07

Consolidated Statement of Changes in Equity

for the year ended 31st March 2021

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve	
Balances as at 01 st April 2019	110,898.89	31,582.96	-	34.30	4.82	250.74	142,771.71
Profit for the year	23,987.84	-	-	-	-	-	23,987.84
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 37)							
- Remeasurement losses of defined benefit plans	(273.59)	-	-	-	-	-	(273.59)
- Net loss on FVTOCI financial assets	-	-	-	-	(82.04)	-	(82.04)
- Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	31.76	31.76
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 37)	(273.59)	-	-	-	(82.04)	31.76	(323.87)
Total Comprehensive income for the year	23,714.25	-	-	-	(82.04)	31.76	23,663.97
Dividends (including dividend distribution tax) (Refer note 38)	(1,370.45)	-	-	-	-	-	(1,370.45)
Cancellation of forfeited Equity Shares	-	-	7.86	-	-	-	7.86
Expenses for buyback of Equity Shares	(107.31)	-	-	-	-	-	(107.31)
Premium paid on buyback of Equity Shares	-	(11,970.70)	-	-	-	-	(11,970.70)
Transfer from General Reserve on Equity Shares bought back	-	(34.30)	-	34.30	-	-	-
Excess DDT Paid adjusted against outstanding demand	38.15	-	-	-	-	-	38.15
Balances as at 31st March 2020	133,173.53	19,577.96	7.86	68.60	(77.22)	282.50	153,033.23

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

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

As per our report of even date attached.

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

VIKAS R.KASAT
Partner
Membership No : 105317
Place : Mumbai
Date : May 26, 2021

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

SANJAY JAIN
Chief Financial Officer
Membership No : 110009
Place : Mumbai
Date : May 26, 2021

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Notes to the consolidated financial statements

for the year ended 31st March 2021

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

1.1 CORPORATE INFORMATION

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

These consolidated financial statements comprise of standalone financial statements of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in joint venture for the year ended 31st March 2021.

The Group is principally engaged in the business of Pharmaceuticals.

The consolidated financial statements for the year ended 31st March 2021 were authorised for issue by the Board of directors of the Holding Company on 26th May 2021.

The information in relation to subsidiaries and joint venture is provided in note 42.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of Compliance

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

Basis of Preparation and Measurement

These consolidated financial statements have been prepared on historical cost basis, except for following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and
- Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and

services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements are prepared in Indian Rupees (INR), which is the Group's functional currency. All financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of FDC Limited ("the Company" or the parent company) and all of its subsidiaries (together referred to as "the Group") and its joint venture entity. The subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. In the preparation of consolidated financial statements, all significant intra-group transactions and accounts are eliminated. Unrealised profits, if any, on items carried in inventories are also eliminated from the consolidated financial statements. Unrealised losses resulting from intra-group transactions have also been eliminated but only to the extent that there is no evidence of impairment.

The Group's interests in equity accounted investees comprise interests in joint venture entity. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group accounts for its share of interests in the joint venture entity using the equity method. The interest in joint venture is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

The financial statements of the parent and its subsidiaries have been consolidated using uniform accounting policies.

Notes to the consolidated financial statements

for the year ended 31st March 2021

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group's accounting policies. The financial statements of all subsidiaries and joint venture company are drawn upto the same date as the parent company.

Consolidation Procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Subsidiaries:

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investment in equity shares of subsidiaries at cost in accordance with Ind AS 27 - Separate Financial Statements.

Joint Venture:

The Group's interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the Consolidated Balance Sheet. Details of the joint venture are set out in note 50.

Equity Method:

Under the equity method of accounting, the investments are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for

impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.

Transactions Eliminated on Consolidation:

Inter-group balances and transactions, and any unrealised income and expenses arising from inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4 SIGNIFICANT ACCOUNTING POLICIES

a. Current and Non-Current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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The Group classifies all other liabilities as non-current.

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

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

b. Revenue Recognition

Revenue recognition under Ind AS 115 (applicable from 01st April, 2018)

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

The Group has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 01st April 2018).

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

Sale of Products

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

Profit Share Revenues

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

Sales Returns

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

Interest Income

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

Dividends

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

Rental Income

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

Export Incentive

Export incentives principally comprises of focus market scheme, and other export incentive schemes. The benefits

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under these incentive schemes are available based on the guidelines formulated for respective schemes by the government authorities. These incentives are recognised as revenue on accrual basis to the extent it is probable that realisation is certain.

Other Income

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

c. Property, Plant and Equipment

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

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

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined

as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in consolidated financial statements.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Depreciation Method and Estimated Useful Lives FDC Limited

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

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

Gain or Loss on Disposal

Any gain or losses on disposal of property, plant and equipment is recognised in the Consolidated Statement of Profit and Loss.

Estimated useful life of the assets is as follows:

Nature of Tangible Assets	Useful Life (No. of Years) As per Companies Act, 2013	Useful Life (No. of Years) As estimated by the Company
Plant and Machinery	7.5 to 15	7.5 to 15
Building	30 to 60	30 to 60
Laboratory testing machines	10	10
Office equipments	5	5
Furniture, fixtures and fittings	10	10
Computers and peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical installations	10	10
Leasehold land	Over the period of lease	Amortised over the period of lease ranging from 30 to 99

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

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Subsidiaries

Depreciation is provided on cost less estimated residual value of fixed assets over their expected useful lives following straight line method

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date and if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

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

d. Goodwill and Other Intangible Assets

Goodwill is initially recognised as the excess of consideration paid and acquirer's interest in the net fair value of the identifiable net assets of acquired business. Goodwill on acquisition of subsidiaries is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value on the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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

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

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

The Parent Company

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

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

e. Financial Instruments

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

Financial assets

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

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at

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fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

(a) Debt instruments at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A financial asset is subsequently measured at fair value through Other comprehensive income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Debt instruments included within

FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

(d) Equity instruments

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

Derecognition

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

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

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

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

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Impairment of Financial Assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are equity instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of trade receivables or contract assets.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables and Other Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected under the head 'Other expenses' in the Consolidated Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Equity instruments measured at FVTOCI:

Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 - Financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

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Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

f. Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

Level 1 - Quoted (unadjusted) market prices in active markets/ declared buyback NAV for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g. Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and applicable taxes, where applicable.

Notes to the consolidated financial statements

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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.

h. Foreign Currency Translation/ Transactions

The Group's consolidated financial statements are presented in Indian Rupees (INR) which is the parent company's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

Exchange differences arising out of settlement and restatement of foreign exchange monetary items are taken to the Consolidated Statement of Profit and Loss.

The exchange differences arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to translation difference.

The financial statements of the foreign subsidiaries and the joint venture company are translated into Indian Rupees as follows:

- Income and expense items except opening and closing inventories are translated at the average exchange rate for the year. Opening and closing inventories are translated at the rates prevalent at the commencement and close respectively of the accounting period.
- All assets and liabilities are translated using the closing exchange rate.
- The differences arising on elimination of monetary intra-group balances and transactions are taken to the Consolidated Statement of Profit and Loss.

- The differences on translation including those arising on elimination of non-monetary intra-group balances and transactions are taken to Other comprehensive income (OCI).
- On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the Consolidated Statement of Profit and Loss.
- On disposal or partial disposal of the foreign subsidiary, the foreign exchange differences recognised in OCI is reclassified to the Consolidated Statement of Profit and Loss.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e., 01st April 2015, in respect of all foreign operations to be nil at the date of transition. From 01st April 2015 onwards, such exchange differences are recognised in OCI and accumulated in equity.

i. Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants related to revenue is recognised on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets is recognised as income in equal amounts over the expected useful life of the related asset.

j. Employee Benefits

All employee benefits payable wholly within twelve months of rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

Defined contribution plans

The Group's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Consolidated Statement of Profit and Loss on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the

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related service. There are no other obligations other than the contribution payable to the respective trusts.

The Group fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The subsidiaries and joint venture don't have any defined contribution plans.

Defined benefit plans

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in Other comprehensive income. Remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods. Net interest and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

The subsidiaries and joint venture don't have any defined benefit plans.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k. Research and Development Expenses

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

l. Lease Accounting

Group as a lessee

The Group lease asset classes primarily consist of leases for land and buildings. The Group assess whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (1) the contract involves the use of an identified asset
- (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in

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circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

m. Earning Per Share

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any.

n. Taxation

Current tax

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the Consolidated Statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or

recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the relevant tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Group reassesses unrecognised deferred tax assets and is recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and deferred tax for the year

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except, when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in equity respectively.

Notes to the consolidated financial statements

for the year ended 31st March 2021

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and adjusted when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the authority is included as part of receivables or payables in the Balance Sheet.

o. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

p. Contingent Liabilities, Contingent Assets and Commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is disclosed in the consolidated financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

q. Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the chief operating decision maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Group's chief operating decision maker is the Managing Director of the Company.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

r. Cash and Cash Equivalents

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

For the purpose of the Consolidated Statement of Cash Flow, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. Cash Dividend to Equity Holders

The Group recognises liability to make cash distribution to equity holders of the parent company when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the law, distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t. Assets Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

Notes to the consolidated financial statements

for the year ended 31st March 2021

u. Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a business is calculated as the sum of the fair values of assets transferred and liabilities assumed as at the acquisition date i.e. date on which it obtains control of the acquiree, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Where the consideration transferred exceeds the fair value of the net assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

v. Policy For Statement of Cash Flows

The Group's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation

between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

1.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Sales Returns

Revenue from sale of products is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Group needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Group has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of Financial Assets

The Group recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full-time expected credit losses.

The Group follows 'Simplified approach' for recognition of loss allowance on trade receivables under which Group does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from

Notes to the consolidated financial statements

for the year ended 31st March 2021

actual developments in the future. These include determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair Value Measurement of Financial Instruments

When the fair value of financial assets and liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful Life of Property, Plant and Equipment and Other Intangible Assets

As described in Note 1.4 (c and d), the Group reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

Business Combinations and Intangible Assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation expert.

Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which

are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision Against Obsolete and Slow-Moving Inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. The Group estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have which would have been applicable from 01st April 2021. MCA issued notifications dated 24th March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Group for the financial year starting 01st April 2021.

Notes to the consolidated financial statements

for the year ended 31st March 2021

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, OTHER INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

PARTICULARS	GROSS CARRYING VALUE						DEPRECIATION/ AMORTISATION						NET CARRYING VALUE		
	As at 31 st March 2020	Additions	Acquisition through Business combination	Deletions/ Adjustments	Reclassification to Assets held for sale	Translation gain	As at 31 st March 2021	For the year	Impairment losses	Deletions/ Adjustments	Reclassification to Assets held for sale	Translation gain	As at 31 st March 2021	As at 31 st March 2020	
PROPERTY, PLANT AND EQUIPMENT															
Leasehold improvements	383.95	-	-	-	-	-	383.95	182.52	76.06	-	-	-	258.58	125.37	201.43
Freehold land *	41,159.25	-	-	58.97	88.45	-	41,011.83	-	-	-	-	-	41,011.83	41,159.25	
Buildings**	14,405.62	3,507.82	-	314.95	403.36	34.72	17,229.85	2,197.79	464.72	-	86.97	76.02	2,499.98	14,729.87	12,207.83
Plant and machinery	11,825.92	965.78	0.81	32.07	-	1.26	12,761.70	5,940.42	1,165.24	-	16.14	-	7,089.69	5,672.01	5,885.50
Laboratory testing machines	6,020.83	437.29	-	-	-	-	6,458.12	3,065.29	565.35	-	-	-	3,630.64	2,827.48	2,955.54
Electrical installations	1,260.55	187.33	-	97.61	-	-	1,350.27	752.00	103.95	-	88.01	-	767.94	582.33	508.55
Furniture, fixtures and fittings	2,743.22	197.92	0.72	-	-	0.08	2,941.94	1,533.45	195.27	-	-	-	1,728.72	1,213.22	1,209.77
Office equipments	2,653.75	172.82	-	2.36	-	-	2,824.21	1,901.08	369.85	-	2.36	-	2,268.57	555.64	752.67
Vehicles	585.30	61.45	1.12	32.60	-	0.12	615.39	281.92	85.46	-	32.60	-	334.81	280.58	303.38
Total of Property, plant and equipment (A)	81,038.39	5,530.41	2.65	538.56	491.81	36.18	85,577.26	15,854.47	3,025.90	-	226.08	76.02	18,578.93	66,998.33	65,183.92
RIGHT-OF-USE ASSETS															
Right-of-use (leasehold properties) (B)	2,064.16	473.98	15.23	-	-	1.61	2,554.98	519.73	557.63	-	-	-	1,077.60	1,477.38	1,544.43
OTHER INTANGIBLE ASSETS															
Marketing Rights/ Trademarks	133.08	2.50	3.84	-	-	-	139.42	74.83	15.70	-	-	-	90.53	48.89	58.25
Software	1,261.41	9.00	-	-	-	-	1,270.41	697.71	182.11	-	-	-	879.82	390.59	563.70
Goodwill	-	-	212.80	-	-	-	212.80	-	212.80	-	-	-	212.80	-	-
Total of Other intangible assets (C)	1,394.49	11.50	216.64	-	-	-	1,622.63	772.54	197.81	212.80	-	-	1,183.15	439.48	621.95
TOTAL (A+B+C)	84,497.04	6,015.89	234.52	538.56	491.81	37.79	89,754.87	17,146.74	3,781.34	212.80	226.08	76.02	20,839.68	68,915.19	67,350.30
Capital work-in-progress	<div> <div></div> <div>1,921.12</div> <div>2,385.00</div> </div>														

* Freehold land of ₹ 640.66 lakhs (Previous year - ₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 lakhs (Previous year - ₹ 3,178.14 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Group has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Group has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Group.



Notes to the consolidated financial statements

for the year ended 31st March 2021

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION/ AMORTISATION				NET CARRYING VALUE			
	As at 31 st March 2019	Additions	Deletions/ Adjustments	Translation gain	As at 31 st March 2020	As at 31 st March 2019	For the year	Deletions/ Adjustments	Translation gain	As at 31 st March 2020	As at 31 st March 2020	As at 31 st March 2019
PROPERTY, PLANT AND EQUIPMENT												
Leasehold land	333.26	-	-	-	333.26	30.99	7.60	-	-	38.59	294.67	302.27
Leasehold improvements	383.95	-	-	-	383.95	106.46	76.06	-	-	182.52	201.43	277.49
Freehold land *	41,544.78	-	834.62	-	40,710.16	-	-	-	-	-	40,710.16	41,544.78
Buildings**	13,407.78	-	134.83	12.43	13,285.38	1,680.41	408.89	11.78	1.11	2,078.63	11,206.75	11,727.37
Plant and machinery	11,046.26	827.42	48.15	0.39	11,825.92	4,879.69	1,103.54	43.07	0.26	5,940.42	5,885.50	6,166.57
Laboratory testing machines	3,226.59	303.57	32.85	-	3,497.31	1,356.70	356.32	24.32	-	1,688.70	1,808.61	1,869.89
Electrical installations	1,213.09	54.18	6.72	-	1,260.55	635.93	119.48	3.41	-	752.00	508.55	577.16
Furniture, fixtures and fittings	2,355.60	106.36	-	-	2,461.96	1,096.06	199.66	-	-	1,295.72	1,166.24	1,259.54
Office equipments	2,414.19	247.18	7.62	-	2,653.75	1,507.19	400.73	6.84	-	1,901.08	752.67	907.00
Vehicles	452.82	168.04	35.56	-	585.30	255.05	62.24	35.37	-	281.92	303.38	197.77
R&D Assets												
Freehold land	449.09	-	-	-	449.09	-	-	-	-	-	449.09	449.09
Buildings	1,120.24	-	-	-	1,120.24	93.43	25.73	-	-	119.16	1,001.08	1,026.81
Equipments	2,356.79	211.17	44.44	-	2,523.52	1,173.44	239.39	36.24	-	1,376.59	1,146.93	1,183.35
Furniture and fixtures	258.18	24.10	1.02	-	281.26	172.57	65.90	0.74	-	237.73	43.53	85.61
Total of Property, plant and equipment (A)	80,562.62	1,942.02	1,145.81	12.82	81,371.65	12,987.92	3,065.54	161.77	1.37	15,893.06	65,478.59	67,574.70
RIGHT-OF-USE ASSETS												
Right-of-use (leasehold properties) (B)	-	1,730.90	-	-	1,730.90	-	481.14	-	-	481.14	1,249.76	-
OTHER INTANGIBLE ASSETS												
Marketing Rights/ Trademarks	66.38	66.70	-	-	133.08	52.51	22.32	-	-	74.83	58.25	13.87
Software	1,150.78	110.63	-	-	1,261.41	520.82	176.89	-	-	697.71	563.70	629.96
Total of Other intangible assets (C)	1,217.16	177.33	-	-	1,394.49	573.33	199.21	-	-	772.54	621.95	643.83
TOTAL (A+B+C)	81,779.78	3,850.25	1,145.81	12.82	84,497.04	13,561.25	3,745.89	161.77	1.37	17,146.74	67,350.30	68,218.53
Capital work-in-progress											2,385.00	1,238.14

* Freehold land of ₹ 640.66 lakhs (Previous year - ₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 lakhs (Previous year - ₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Group has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Group has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Group.

Notes to the consolidated financial statements

for the year ended 31st March 2021

3 INVESTMENTS

₹ in lakhs

	Non-Current	
	As at 31 st March 2021	As at 31 st March 2020
UNQUOTED		
Investments measured at amortised cost		
Investments in government securities (Refer note below)		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of ₹ 2,000	0.02	0.02
(A)	0.09	0.09
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
1,000 (Previous year -1,000) Equity shares of The Saraswat Co-Op Bank Ltd of ₹ 10 each	0.10	0.10
5,000 (Previous year-5,000) Equity shares of The North Kanara G.S.B Co-Op Bank Ltd. of ₹ 10 each	0.50	0.50
100 (Previous year-100) Equity shares of Roha industries Association Sahakari Grahak Bhandar Ltd. of ₹ 25 each	0.03	0.03
(B)	0.63	0.63
Investments mandatorily measured at fair value through profit or loss		
Investments in units of mutual funds	3,985.18	6,921.38
Investments in fully paid-up Non Convertible Debentures	2,013.20	403.40
(C)	5,998.38	7,324.78
(D) = (A+B+C)	5,999.10	7,325.50
QUOTED		
Investments measured at amortised cost		
Investments in fully paid-up bonds	19,976.37	10,333.33
Less: Provision for impairment in the value of investments	(1,500.00)	(1,500.00)
(E)	18,476.37	8,833.33
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments		
84,375 (Previous year - 84,375) Equity shares of Motherson Sumi Systems Ltd of ₹ 1 each	170.05	51.51
6,000 (Previous year - 6,000) Equity shares of Sun Pharmaceutical Industries Ltd ₹ 1 each	35.86	21.13
23,250 (Previous year - Nil) Equity shares of HDFC Bank Ltd ₹ 1 each	347.25	-
13,070 (Previous year - Nil) Equity shares of Housing Development Finance Corporation Ltd ₹ 2 each	326.61	-
65,300 (Previous year - Nil) Equity shares of ICICI Bank Ltd ₹ 2 each	379.56	-

Notes to the consolidated financial statements

for the year ended 31st March 2021

₹ in lakhs

	Non-Current	
	As at 31 st March 2021	As at 31 st March 2020
210,400 (Previous year - Nil) Equity units of Mindspace business Parks REIT	620.03	-
81,200 (Previous year - Nil) Equity units of Brookfield India Real estate trust	181.24	-
(F)	2,060.60	72.64
(G) = (E+F)	20,536.97	8,905.97
(D+G)	26,536.07	16,231.47
Aggregate book value of quoted investments	20,536.97	8,905.97
Aggregate market value of quoted investments	20,536.97	8,905.97
Aggregate value of unquoted investments	5,999.10	7,325.50
Aggregate amount of impairment in value of investments	1,500.00	1,500.00

Note: National Savings Certificates of the value of ₹ 0.04 lakhs (Previous year – ₹ 0.04 lakhs) and Government of India G.P. Notes of the value of ₹ 0.02 lakhs (Previous year – ₹ 0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of ₹ 0.03 lakhs (Previous year – ₹ 0.03 lakhs) have been lodged with the Sales tax authorities.

4 LOANS*

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Loans to employees	31.25	17.99
Security deposits	627.77	594.72
	659.02	612.71

* There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

5 OTHER FINANCIAL ASSETS

₹ in lakhs

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Margin money deposits	209.04	2.25
	209.04	2.25

6 INCOME TAX ASSETS (NET)

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Income tax paid [Net of provision - ₹ 28,084.64 lakhs (Previous year - ₹ 29,545.46 lakhs)]	2,403.12	1,582.93
	2,403.12	1,582.93

Notes to the consolidated financial statements

for the year ended 31st March 2021

7 OTHER NON-CURRENT ASSETS

	As at 31 st March 2021	As at 31 st March 2020
₹ in lakhs		
Unsecured, considered good		
Capital advances	1,517.88	341.97
Prepaid expenses	86.91	73.20
	1,604.79	415.17

8 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

	As at 31 st March 2021	As at 31 st March 2020
₹ in lakhs		
Raw materials [Including stock in transit ₹ 261.71 lakhs (Previous year - ₹ 110.60 lakhs)]	6,258.23	8,133.92
Packing materials [Including stock in transit ₹ Nil (Previous year - ₹ 32.54 lakhs)]	1,514.73	1,810.91
Work-in-progress	2,428.11	1,652.44
Finished goods [Including stock in transit ₹ 560.87 lakhs (Previous year - ₹ 421.71 lakhs)]	8,126.33	7,778.76
Stock-in-trade	3,164.95	1,620.31
	21,492.35	20,996.34

During the year ended 31st March 2021, ₹ 1,001.93 lakhs (Previous year - ₹ 600.12 lakhs) was charged to the Consolidated Statement of Profit and Loss on account of damaged and slow moving inventories.

9 INVESTMENTS

	Current As at 31 st March 2021	As at 31 st March 2020
₹ in lakhs		
UNQUOTED		
Investments mandatorily measured at fair value through profit or loss		
Investments in mutual funds	50,991.38	50,224.12
Investments in fully paid-up non convertible debentures	1,492.68	-
	52,484.06	50,224.12
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	52,484.06	50,224.12
Aggregate amount of impairment in value of investments	-	-

10 TRADE RECEIVABLES

	As at 31 st March 2021	As at 31 st March 2020
₹ in lakhs		
Unsecured, considered good	11,053.70	12,373.96
Credit impaired	171.90	111.86
(A)	11,225.60	12,485.82
Less : Allowance for credit loss	(B) 171.90	111.86
(A-B)	11,053.70	12,373.96

Notes to the consolidated financial statements

for the year ended 31st March 2021

Movement in expected credit loss allowance

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Balance at the beginning of the year	111.86	122.41
Less: Amount collected and hence reversal of provision	0.08	15.98
Add: Provision made during the year	60.12	5.43
Balance at the end of the year	171.90	111.86

Note: There are no trade or other receivables which are due from directors or other officers of the Group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 47.

Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11 CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Cash on hand	7.47	12.02
Balances with banks:		
In current accounts	3,035.68	2,898.25
In deposit accounts (with original maturity of 3 months or less)	-	77.42
	3,043.15	2,987.69

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Margin money deposits*	33.04	28.57
In unpaid dividend account	81.71	215.41
	114.75	243.98

* Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.

13 LOANS

₹ in lakhs

	Current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Loans/ advances to employees	32.39	23.86
Security deposits	108.57	93.04
	140.96	116.90

Note: There are no trade or other receivables which are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to the consolidated financial statements

for the year ended 31st March 2021

14 OTHER FINANCIAL ASSETS

₹ in lakhs

	Current	
	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Receivable towards mutual funds units redemptions	-	1,545.77
Export benefit receivable	546.08	357.71
Other receivables	-	15.86
Interest accrued on investments and others	79.14	21.46
Net defined Gratuity benefits plan assets	164.18	-
	789.40	1,940.80

Note: There are no trade or other receivables which are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

15 OTHER CURRENT ASSETS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Unsecured, considered good		
Advances to suppliers	1,134.23	963.13
Prepaid expenses	771.12	740.47
Balances with statutory/ government authorities	1,935.46	2,125.69
Credit impaired		
Balances with statutory/ government authorities	25.69	25.69
(A)	3,866.50	3,854.98
Less: Allowance for doubtful advances	(B) 25.69	25.69
(A-B)	3,840.81	3,829.29

16 ASSETS HELD FOR SALE

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Freehold land	88.45	-
Building	327.34	-
	415.79	-

Note:- During the year, the Parent Company has identified freehold land cost value of ₹ 88.45 lakhs (NBV- ₹ 88.45 lakhs) and Building of ₹ 403.36 lakhs (NBV- ₹ 327.34 Lakhs) of Bhiwandi depot which has been moved from Property, Plant and Equipments to Assets held for sale. The Parent Company expects to dispose of these assets over the course of next 12 months.

Notes to the consolidated financial statements

for the year ended 31st March 2021

Break up of financial assets carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Investments (Refer note 3)	18,476.46	8,833.42	-	-
Loans (Refer note 4 and 13)	659.02	612.71	140.96	116.90
Trade receivables (Refer note 10)	-	-	11,053.70	12,373.96
Cash and cash equivalents (Refer note 11)	-	-	3,043.15	2,987.69
Bank balance other than cash and cash equivalents (Refer note 12)	-	-	114.75	243.98
Other Financial assets (Refer note 5 and 14)	209.04	2.25	789.40	1,940.80
Total financial assets carried at amortised cost	19,344.52	9,448.38	15,141.96	17,663.33

17 SHARE CAPITAL

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Authorised share capital:		
294,200,000 (Previous year - 294,200,000) Equity shares of ₹ 1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of ₹ 100 each	3.00	3.00
	2,945.00	2,945.00
Issued share capital:		
168,810,084 (Previous year - 170,973,084) Equity shares of ₹ 1 each, fully paid-up	1,688.10	1,709.73
	1,688.10	1,709.73
Subscribed and paid-up share capital:		
168,810,084 (Previous year - 170,973,084) Equity shares of ₹ 1 each, fully paid-up	1,688.10	1,709.73
Add: Nil (Previous year - 3,145,000) Equity shares forfeited	-	7.86
Less: Nil (Previous year - 31,45,000) Equity shares forfeited Cancelled	-	(7.86)
Total	1,688.10	1,709.73

Notes:

- (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31 st March 2021		As at 31 st March 2020	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
At the beginning of the period	1,709.73	1,709.73	1,744.03	1,744.03
Less: Share capital bought back	21.63	21.63	34.30	34.30
Outstanding at the end of the period	1,688.10	1,688.10	1,709.73	1,709.73

- (b) Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the consolidated financial statements

for the year ended 31st March 2021

During the year ended March 31, 2021, the amount of per share interim dividend paid as distribution to equity shareholders is ₹ Nil (Previous year - ₹ 0.80 per share).

The Holding Company had cancelled 31,45,000 forfeited equity shares of ₹0.25/- each containing total amount of ₹ 7.86 lakhs of forfeited equity shares and the same was by approved by shareholders in the annual general meeting held on September 27, 2019 by way of ordinary resolution. The forfeited capital amount has been transferred to Capital reserve as per the applicable provisions of Companies Act, 2013.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31 st March 2021	As at 31 st March 2020
	No. in lakhs	No. in lakhs
Equity shares bought back by the Holding Company	90.23	68.60

The Board of Directors, at its meeting held on August 07, 2020 had approved a proposal of the Parent Company to buy-back its 21,63,000 fully paid-up equity shares of face value of ₹ 1 each from the eligible equity shareholders of the Parent company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Parent Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on September 16, 2020 and was completed on September 29, 2020 and the Company bought back and extinguished a total of 21,63,000 equity shares at a price of ₹ 450 per equity share, comprising of 1.27% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 9,733.50 lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve. In accordance with Section 69 of the Companies Act, 2013, as at results approved for the period ended December 31, 2020, the Company has credited 'Capital Redemption Reserve' with an amount of ₹ 21.63 lakhs, being amount equivalent to the nominal value of the Equity Shares bought back as an appropriation from General Reserve.

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

	As at 31 st March 2021	As at 31 st March 2020
	No. of Shares %	No. of Shares %
Equity shares of ₹ 1 each fully paid		
Meera Ramdas Chandavarkar	32,680,175 19.36	33,043,676 19.33
Sandhya Mohan Chandavarkar Trust	18,497,057 10.96	18,702,799 10.94
Mohan Anand Chandavarkar Trust	18,176,466 10.77	18,378,643 10.75
Leo Advisors Private Limited	15,418,266 9.13	15,589,673 9.12
Virgo Advisors Private Limited	10,278,940 6.09	10,393,272 6.08
Ameya Ashok Chandavarkar	10,244,985 6.07	10,358,940 6.06

As per records of the Holding Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the consolidated financial statements

for the year ended 31st March 2021

18 OTHER EQUITY

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Capital redemption reserve		
Opening balance	68.60	34.30
Add: Transfer from General reserve on buy back of Equity shares	21.63	34.30
Closing balance (A)	90.23	68.60
Capital reserve		
Opening balance	7.86	-
Add: Cancellation of forfeited Equity Shares	-	7.86
Closing balance (B)	7.86	7.86
General reserve		
Opening balance	19,577.96	31,582.96
Less: Premium paid on buy back of Equity shares	(9,711.87)	(11,970.70)
Less: Transfer to Capital redemption reserve on buyback of Equity shares	(21.63)	(34.30)
Add: Adjustment on derecognition of joint venture	241.20	-
Closing balance (C)	10,085.66	19,577.96
Retained Earnings		
Opening balance	133,173.53	110,898.89
Add: Profit for the year	30,134.56	23,987.84
Less: Remeasurement gain/ (losses) of defined benefit plans	87.62	(273.59)
Less: Dividend on Equity shares (including Dividend distribution tax)	-	(1,370.45)
Less: Expenses relating to buyback of Equity Shares	(69.64)	(107.31)
Less: Tax on buyback	(2,217.13)	-
Add: Excess DDT paid adjusted against outstanding demand	-	38.15
Less: Adjustment on derecognition of joint venture	(47.96)	-
Closing balance (D)	161,060.98	133,173.53
Foreign currency translation reserve (Other comprehensive income)		
Opening balance	282.50	250.74
Add: Movement during the year	(128.40)	31.76
Less: Adjustment on derecognition of joint venture	(114.59)	-
Closing balance (E)	39.51	282.50
FTVOCI reserve (Other comprehensive income)		
Opening balance	(77.22)	4.82
Less: Net profit/ (loss) on equity shares carried at fair value through OCI	518.37	(82.04)
Closing balance (F)	441.15	(77.22)
Total (A+B+C+D+E+F)	171,725.39	153,033.23

Nature and purpose of Reserves

(a) Capital redemption reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to Capital redemption reserve.

(b) Capital reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company cancelled its own shares.

Notes to the consolidated financial statements

for the year ended 31st March 2021

(c) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by transfer from one component of equity to another and is not item of Other comprehensive income.

(d) Retained earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to General reserve, dividends or other distribution paid to shareholders.

(e) Foreign currency translation reserve

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

(f) Other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in other comprehensive income is transferred retained earnings on disposal of the investment.

19 BORROWINGS

Non-Current borrowings

	As at 31 st March 2021	As at 31 st March 2020
Deferred sales tax loans (unsecured) (Refer note 1 below)	34.37	49.01
Less: Amount disclosed under "Other financial liabilities" (Refer note 24)	13.57	14.65
(A)	20.80	34.36

Current borrowings

	As at 31 st March 2021	As at 31 st March 2020
Unsecured		
Loans from non-controlling interest (Refer note 2 below)	39.34	-
(B)	39.34	-
(A+B)	60.14	34.36

Note 1: Under various schemes of Government of Maharashtra, the Parent Company was entitled to interest free Sales tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-13 years commencing after a period of 10 - 12 years from the year of availment of deferred sales tax loan.

Note 2: Loans from non-controlling interest are repayable on demand and carry an interest rate of 5 % - 10.50%.

20 LEASE LIABILITIES

	Non-current	
	As at 31 st March 2021	As at 31 st March 2020
Lease liabilities	1,379.81	1,458.66
Less: Current maturities of finance lease obligation (Refer note 23)	700.25	529.97
	679.56	928.69

Notes to the consolidated financial statements

for the year ended 31st March 2021

21 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Deferred tax liability		
Depreciation	1,450.86	1,601.92
Unrealised gain on investments	785.01	-
(A)	2,235.87	1,601.92
Less: Deferred tax asset		
Provision for doubtful debts/ advances	49.73	34.62
Impairment provision	308.57	117.88
Liabilities disallowed under Section 43B of the IT Act, 1961	698.00	528.79
Difference in Right-of-use assets and Lease liabilities	47.49	-
Foreign currency translation reserves	44.42	-
(B)	1,148.21	681.29
Net deferred tax liability (A-B)	1,087.66	920.63

22 TRADE PAYABLES

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Total outstanding dues of Micro and small enterprises	1,332.78	1,810.68
Total outstanding dues of creditors other than Micro and small enterprises	6,394.77	9,975.05
	7,727.55	11,785.73

Note:

(A) Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 is provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

₹ in lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
(a) The principal amount remaining unpaid to any supplier due at end of each accounting year	24.37	111.04
(b) The interest due on the amount remaining unpaid to any supplier at end of each accounting year	5.07	4.74
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	5.07	4.74
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to the consolidated financial statements

for the year ended 31st March 2021

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status its suppliers.

(B) Terms and conditions of the creditors other than Micro and small enterprises:

Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

23 LEASE LIABILITIES

₹ in lakhs

	Current	
	As at 31 st March 2021	As at 31 st March 2020
Finance lease obligation (Refer note 20)	700.25	529.97
	700.25	529.97

24 OTHER FINANCIAL LIABILITIES

₹ in lakhs

	Current	
	As at 31 st March 2021	As at 31 st March 2020
Other financial liabilities carried at amortised cost		
Current maturities of long-term borrowings (Refer note 19)	13.57	14.65
Interest accrued on borrowings from non-controlling interest	12.08	-
Unpaid dividend (Refer note below)	81.71	215.41
Sundry deposits	1,326.46	1,238.42
Employee benefits payable	3,532.08	3,963.89
Due to directors	645.08	716.41
Other payables (includes disputed liabilities, trade advances, etc.)	548.21	657.98
	6,159.19	6,806.76

Note:- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

25 OTHER CURRENT LIABILITIES

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Advance from customers	394.14	269.79
Statutory dues payable*	494.95	369.95
Payables towards FDC SA (Refer note 47)	-	30.02
	889.09	669.76

*Include Goods and Service Tax, Provident fund, Employees' State Insurance, Labour Welfare fund, Profession tax, Tax deducted at source and Tax collected at source.

26 PROVISIONS

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
For Employee benefits (Refer note 45)	1,907.78	1,713.27
For Others	1,710.58	1,710.58
	3,618.36	3,423.85

Notes to the consolidated financial statements

for the year ended 31st March 2021

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total Excluding Gratuity benefits
Balance as on 01st April 2020	472.66	1,240.61	1,710.58	2,951.19
Provision made during the year	316.65	821.28	2,167.20	2,988.48
Remeasurement gain on defined benefit plans	(117.09)	-	-	-
Provision utilised during the year	(836.40)	(154.11)	(2,167.20)	(2,321.31)
Balance as on 31st March 2021	(164.18)	1,907.78	1,710.58	3,618.36
Current	-	1,907.78	1,671.36	3,579.14
Non-current	-	-	39.22	39.22
Net defined Gratuity benefits plan assets- show under - Other financial assets (Refer note no 14)	164.18			

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 01st April 2019	(91.27)	1,101.28	1,504.25	2,514.26
Provision made during the year	202.01	370.01	2,266.38	2,838.40
Remeasurement losses of defined benefit plans	365.60	-	-	365.60
Provision utilised during the year	(3.68)	(230.68)	(2,060.05)	(2,294.41)
Balance as on 31st March 2020	472.66	1,240.61	1,710.58	3,423.85
Current	472.66	1,240.61	1,678.18	3,391.45
Non-current	-	-	32.40	32.40

27 CURRENT TAX LIABILITIES (NET)

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Tax payable [Net of Income tax paid - ₹ 41,830.51 lakhs (Previous year - ₹ 31,827.79 lakhs)]	1,305.35	1,450.20
	1,305.35	1,450.20

Income tax expense recognised in Consolidated Statement of Profit and Loss

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Current tax		
Current tax on profits for the year	8,506.61	8,419.45
Current tax on adjustments for earlier years	1.58	-
Deferred tax	144.49	(411.87)
	8,652.68	8,007.58

Income/ (loss) tax expense recognised in Other comprehensive income

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Tax on remeasurement (gain)/ losses of defined benefit plans	(29.47)	92.01
Tax on gain on FVTOCI financial assets (net)	(66.96)	-
Tax on foreign currency translation losses	44.42	-
	(52.01)	92.01

Notes to the consolidated financial statements

for the year ended 31st March 2021

Income tax expense reconciliation

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Profit before tax	38,772.61	31,995.42
Applicable tax rate	25.168%	25.168%
Tax as per applicable tax rate of parent company in India	9,758.29	8,052.61
Share of loss of joint venture	(1.92)	101.28
Tax on (income)/ expenses not considered for tax purpose	(451.14)	708.72
Tax effect on exempt income	(32.89)	(850.94)
Tax incentives	(37.44)	(108.49)
Tax on additional allowances for capital (gain)/ loss	(452.44)	296.49
Tax impact of change in rates on opening deferred tax liability	-	(372.78)
Others (net)	(6.77)	3.96
Effect of tax rate of foreign subsidiaries (net)	(124.59)	176.73
Income tax expense charged to the Consolidated Statement of Profit and Loss	8,652.68	8,007.58

Deferred tax income recognised in Consolidated Statement of Profit and Loss and Other comprehensive income

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Increase/ (decrease) in Deferred tax liability		
Depreciation	(151.06)	(730.68)
Unrealised gain on investments	785.01	-
	633.95	(730.68)
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	15.11	(17.13)
Impairment provision	190.69	(20.88)
Liabilities disallowed under Section 43B of the IT Act, 1961	169.21	(251.81)
Difference in Right-of-use assets and Lease liabilities	47.49	-
Expenses debited in Statement of Profit and Loss but allowed for tax purpose in the following year	-	(28.99)
Foreign currency translation reserves	44.42	-
	466.92	(318.81)
Net deferred tax expenses/ (income) recognised in Consolidated Statement of Profit and Loss	167.03	(411.87)
Net deferred tax expense/ (income) recognised in Consolidated Statement of Profit and Loss	144.49	-
Net deferred tax expense/ (income) recognised in Consolidated Other Comprehensive income	22.54	-

Notes to the consolidated financial statements

for the year ended 31st March 2021

Break up of financial liabilities carried at amortised cost

₹ in lakhs

	Non-Current		Current	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Borrowings (Refer note 19 and 24)	20.80	34.36	52.91	14.65
Lease liabilities (Refer note 20 and note 23)	679.56	928.69	700.25	529.97
Trade payables (Refer note 22)	-	-	7,727.55	11,785.73
Other financial liabilities (24)	-	-	6,145.62	6,792.11
Total financial liabilities carried at amortised cost	700.36	963.05	14,626.33	19,122.46

28 REVENUE FROM OPERATIONS

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Sale of products (Refer note 48)	132,314.21	133,558.62
Other operating revenue (Refer note 48)	1,006.13	860.50
	133,320.34	134,419.12
Other operating revenue		
Export incentive	637.58	677.20
Other miscellaneous receipts	368.55	183.30
	1,006.13	860.50

29 OTHER INCOME

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
(a) Interest income on financial assets carried at amortised cost		
Current investments	34.30	41.44
Non-current investments	1,106.03	632.36
Others (Refer note below)	58.47	93.91
(b) Dividend Income on		
Current investments	-	3,271.52
Non-current investments	13.61	1.75
(c) Others		
Net gain on sale of investments	2,435.83	-
Net gain on derecognition of financial assets	1.96	-
Fair value gain on financial instruments at fair value through profit or loss	5,253.73	-
Net exchange gain on foreign currency transactions	279.16	638.44
Net gain on disposal of property, plant and equipment	67.68	1,767.13
Other non operating income (Includes rental income, miscellaneous provisions written back)	451.79	443.21
	9,702.56	6,889.76

Note: Interest on others includes interest on margin money deposits, fixed deposits, security deposits, interest on delayed payments from debtors etc.

Notes to the consolidated financial statements

for the year ended 31st March 2021

30 COST OF MATERIALS CONSUMED

(Raw materials and Packing materials)

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Inventory at the beginning of the year	9,944.83	5,807.93
Add: Purchases	32,492.83	37,974.82
	42,437.66	43,782.75
Less: Inventory at the end of the year	7,772.96	9,944.83
	34,664.70	33,837.92

₹ in lakhs

31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Inventory at the end of the year		
Finished goods	8,126.33	7,778.76
Stock in trade	3,164.95	1,620.31
Work-in-progress	2,428.11	1,652.44
	13,719.39	11,051.51
Inventory at the beginning of the year		
Finished goods	7,778.76	7,966.28
Stock in trade	1,620.31	1,435.38
Work-in-progress	1,652.44	2,169.30
	11,051.51	11,570.96
Stock-in-trade (on acquisition of subsidiary)	57.49	-
	(2,610.39)	519.45
Changes in Inventories		
Finished goods	(347.57)	187.52
Stock in trade	(1,544.64)	(184.93)
Stock-in-trade (on acquisition of subsidiary)	57.49	-
Work-in-progress	(775.67)	516.86
	(2,610.39)	519.45

₹ in lakhs

32 EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Salaries, wages and bonus (Refer note 45)	24,724.51	25,184.27
Contribution to provident and other funds (Refer note 44 and 45)	1,876.27	1,734.88
Staff welfare expenses	3,027.76	828.69
	29,628.54	27,747.84

₹ in lakhs

33 FINANCE COSTS

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Interest on finance lease obligations (Refer Note 49)	149.47	173.99
Interest on others	127.34	127.71
Other borrowing costs	66.61	39.92
	343.42	341.62

₹ in lakhs

Notes to the consolidated financial statements

for the year ended 31st March 2021

34 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Depreciation on property, plant and equipment	3,025.90	3,065.54
Amortisation of right-of-use assets and other intangible assets	755.44	680.35
	3,781.34	3,745.89

35 OTHER EXPENSES

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Processing charges	1,387.34	1,378.75
Power, fuel and water charges	2,707.98	2,739.68
Repairs and maintenance		
Building	461.51	384.96
Plant and machinery	694.97	690.47
Others	1,134.74	1,042.10
Labour contract expenses	1,502.93	1,512.57
Stores and spares	1,289.62	1,104.82
Pharma Miscellaneous expenses	2,013.95	2,212.22
Research and Development expenses	1,325.78	766.76
Rent (including lease rent) (Refer note 49)	24.28	1.51
Rates and taxes	100.62	112.60
Insurance	288.92	257.08
Travelling and conveyance	3,388.37	4,158.99
Communication expenses	314.20	257.00
Carriage, freight and forwarding	3,003.73	2,740.66
Advertisement and sales promotion	1,216.20	1,535.24
Publicity expenses	2,656.11	4,144.74
Sales tax/ Value added tax/ GST paid	235.79	275.18
Commission	692.18	774.48
Auditor's remuneration		
As audit fee	40.00	40.00
For other services*	2.50	9.17
Out of pocket expenses	1.63	4.31
Legal and Professional charges	598.37	960.42
Directors sitting fees	4.60	5.20
Allowances for credit loss	60.12	5.43
Provision for financial instruments	-	1,500.00
Donation	40.52	25.51
CSR Expenditure (Refer note 54)	550.99	537.49
Loss on sale of investments (net)	-	1,178.04
Fair value loss on financial instruments	-	1,315.95
Miscellaneous expenses	3,141.59	3,132.57
	28,879.54	34,803.90

* Buy-back related certification expenses of ₹ 1.80 lakhs (Previous year- ₹1.83 lakhs) have been recognised in General reserve and not included as part of Other expenses.

Notes to the consolidated financial statements

for the year ended 31st March 2021

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

During the year ended 31st March 2021

₹ in lakhs

	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Total
Remeasurement gain on defined benefit plans	117.09	-	-	117.09
Tax on remeasurement gain on defined benefit plans	(29.47)	-	-	(29.47)
Gain on FVTOCI financial assets (net)	-	585.33	-	585.33
Tax on gain on FVTOCI financial assets (net)	-	(66.96)	-	(66.96)
Exchange differences in translating financial statements of foreign operations	-	-	(176.48)	(176.48)
Tax on foreign currency translation reserves	-	-	44.42	44.42
	87.62	518.37	(132.06)	473.93

During the year ended 31st March 2020

₹ in lakhs

	Retained earnings	FVTOCI reserve	Foreign currency translation reserve	Total
Remeasurement losses of defined benefit plans	(365.60)	-	-	(365.60)
Tax on remeasurement losses of defined benefit plans	92.01	-	-	92.01
Loss on FVTOCI financial assets (net)	-	(82.04)	-	(82.04)
Exchange differences in translating financial statements of foreign operations	-	-	31.76	31.76
	(273.59)	(82.04)	31.76	(323.87)

37 EARNING PER SHARE (EPS)

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Profit for the year (₹ in lakhs)	30,119.93	23,987.84
Weighted average number of shares	169,983,437	172,044,372
Nominal value per share (₹)	1.00	1.00
Earnings per share - Basic (₹)	17.72	13.94
- Diluted (₹)	17.72	13.94

38 DIVIDEND DISTRIBUTION PAID

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
The following dividends on Equity shares were declared and paid by the Parent Company during the year:		
Interim dividend for the year ended 31 st March 2021 - Nil per equity share (Previous year- ₹ 0.80 per equity share)	-	1,367.78
Tax on interim dividend	-	2.67
	-	1,370.45

Notes to the consolidated financial statements

for the year ended 31st March 2021

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

Risk Management is an integral part of the Group's plans and operations. While the Group has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organised framework. The Group recognises risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives.

The Group, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and FVTPL investments.

The Group has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the Group's interest income. The Group does not have any exposure to floating rate financial instruments.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Foreign Currency Risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD rate with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax (₹ in lakhs)	Effect on Equity (₹ in lakhs)
31st March 2021	+1%	59.42	44.47
	-1%	(59.42)	(44.47)
31 st March 2020	+1%	57.78	43.24
	-1%	(57.78)	(43.24)

Credit Risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Group manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis. Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in equity instruments, money market liquid mutual funds, Bonds & Non-Convertible debentures with financial institutions. The Group has set counterparty limits based on multiple factors including financial position, credit rating, etc.

Notes to the consolidated financial statements

for the year ended 31st March 2021

The Group's maximum exposure to credit risk as at 31st March 2021 and 31st March 2020 is the carrying value of each class of financial asset.

Liquidity Risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

Financial assets :

₹ in lakhs

Particulars	As at 31 st March 2021			As at 31 st March 2020		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Investments	52,484.06	26,536.07	79,020.13	50,224.12	16,231.47	66,455.59
Loans	140.96	659.02	799.98	116.90	612.71	729.61
Trade receivables	11,053.70	-	11,053.70	12,373.96	-	12,373.96
Cash and cash equivalents	3,043.15	-	3,043.15	2,987.69	-	2,987.69
Bank Balances other than above	114.75	-	114.75	243.98	-	243.98
Other Financial assets	789.40	209.04	998.44	1,940.80	2.25	1,943.05

Financial liabilities :

₹ in lakhs

Particulars	As at 31 st March 2021			As at 31 st March 2020		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Trade payables	7,727.55	-	7,727.55	11,785.73	-	11,785.73
Borrowings	52.91	20.80	73.71	14.65	34.36	49.01
Lease Liabilities	700.25	679.56	1,379.81	529.97	928.69	1,458.66
Other Financial Liabilities	6,145.62	-	6,145.62	6,792.11	-	6,792.11

40 FINANCIAL INSTRUMENTS

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

The carrying value and fair value of financial instruments by categories as at the balance sheet date were as follows:

₹ in lakhs

Particulars	Carrying Value		Fair Value	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Financial assets:				
FVTOCI financial investments	2,061.23	73.27	2,061.23	73.27
FVTPL financial investments	58,482.44	57,548.90	58,482.44	57,548.90
Total	60,543.67	57,622.17	60,543.67	57,622.17

Notes to the consolidated financial statements

for the year ended 31st March 2021

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

	₹ in lakhs
	Total
As at 01 st April 2019	4.82
Re-Measurement recognised in OCI	(82.04)
As at 31 st March 2020	(77.22)
Re-Measurement recognised in OCI	518.37
As at 31st March 2021	441.15

Fair Value hierarchy

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

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

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

The following table represents the fair value hierarchy of Financial assets measured at fair value as at 31st March 2021:

		₹ in lakhs		
Financial assets	As at 31 st March 2021	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	54,976.56	54,976.56	-	-
Non-Convertible debentures	3,505.88	-	3,505.88	-
Quoted Equity Instruments	2,060.60	2,060.60	-	-
Unquoted Equity Instruments	0.63	-	-	0.63
Total	60,543.67	57,037.16	3,505.88	0.63

The following table represents the fair value hierarchy of Financial assets measured at fair value as at 31st March 2020:

		₹ in lakhs		
Financial assets	As at 31 st March 2020	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	57,145.50	57,145.50	-	-
Non-Convertible debentures	403.40	-	403.40	-
Quoted Equity Instruments	72.64	72.64	-	-
Unquoted Equity Instruments	0.63	-	-	0.63
Total	57,622.17	57,218.14	403.40	0.63

There have been no transfers between Level 1 and Level 2 during the period.

Notes to the consolidated financial statements

for the year ended 31st March 2021

41 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2021 and 31st March 2020.

The Group maintains a strong capital base and the primary objective of Group's capital management is to maximise the shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, the Group is debt free and would like to remain debt free.

The Group does not have any interest bearing loans and borrowings in the current year as well as previous year.

42 CONSOLIDATION OF ACCOUNTS:

The list of subsidiary companies and the joint venture company which are included in consolidation are as under:

Name of the Company	Country of Incorporation	Proportion of ownership interest/ voting power
FDC International Limited	United Kingdom	100% (Previous year – 100%)
FDC Inc.	United States of America	100% (Previous year – 100%)
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. (w.e.f 27 th July, 2020) (Previously held as joint venture)	Republic of South Africa	93% (Previous year – 49%)

43 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Contingent Liabilities		
a. <u>Disputed tax matters</u>		
Income tax (Appealed by the Company)	2,074.57	1,573.19
GST (Appealed by the Company)	1.90	4.49
Sales Tax (Appealed by the Company)	117.90	117.90
b. In respect of guarantees given by banks	726.85	534.93
c. Letter of credit issued by bankers	-	254.02
d. Estimated amount of duty payable on export obligation against outstanding advance licences	237.46	62.26

Notes to the consolidated financial statements

for the year ended 31st March 2021

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Contingent Liabilities		
e. During the year 2013-14, the Parent Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain formulations under the Drug (Prices Control) Order, 1995. The Parent Company had filed writ petition before the Hon'ble Supreme Court of India for stay of demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Parent Company. The said writ petition was disposed of in July 2016 with a liberty to the writ petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Parent Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA. The Company has also simultaneously filed revision petition with NPPA, hence, no provision is considered necessary in respect of the amount majorly being the interest component.	636.52	575.02
Commitments		
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)	5,451.37	1,156.36

Note:

The Parent Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities, GST Authorities and National Pharmaceutical Pricing Authority of India. The Parent Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Parent Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of ₹ 2,250.00 lakhs as at 31st March 2021 (Previous year – ₹ 2,250.00 lakhs).

44 THE CODE ON SOCIAL SECURITY, 2020 :

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Parent Company is in the process of carrying out the evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

45 DISCLOSURE OF EMPLOYEE BENEFITS:

As per Ind AS 19 - "Employee Benefits", the disclosures as required by the Accounting Standard are given below:

Defined Contribution Plan

Contributions to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer note 32) as under:

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Employer's Contribution to Provident Fund	542.11	531.91
Employer's Contribution to Pension Scheme	665.92	620.03
Employer's Contribution to Superannuation Fund	72.21	74.03

Notes to the consolidated financial statements

for the year ended 31st March 2021

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Parent Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income tax authorities.

₹ in lakhs

	Gratuity Funded Plan	
	As at 31 st March 2021	As at 31 st March 2020
I. Change in Benefit Obligation		
Liability at the beginning of the year	2,676.27	2,173.29
Interest Cost	154.15	151.26
Current Service Cost	289.43	208.36
Benefit Paid	(127.23)	(238.09)
Actuarial (gain)/ loss arising from changes in financial assumptions	28.33	155.87
Actuarial (gain)/ loss arising from changes in experience adjustments	78.34	225.58
Liability at the end of the year	3,099.29	2,676.27
II. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2,203.61	2,264.56
Interest income	126.93	157.61
Contributions	836.40	3.68
Benefit Paid	(127.23)	(238.09)
Return on plan assets, Excluding interest income	223.77	15.85
Fair Value of Plan Assets at the end of the year	3,263.47	2,203.61
III. Amount recognised in the Consolidated Balance Sheet		
Liability at the end of the year	(3,099.29)	(2,676.27)
Fair Value of Plan Assets at the end of the year	3,263.47	2,203.61
Amount recognised in the Consolidated Balance Sheet	164.18	(472.66)
IV. Net Interest Cost for Current Period		
Interest Cost	(154.15)	151.26
Interest Income	(126.93)	(157.61)
Net Interest Cost for Current Period	27.22	(6.35)
V. Expense recognised in the Consolidated Statement of Profit and Loss		
Current Service Cost	289.43	208.36
Net Interest Cost for current period	27.22	(6.35)
Expense recognised in the Consolidated Statement of Profit and Loss	316.65	202.01
VI. Expense recognised in the Consolidated Other Comprehensive Income (OCI)		
Actuarial (gain)/ loss on Obligations for the period	106.67	381.45
Return on Plan Assets excluding Interest Income	(223.76)	(15.85)
Net (Income)/ Expense recognised in the Consolidated Other comprehensive income	(117.09)	365.60
VII. Investment Details		
Government of India Assets	102.27	112.27
Corporate Bonds	-	-
Public Sector Bonds	1,104.36	579.74
State Government	1,791.34	1,257.22

Notes to the consolidated financial statements

for the year ended 31st March 2021

₹ in lakhs

	Gratuity Funded Plan	
	As at 31 st March 2021	As at 31 st March 2020
Equity	191.87	166.87
Others	73.63	87.51
Total	3,263.47	2,203.61
VIII. Actuarial Assumptions		
Discount Rate Current	5.58%	5.76%
Rate of Return on Plan Assets Current	5.58%	5.76%
Employee Attrition rate - Field	20% to 40%	20% to 40%
Employee Attrition rate - Others	10% to 30%	10% to 30%
Salary Escalation Current	8.00%	8.00%
IX. Maturity Analysis of Projected Benefit Obligation from the Fund		
Projected Benefits payable in future years from the date of reporting:		
Within the next 12 months	423.86	379.05
Between 2 and 5 years	1,464.23	1,229.86
Sum of 6 to 10 years	1,215.48	1,099.37
Sum of 11 years and above	1,266.57	1,122.72
X. Sensitivity Analysis for significant assumptions		
Benefit Obligation as at the end of the year	3,099.29	2,676.27
Increase/ (decrease) in Present Value of Benefit Obligation as at the end of the year:		
Effect of +1% change in Rate of Discounting	(150.59)	(131.25)
Effect of -1% change in Rate of Discounting	168.28	146.55
Effect of +1% change in Rate of Salary Increase	153.98	134.42
Effect of -1% change in Rate of Salary Increase	(141.23)	(123.68)
Effect of +1% change in Rate of Employee Turnover	(27.00)	(22.36)
Effect of -1% change in Rate of Employee Turnover	29.35	24.26

XI. Salary Escalation Rate

The estimates of future salary increase considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

XII. Basis used to determine Rate of Return on Plan Assets

The rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

XIII. The Group expects to contribute ₹ 168.21 lakhs to gratuity in next year (Previous year – ₹ 762.08 lakhs).

The liability for leave encashment as at the year end is ₹ 1,782.03 lakhs (Previous year – ₹ 1,190.41 lakhs) and provision for sick leave as at the year end is ₹ 125.75 lakhs (Previous year – ₹ 131.20 lakhs).

46 SEGMENT INFORMATION:

Primary segment information

The Group is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only business segment.

Secondary segment information

The principal geographical areas in which the Group operates are India and others. Based on the country-wise segmentation, the exports to USA country is more than 10% of enterprise revenue.

Notes to the consolidated financial statements

for the year ended 31st March 2021

The information related to secondary segment is as under:

Particulars	₹ in lakhs				
		India	USA	Others	Total
Segment Revenue	2020-2021	100,065.08	17,694.70	15,560.56	133,320.34
	2019-2020	107,185.60	14,061.40	13,172.12	134,419.12
Carrying amount of Non-Current Assets by location of assets	31 st March 2021	72,047.43	-	413.67	72,441.10
	31 st March 2020	69,777.13	-	373.34	70,150.47

Non-Current Assets for this purpose consists of Property, plant and equipment, Capital work-in-progress, Other intangible assets and Other non-current assets.

The Group does not have any customer with whom revenue from transactions is more than 10% of Group's total revenue.

47 RELATED PARTY DISCLOSURES, AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiary Company

- *Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. (w.e.f 26th July, 2020)
- *Previously held as Joint venture.

Names of other related parties with whom transactions have taken place during the year:

Managerial Personnel

- | | |
|------------------------------|-------------------------------------------------|
| - Mr. Mohan A. Chandavarkar | Managing Director |
| - Mr. Ashok A. Chandavarkar | Executive Director |
| - Mr. Nandan M. Chandavarkar | Joint Managing Director |
| - Mr. Ameya A. Chandavarkar | Executive Director & CEO-International Business |
| - Ms. Nomita R. Chandavarkar | Executive Director |
| - Ms. Swati S. Mayekar | Independent Director |
| - CA. Uday Kumar Gurkar | Chairman and Independent Director |
| - Mr. Mahesh Bijlani | Independent Director |
| - Mr. M. G. Parmeswaran | Independent Director |
| - Ms. Usha Chandrashekhar | Independent Director |
| - Mr. Sanjay Jain | Chief Financial Officer |
| - Ms. Varsharani Katre | Company Secretary |

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- Shree Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Notes to the consolidated financial statements

for the year ended 31st March 2021

Nature of transactions:

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
1 Interest income		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	11.01	22.94
2 Donation paid		
Anand Chandavarkar Foundation	20.00	25.00
3 Corporate Social Responsibility		
Shree Trust	-	425.00
4 Managerial remuneration*		
Mr. Mohan A. Chandavarkar	340.98	355.86
Mr. Ashok A. Chandavarkar	186.65	196.75
Mr. Nandan M. Chandavarkar	263.96	272.34
Mr. Ameya A. Chandavarkar	176.43	179.91
Ms. Nomita R. Chandavarkar	74.69	78.61
Ms. Swati S. Mayekar	3.40	3.55
CA. Uday Kumar Gurkar	3.40	3.55
Mr. Mahesh Bijlani	2.60	2.60
Mr. M G Parmeswaran	2.60	2.75
Ms. Usha A. Chandrashekhar	2.60	2.75
Mr. Sanjay Jain	93.00	84.53
Ms. Varsharani Katre	27.62	25.90
	1,177.92	1,209.10
5 Dividend on equity shares paid		
Mr. Nandan M. Chandavarkar	-	42.10
Mr. Ameya A. Chandavarkar	-	82.87
Ms. Nomita R. Chandavarkar	-	43.93
Ms. Meera R. Chandavarkar	-	264.35
Ms. Aditi C. Bhanot	-	9.28
Sandhya Mohan Chandavarkar Trust	-	149.62
Mohan Anand Chandavarkar Trust	-	147.03
Leo Advisors Pvt Ltd	-	124.72
Virgo advisors Pvt Ltd	-	83.15
Mr. Sanjay Jain	-	0.01
	-	947.06
6 Buyback of Shares		
Mr. Nandan M. Chandavarkar	260.49	323.66
Mr. Ameya A. Chandavarkar	512.80	637.15
Ms. Nomita R. Chandavarkar	271.83	337.75
Ms. Meera R. Chandavarkar	1,635.75	2,032.43
Ms. Aditi C. Bhanot	57.40	71.32
Sandhya Mohan Chandavarkar Trust	925.84	1,150.36
Mohan Anand Chandavarkar Trust	909.80	1,130.42
Leo Advisors Pvt Ltd	771.74	958.88
Virgo advisors Pvt Ltd	514.49	639.26
Mr. Sanjay Jain	0.17	-
	5,860.30	7,281.33
7 Loan granted		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	41.36	48.32

Note : * Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Parent Company as a whole and separate figures are not available.

Notes to the consolidated financial statements

for the year ended 31st March 2021

Outstanding amount of related parties:

	As at 31 st March 2021	As at 31 st March 2020
₹ in lakhs		
1 Outstanding balances payable included in Other current Liabilities		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. *	-	30.02
2 Outstanding balances payable included in Other Financial Liabilities		
Mr. Mohan A. Chandavarkar	195.40	217.29
Mr. Ashok A. Chandavarkar	130.70	144.34
Mr. Nandan M. Chandavarkar	146.09	163.34
Mr. Ameya A. Chandavarkar	113.64	126.82
Ms. Nomita R. Chandavarkar	49.25	54.62
Ms. Swati S. Mayekar	2.00	2.00
CA. Uday Kumar Gurkar	2.00	2.00
Mr. Mahesh Bijlani	2.00	2.00
Mr. M G Parmeswaran	2.00	2.00
Ms. Usha A. Chandrashekhar	2.00	2.00
Mr. Sanjay Jain	4.66	3.67
Ms. Varsharani Katre	1.65	1.53
	651.39	721.61

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

* Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. became subsidiary company w.e.f 27th July, 2020 and accordingly all inter-group transactions are eliminated on consolidation.

48 DISCLOSURE UNDER IND AS 115 - "REVENUE FROM CONTRACTS WITH CUSTOMERS"

The Group is engaged into manufacturing of pharmaceutical products. There is no impact on the Group's revenue on applying Ind AS 115 from the contract with customers.

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
₹ in lakhs		
A) Disaggregation of revenue from contracts with customers		
1) Revenue from contracts with customers		
Sale of products (transferred at point in time)		
Domestic Sales		
Formulation	98,722.31	106,088.69
Bulk Drugs	536.67	283.22
Sub total (a)	99,258.98	106,371.91
Export Sales		
Formulation	14,084.26	13,716.43
Bulk Drugs	6,074.69	4,856.43
	20,158.95	18,572.86
Profit share – Formulation	12,896.28	8,613.85
Sub total (b)	33,055.23	27,186.71
Total (a + b)	132,314.21	133,558.62

Notes to the consolidated financial statements

for the year ended 31st March 2021

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
2) Other operating revenue		
Export incentives	637.58	677.20
Other miscellaneous receipts	368.55	183.30
	1,006.13	860.50
Total Revenue	133,320.34	134,419.12
B) Sales by performance obligations		
Upon shipment	9,295.17	8,731.60
Upon delivery	110,122.76	116,213.17
Profit share – Formulation	12,896.28	8,613.85
	132,314.21	133,558.62
C) Reconciliation of revenue from contract with customer		
Revenue from contract with customer as per the contract price	135,541.08	137,014.91
Adjustments made to contract price on account of:		
a) Discounts/ Rebates/ Incentives/ Late delivery charges	730.77	920.80
b) Sales Returns/ Credits/ Reversals	2,496.10	2,535.49
Revenue from contract with customer	132,314.21	133,558.62
Other operating revenue	1,006.13	860.50
Revenue from operations	133,320.34	134,419.12

49 DISCLOSURE UNDER IND AS 116 – LEASES:

The Group significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases. There are no contingent rents.

A) Movement in the lease liabilities

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Opening Balances	1,458.66	-
Additions	473.98	1,883.00
Additions on acquisition of subsidiary (net of translation adjustments)	17.05	-
Interest expenses on lease liabilities (Refer note 33)	149.47	173.99
Payment of lease liabilities	(689.52)	(598.33)
Lease rent waiver	(29.83)	-
Closing Balances	1,379.81	1,458.66

B) Maturity analysis of lease liabilities

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Maturity analysis- Contractual undiscounted cash flows		
Within one year	805.71	661.92
After one year but not for more than five years	762.09	1,020.12
More than five years	-	-
Total undiscounted lease liabilities	1,567.80	1,682.04
Lease liabilities included in the statement of financial position		
Non-Current	679.56	928.69
Current	700.25	529.97
Total	1,379.81	1,458.66

Notes to the consolidated financial statements

for the year ended 31st March 2021

C) Amount recognised in the Consolidated statement of profit and loss

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Interest on lease liabilities (Refer Note 33)	149.47	173.99
After one year but not for more than five years	557.63	481.14

50 PURSUANT TO THE IND AS 112 – “DISCLOSURE OF INTEREST IN OTHER ENTITIES”, THE DISCLOSURES RELATING TO THE JOINT VENTURE COMPANY IS AS FOLLOWS:

Sr. No.	Name	Country of Incorporation	Percentage of Ownership Interest as at 31 st March 2021	Percentage of Ownership Interest as at 31 st March 2020
1.	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	Republic of South Africa	-	49%

Summarised financial information of the joint venture is given below:

₹ in lakhs

	As at 31 st March 2021	As at 31 st March 2020
Net Assets	-	(767.10)
Group's share of Net Assets (49%)	-	(375.88)
Carrying amount of interests in joint venture	-	(375.88)

The negative carrying amount of interests in joint venture of ₹ Nil (Previous year- ₹ 375.88 lakhs) is adjusted against loan, interest and other receivables given by FDC Limited to joint venture of ₹ Nil lakhs (Previous year- ₹ 345.86 lakhs) shown as “Loans to related parties” under “Current financial assets” in the Consolidated Balance Sheet.

No contingent liabilities and capital commitments have been incurred as at 31st March 2021 in relation to the Group's interest in the joint venture along with the other venturers (Previous year – ₹ Nil).

₹ in lakhs

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Revenue	-	141.55
Depreciation and amortisation	-	4.49
Interest expense	-	52.26
Income tax expense	-	(30.39)
Profit/ (Loss)	-	(206.70)
Other Comprehensive Income/ (Loss)	-	-
Total Comprehensive Income/ (Loss)	-	(206.70)
Group's share of Profit/ (Loss) (49%)	-	(101.28)
Group's share of OCI (49%)	-	-
Group's share of Total Comprehensive Income/ (Loss) (49%)	-	(101.28)

Notes to the consolidated financial statements

for the year ended 31st March 2021

51 ACQUISITION OF ADDITIONAL STAKE IN FAIR DEAL CORPORATION PHARMACEUTICALS SA (PTY) LTD.:

- a. On 27th July 2020, FDC Limited, acquired further stake of 44% in Fair Deal Corporation pharmaceutical SA (PTY) Ltd., South Africa ('FDC SA') by acquiring of 143,000 Equity shares from Pharma Q Holdings Pty Ltd, one of the joint venture partner. The consideration for the acquisition aggregates ₹ 6.21 lakhs as per the agreement signed between the parties on 17th July 2020.
- b. 44% Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below :

	₹ in lakhs
Particulars	Amount
Loans from Shareholders	789.21
Lease Liabilities	15.62
Trade Payables	8.08
Other financial liabilities	3.51
Total liabilities (A)	816.42
Property, Plant and Equipments	2.65
Right-of-use assets	15.23
Other Intangible assets	3.84
Inventories	57.49
Trade receivables	0.80
Loans	4.05
Cash and cash equivalents	24.98
Other current assets	0.29
Total assets (B)	109.33
Total Fair value of net liabilities before adjustments (C) = (A-B)	707.09
Less: Inter Company Loan adjustments (D)	(508.39)
Total Fair value of net liabilities (E) = (C-D)	198.70
Add: Fair value of investments already held (49%)	6.91
Add: Fair value of Non-controlling interest (7%)	0.98
Fair value of Balance acquired (44%)	206.59
Add: Purchase consideration paid	6.21
Goodwill	212.80

- c. The fair value of 49% equity interest already held before the acquisition date is ₹ 6.91 lakhs. The amount of gain of ₹ 36.93 lakhs as a result of remeasuring already held 49% investment is recognised as other income in the consolidated Statement of Profit and Loss.
- d. From the date of acquisition, Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. Contributed ₹ 6.12 lakhs to revenue from operations and a loss of ₹ 207.09 lakhs to the consolidated profit before tax on a pre-consolidation adjustments basis.

Had these business combination been effected at April 01, 2020, the revenue of the Group from continuing operations would have been higher by ₹ 3.70 lakhs and loss from continuing operations would have been higher by ₹ 46.76 lakhs on a pre-consolidation adjustments basis.

Notes to the consolidated financial statements

for the year ended 31st March 2021

52 EXCEPTIONAL ITEM:

Exceptional item includes impairment of goodwill resulting from the acquisition of FDC SA.

53 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ARE AS UNDER:

- Gross amount required to be spent by the Company during the year is ₹ 548.78 lakhs (Previous year - ₹ 455.79 lakhs).
- Amount spent during the year is given hereunder:

₹ in lakhs

Sr. No.	Particulars of Activity	For the year ended 31 st March 2021	For the year ended 31 st March 2020
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	550.99	537.49
	Total	550.99	537.49

- Related party transactions in relation to Corporate Social Responsibility during this year is Nil (Previous year - ₹425.00 lakhs).
- Details of ongoing projects for CSR under section 135(6) of the Act :

₹ in lakhs

Opening Balance as at 01 st April, 2020		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 st March, 2021	
With Company	In Separate CSR Unspent A/c		With Company	In Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	548.78	550.99	-	-	-

54 DETAILS OF LOANS, INTER CORPORATE DEPOSITS AND INVESTMENTS AS REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT 2013:

Details of loans given by the Group:

There were no loans given by the Group in favour of entities outside the group.

- The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- The disclosures regarding details of specified bank notes held and transacted during 08th November 2016 to 30th December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31st March 2021.

Notes to the consolidated financial statements

for the year ended 31st March 2021

57 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES/ JOINT VENTURE:

₹ in lakhs

Name of the entity	As at 31 st March 2021						As at 31 st March 2020					
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Parent												
FDC Limited	99.32%	172,226.66	99.77%	30,050.35	100.00%	473.93	99.77%	30,524.28	99.62%	154,159.85	97.98%	23,501.90
Subsidiaries												
Foreign												
1. FDC International Limited	0.50%	858.45	0.92%	278.02	0.00%	-	0.91%	278.02	0.36%	555.21	2.45%	588.46
2. FDC Inc.	0.03%	55.40	0.00%	(1.35)	0.00%	-	0.00%	(1.35)	0.04%	57.92	-0.01%	(1.24)
2. Fair Deal corporation Pharmaceuticals SA (Pty) Ltd.	0.15%	255.66	-0.69%	(207.09)	0.00%	-	-0.68%	(207.09)	-	-	-	-
Joint Ventures												
(Accounted as per equity method)												
Foreign												
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	-	-	-	-	-	-	-	-	-0.02%	(30.02)	-0.42%	(101.28)
	100.00%	173,396.17	100.00%	30,119.93	100.00%	473.93	100.00%	30,593.86	100.00%	154,742.96	100.00%	23,987.84
											100.00%	23,663.97

As per our report of even date attached.

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

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R. KASAT
Partner
Membership No : 105317
Place : Mumbai
Date : May 26, 2021

SANJAY JAIN
Chief Financial Officer
Membership No : 110009
Place : Mumbai
Date : May 26, 2021

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Notes



FDC Limited

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